




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Nahcolite Project	MINE/PROSPECTING ID#: M-1983-194	MINERAL: Carbonates	COUNTY: Rio Blanco
INSPECTION TYPE: Monitoring	INSPECTOR(S): Travis H. Marshall	INSP. DATE: September 4, 2014	INSP. TIME: 12:00
OPERATOR: Natural Soda, Inc.	OPERATOR REPRESENTATIVE: Michael Clark	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$2,852,945.66
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 23, 2014

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>NA</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted by the Colorado Division of Reclamation, Mining and Safety in response to a spill report provided by Natural Soda, Inc. on September 3, 2014 via phone message and a written spill report received September 4, 2014.

The spill occurred when a 4" plastic water pipe returning flow from the process pond to the plant was cut when a contractor was trenching for a new water line to the new water supply wells (WSW3 and WSW4). The release lasted for approximately 2 hours at an estimated rate of 40 gallons per minute, an estimated total of 4,800 gallons was released to the surface. According to the operators spill report approximately 40% of the spill was diverted back into the process pond. The remaining 60% was contained along the pond roadway ditch and new waterline trench where it soaked in.

The extent of the spill damage was minimal. The operator stated that the cause of the spill was attributed to the fact that the water return pipe was plastic and was therefore not locatable prior to excavation. To avoid future damage to the line the operator proposes to install surface markers locating the plastic pipes location.

While on location a recently reclaimed drill site approved under Technical Revision 35 was observed. The site was regraded and woody debris was placed over the replaced topsoil. The operator proposes to seed the site later this fall 2014.

If you need more information regarding this inspection report please contact Travis Marshall in the DRMS Grand Junction Field Office at (970) 241-2042.

PHOTOGRAPHS




Inspection Contact Address

Michael Clark
Natural Soda, Inc.
3200 CR 31
Rifle, CO 81650

Enclosure(s): Spill Report and Spill Map

CC: Paul Daggett
BLM-WRFO
220 East Market Street
Meeker, CO 81641

Report of Undesirable Event

1. Operator: Natural Soda		Field Name: Plant site	
2. IID NO (Lease): C-0118327			
3. Date and Time of Occurrence: 10:15A, 27-Aug-2014			
4. Date and Time Reported to BLM: by phone; approximately 11AM 27-Aug-2014			
5. Reported By: Michael Clark		Phone Number: 970-878-3674, x25	
6. Person in Charge: Kevin Posey		Phone Number: 970-878-3674, x19	
7. Location: County Rio Blanco	State CO	T. 1S	R. 98W Sec. 26 Qtr SW Qtr NE
8. Surface Ownership (Federal, Fee, Indian, State): BLM Nearest Town or Landmark: Meeker, CO			
9. Well or Facility ID: Plant			
10. Type of Event (see instructions): Water Spill			
11. Cause of, and Extent of Event: 4" plastic water pipe returning flow from process pond to plant was cut when contractor was trenching for water line to new water wells WSW3 and WSW4. Release lasted 2 hours, typical flow is 40 gpm, quantity out of pipe approx. 4800 gallons. About 40% was divered back into process pond, about 60% was divered north along pond roadway catchment and new waterline trench where it soaked in. None discharged offsite.			
12. Volume Discharged or Consumed:	Oil	Water 4800 gal	Gas
Volume Recovered:	Oil	Water 1800 gal	Gas
Volume Lost:	Oil	Water 3000 gal	Gas
13. Time Required to Control Event: 2 hours			
14. Action Taken to Control Event: Leak was excavated to identify line type, source of flow was investigated and shut off once determined.			
15. Description of Potential/Resultant Damage and Cause/Extents of Personal Injuries: No personal injures or environmental damage.			
16. Clean up Procedures and Dates: Waterline was repaired by 17:00. Excavation was barracaded.			
17. Action Taken to Prevent Recurrence/Initiate or Update Contingency Planning Underground locator service was engaged prior to excavation, but missed this pipe. Pipe is plastic and had no locator wire. Other pipes were located because they are metal or plastic with wire. Location of this pipe is noted for future avoidance.			
18. General Remarks: BLM visited site the next morning, reviewed release area. Refer to attached Natural Soda First Report for photos and map.			
19. Other Federal, State, and Local Agencies Notified: CO-DRMS, Travis Marshall, office 970-241-2042, mobile 970-433-8281			
20. Signature: 		Date: 3- Sept. - 2014	

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BLM USE ONLY

A. Field Office:		
D. Site Inspected By:		Date:
E. FY (PRIORITY YEAR): _____		
F. INSPECTION TYPE:		G. ACTIVITY CODE
H. NO. TRIPS:	INSPECTION HRS:	OFFICE HRS:

Instructions Report of Undesirable Event

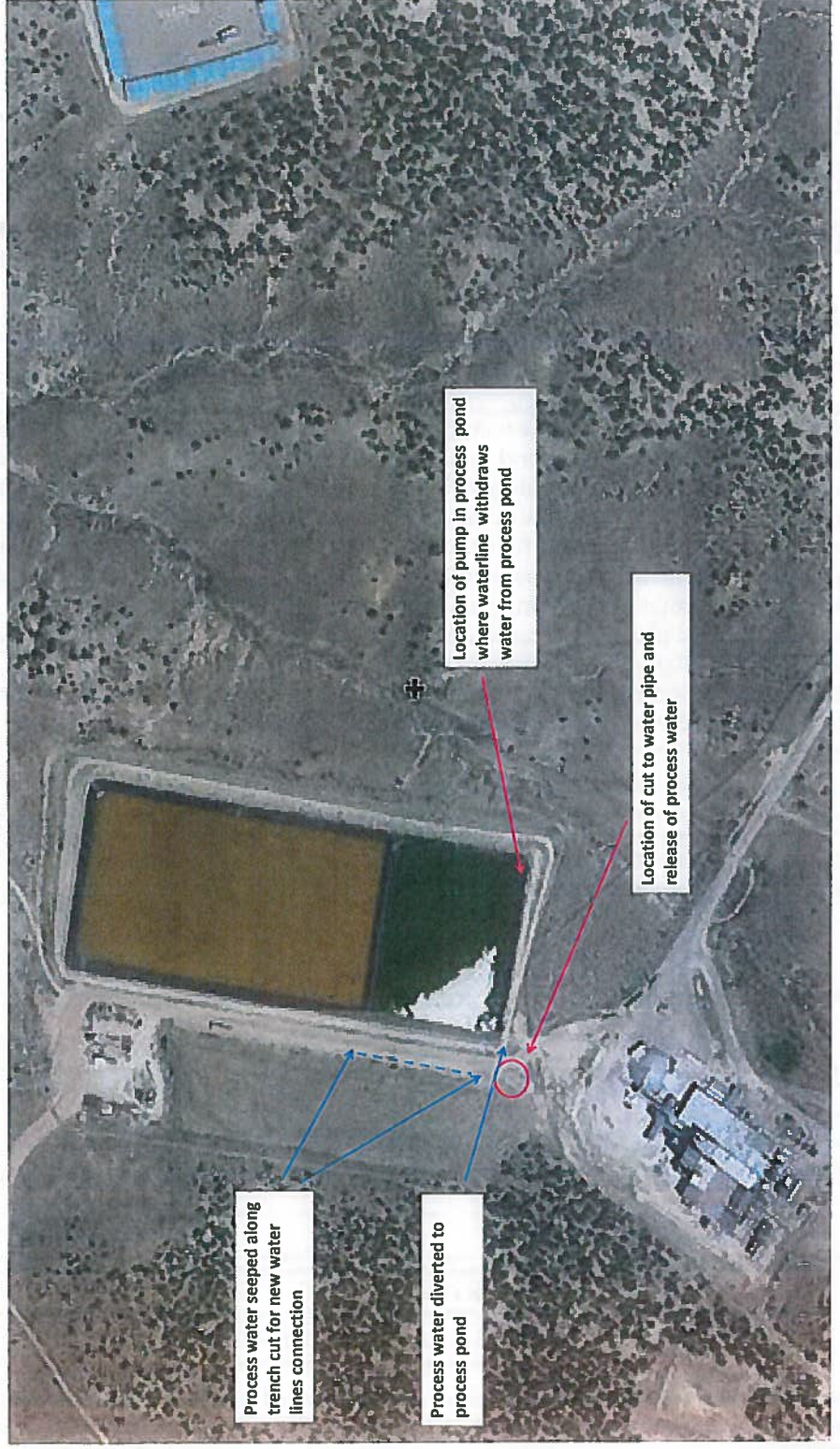
1. Name of operator and facility.
2. Identification number for the lease.
3. Date and time the undesirable event occurred.
4. Date and time the undesirable event was reported to BLM.
5. Reported by whom. Individual's name and telephone number.
6. Who will be in charge of the cleanup and their telephone number.
7. Exact location at which the undesirable event occurred.
8. Surface ownership; federal, state, fee, Indian, (describe) and other notable features like nearby town, communities or landmarks.
9. Associated well number, tank battery identification, pipeline nomenclature or other identification description.
10. Type of event; oil spill, oil and saltwater spill, oil and toxic fluid spill, toxic fluid spill, saltwater spill, saltwater and toxic fluid spill, gas venting, blowout, fire, fatality, injury, property damage or other (specify).
11. Describe cause and extent of event so a determination can be made as to avoidable or unavoidable loss.
12. List the amount discharged as a result of the event and list the amount recovered from the event. Also list the amount which was actually lost.
13. Time required to control the event in hours from the time of occurrence to when the event was stopped.
14. Describe the procedures and actions that were taken to control the event (include and attach photographs).
15. Describe the damage that that event caused, estimate the acreage of surface disturbance or length (feet, yard, miles) of area affected ; document any affected cultural resources, loss of any wildlife or livestock, and the cause and extent of any personal injury; identify if any sensitive areas or surface waters are or could be affected (include stream names).
16. Describe the cleanup procedures that were used along with dates and plans for reclaiming or remediating the disturbed areas.
17. Describe the actions taken or plans to prevent future events or if contingency plans will be developed or modified.
18. List any other miscellaneous remarks.
19. Identify other federal, state and local agencies notified (list names and phone numbers).
20. Signature and date of person receiving or submitting the report.



Water pooled from leak in process-pond return line
Water on road is from concurrent rainfall



Cut in process-pond return line occurred across from SW corner of ponds
Water from leak, mixed with rain water, flows north along west side of pond road



Process water seeped along
trench cut for new water
lines connection

Process water diverted to
process pond

Location of pump in process pond
where waterline withdraws
water from process pond

Location of cut to water pipe and
release of process water