




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): Amy C. Yeldell	INSP. DATE: May 14, 2019	INSP. TIME: 10:00
OPERATOR: Natural Soda LLC	OPERATOR REPRESENTATIVE: Clive Beckington	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$4,158,340.68	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: U.S.BLM	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 29, 2019	

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>N</u>	(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>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</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>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

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

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. The Nacholite Project is a 112d-3 permitted site that includes a total of 12,248 permitted acres with a maximum disturbance of 260 acres. At this time approximately 100 acres have been affected. The site located approximately 25 miles southwest of Meeker, Colorado in Rio Blanco County. Clive Beckington of Natural Soda LLC represented the operator and accompanied Amy Yeldell of the Division on the inspection. Paul Daggett with the BLM was also present.

Work to begin swapping out the boiler units had commenced. Crews were observed dismantling the building which houses Boiler #1 and #2. At this time Boiler #2 is no longer in service. Boiler #1 will remain in operation throughout the demolition process until it is ultimately replaced with a boiler comparable to Boiler #3. At that time one structure will house both of them.

On May 16, 2019 TR-42 was approved. This revision included the 14H-1V and DS-10 wells and associated pads. At the time of the inspection dirt work on the DS-10 pad was observed. Pad construction for the 14H-1V had not yet begun.

The Division was anticipating the submission of TR-43 which was filed on May 23, 2019. The Division inspected the pads associated with this revision. TR-43 requested to; drill 15H-IR-E on 10H pad; extend 10H pad (15-17H-IR-E pad) and drill 16H-IR-E and 17H-IR-E wells; 7H-IV pad is reclaimed and will be redisturbed with 15H-1V well to be drilled; 1A-4HI pad (16-17H-1V pad) is reclaimed and will be redisturbed and have wells 16H-1V and 17H1V on it.

During the inspection the Division was able to observe a where the 15-16-17 wells pipeline had an undesirable event the day before (5-13-19). The Division was notified via email within 24 hours of the spill. A formal report was then submitted on May 20, 2019 (see attached). A valve on the barren liquor line developed a leak and began to spray an estimated 150 barrels of barren liquor onto the 4-3H(V) well pad. The line was isolated, repaired and brought back into service within approximately 3 hours. During the inspection the Division was able to see the areas affected by the spill. Vegetation was covered in Nacholite in approximately a 25-100 ft radius around the valve. Excess brine ran east and a dike was constructed to keep the brine within the affected areas. The brine was pumped and disposed of. Since the inspection the saturated soil has been excavated from the pad and disposed of within Pad 12's pit. Minimal remediation work remains. Specifically grading of eroded/excavated areas and soil stabilization via revegetation will be required. Please provide the Division with documentation that final remediation work has been completed as soon as practicable.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Inspection Contact Address

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PHOTOGRAPHS







Photo Four: Leak location, vegetation covered in Nacholite.



Photo Five: Excess brine contained with use of dikes, soil erosion evident.

