




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	WEATHER: Clear	INSP. DATE: December 9, 2022	INSP. TIME: 11:00
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: \$4,433,331.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: DRMS	JOINT INSP. AGENCY: None	
INSPECTOR(S): Amy Yeldell	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 19, 2022	

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>Y</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>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(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---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>NA</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>NA</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 Nahcolite 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 Division holds \$4,433,331 in financial warranty. The site is located approximately 25 miles southwest of Meeker, Colorado in Rio Blanco County. Kirk Daehling, Nathan Fisk and Jerry Daub represented the operator and accompanied Amy Yeldell of the Division on the inspection. James Roberts from White River Field Office BLM was also present.

This is the fourth quarter inspection for 2023. The focus of this inspection was to observe the wells recently abandoned this fall and a newly constructed one. No changes to production level or staffing have occurred or are anticipated in the near future.

The new 17H-1V SSMW (TR 48 and 49) has just been completed. Crews were observed on site running a Collar Locator and Cement Bond Log (CBL). This is a newly constructed pad. Currently topsoil is located on the southwest side of the pad. In the spring the pad will be interim reclaimed.

Well 90-1 was plugged and abandoned earlier this fall. It is located adjacent to the well field connex on a graveled surface. Casing has been cut off below the surface and no additional reclamation is anticipated at this time.

Well DVPW-1(A) has also been plugged and abandoned. The well casing is cut off below the surface. This pad is also used for staging. At this time there is no plans to reclaim the pad. The disturbed area may be repurposed and in the future the pipeline for new production wells may run through this pad area.

3M-TDR was actively being plugged at the time of the inspection. Crews were on site, so for safety we did not get close.

Wells DS-2 and BG-1 were also both plugged. All casing was cut off below the surface. They are located on the corner of the 8 Pad that is reclaimed. Little to no dirt work is necessary. Disturbed areas will be seeded this spring to blend into the 8 Pad.

Staff was able to see a flag indicating where the new 18H-IR W pad will be located. It is essentially a southern extension that is tiered above the 15-16 pad. An APD Application has been submitted to the BLM. Once granted approval from the BLM, NSI will submit a TR to DRMS. Drilling is anticipated for spring of 2023. No additional SSMW will be required, 17H-1V SSMW will also monitor this cavity. Also observed on the 15-17 pad was the recently abandoned 16H-R(I) well. 15H-I is anticipated to be plugged in 2023 and also potentially 14H-I.

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, Room 215, 1001 E 62nd Ave, Denver, CO 80216. Direct contact can be made by phone at 303-866-3567 Ext 8183 or via email at amy.yeldell@state.co.us

Inspection Contact Address

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Enclosure

EC:

Travis Marshall, Senior EPS, Grand Junction DRMS
Jerry Daub, Daub and Associates, Inc.
James Roberts, BLM-White River Field Office

PHOTOGRAPHS







Photo Four: Crews on site plugging 3M-TDR



Photo Five: Abandoned BG-1 and DS-2. Reclaimed pad 8 on right side

