



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: August 13, 2019	INSP. TIME: 10:00
OPERATOR: Natural Soda LLC	OPERATOR REPRESENTATIVE: Kirk Daehling	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$7,521,565.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: U.S.BLM	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 18, 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>NA</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>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</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. Kirk Daehling, Gerry Deschanie, Jerry Daub, and John Moffat represented the operator and accompanied Amy Yeldell of the Division on the inspection. Paul Daggett with the BLM was also present.

The DS-10 well pad has been interim reclaimed. The outsides of the pad have been graded and topsoil applied. Seeding will occur later this fall. Only a small working footprint around the wellhead remains disturbed.

The 15H-IV well pad is still under construction. At the time of the inspection, they were working on surface completions - piping and electrical.

The 14H-IV well has been completed and is online. A new overhead electrical line was installed to supply the 14H-IV pad. The easement was cleared of any larger vegetation resulting in large mulch/wood chip piles. It was indicated that this reclamation is the utility company's responsibility.

Well 15H-IR-E has been drilled. They encounter a bad cement job that required the well to be perforated and squeeze cement job.

The Division observed the May 13, 2019 spill area. The value has since been removed to eliminate the potential fail point. All grading in that area has been completed and seeding of the disturbed areas will occur this fall.

Progress continues on the boiler system switch out. The external building around Boiler #1 and 2 has been completely removed. The old boiler #1 remains functional while #2 has been removed. The new upgraded Boiler has also been installed but is not operational. The majority of work is currently focused on concrete operations.

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 Two: Surface completion work on the 15H-1V pad



Photo Three: Right away cleared for 14H-IV pad.



Photo Four: Subsurface completions of 15-IR-E and expansion pad graded



Photo Five: Cement footer work being completed for new boiler building.