

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Nahcolite Project	M-1983-194	Carbonates	Rio Blanco
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Travis H. Marshall	May 21, 2015	10:30
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Natural Soda, Inc.	Kirk Daehling and Jerry Daub	112d-3 - Designated Mining Operation	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Normal I&E Program	Complete Bond	\$3,067,525.80
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	None	None
WEATHER: Clear	INSPECTOR'S SIGNATURE:	SIGNATURE DATE: July 7, 2015

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 Y	(RD) ROADS <u>Y</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 Y	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE <u>Y</u>	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN Y	(SB) COMPLETE INSP Y
(ES) OVERBURDEN/DEV. WASTE <u>NA</u>	(SC) EROSION/SEDIMENTATION Y	(RS) RECL PLAN/COMP <u>Y</u>
(AT) ACID OR TOXIC MATERIALS <u>Y</u>	(OD) OFF-SITE DAMAGE <u>Y</u>	(ST) STIPULATIONS <u>NA</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 May 13, 2015 via phone message and a written spill report. The proposed changes of the operation associated with Technical Revisions 36, 37 and 38 were also discussed and observed during the inspection. Kirk Daehling of Natural Soda and Jerry Daub of Daub and Associates were both present during the inspection.

The spill occurred when a flange on a process water pipeline was loosened at a gate valve in order to clean out a pipeline restriction. Approximately 600 gallons of process brine was released during the event. The Operator stated that 500 gallons of the estimated 600 gallons spilled was recovered. The location of the spill was clean and free of any evidence that a spill occurred during the inspection.

The pad location for well pairs 15H, 16H and 17H was observed during the inspection. The survey markers for the well head locations were observed. The Operator stated that they are discussing different access routes with the BLM. According to the Operator the BLM prefers that Natural Soda accesses the pad from an existing road located to the southwest of the pad. The Operator stated that they would prefer to access the pad from the north/northeast. The Operator's preferred access point significantly reduces travel time to access the pad and would also restrict potential public trespass due to a greater ability to control access. The Division believes that a reduced travel time to access the pad in the event of a spill would greatly increase protection of adjacent non-disturbed land due to a faster response time.

If the BLM allows for construction of a new access road from the north/northeast the operator will likely have to install a large culvert(s) or a bridge to cross a deep drainage that lies between the existing northern pad and the proposed southern pad. If the BLM approves the Operator's preferred access route the new road construction will likely significantly increase the required reclamation bond.

The proposed plant expansion was observed and no issues associated with the expansion were noted during the inspection.

No off-site damage was observed during the inspection.

No problems or possible violations were observed during the inspection.

Photos of the conditions observed during the inspection are located at the end of this inspection report.

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

PERMIT #: M-1983-194 INSPECTOR'S INITIALS: THM INSPECTION DATE: May 21, 2015

PHOTOGRAPHS













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Inspection Contact Address

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> Paul Daggett BLM – WRFO 220 East Market Street Meeker, CO 81641