

1985 ½ SOUTH BROADWAY GRAND JUNCTION, CO 81507-9649 (970) 254-1224 FAX (970) 242-8438 email: gjdaub@daubandassociates.com www.daubandassociates.com

November 7, 2012

Mr. Paul Daggett Bureau of Land Management 220 East Market Street Meeker, CO 81641

Re: APD for 10H-1V recovery well.

RECEIVED

NOV 08 2012 GRAND JUNCHON FIELD OFFICE DIVISION OF RECLAMATION MINING & SAFETY

Dear Mr. Daggett,

Natural Soda, Inc plans to drill the 10H-1V well early 2013. The 10H-1V will be a directionally drilled near vertical brine recovery well on the existing 7H pad, and therefore no new surface disturbance is necessary. The well will be steered into the end of the 10H-I mined interval and is intended to replace the 10H-R horizontal recovery well. This will allow continued use of the 10H-I injection well and completely develop the resource in that area. If a diagram showing well construction is desired, we may forward one to you at a later date.

Please find attached:

- Completed 3160-3 for the 10H-1V
- Well and pad survey information
- Location map
- Well construction specification table
- Drilling Schedule

Should you have any questions or comments, please contact me at (970) 254-1224 or (970) 216-1010 (c), or Bob Warneke at (970) 878-3674 ext. 14.

Regards,

Jon Dunt

Gerald J. Daub, P.G., C.P.G. President Daub & Associates, Inc.

Cc: Bob Warneke Vice President of Operations Natural Soda, Inc.

Cc: Travis Marshall Colorado Division of Reclamation Mining and Safety

| Form 3160-3 (August 2007) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER | | | | FORM APPROVED OMB No 1004-0137 Exputs July 31, 2010 5. Lease Serial No C-0118327 6. If Indian, Allotee or Tribe Name N/A | | | | | | | | | |
|---|--|---|----------------|--|--------------------------|---------------------|--|--|--|----------|--|--|--|
| | | | | | | | Ia. Type of work: DRILI REENTER | | | | 7 If Unit or CA Agreement, Name and No Natural Soda, Inc. | | |
| | | | | | | | b. Type of Well: Off Well Gas Well ✓ Other Single Zone Multiple Zone | | | vle Zone | 8. Lease Name and Well No. 10H-1V | | |
| 2. Name of Operator Natural Soda, inc. | | | | 9 API Well No. | | and a for the stand | | | | | | | |
| 3a. Address 3200 Rio Blanco County Road 31 | aco County Road 31 3b Phone No. Include area coder (970) 878-3674 | | | 10 Field and Pool, or Exploratory Boies Bed, Nahcolite | | | | | | | | | |
| Location of Well (Report location clearly and in accordance with any State requirements*) At surface Lat: 39.927570, Long: 108.357436, NAD 83 At proposed prod. zone | | | | 11. Sec., T. R. M. or Blk.and Survey or Area Section 26, T1S, R98W, 6th P.M. | | | | | | | | | |
| 14 Distance in miles and direction from nearest town or post office* 45 miles southwest of Meeker Colorado | | | | 12 County or Parish Rio Blanco | 13 State CO | | | | | | | | |
| Distance from proposed* location to nearest property or lease line, fi (Also to nearest drig, unit line, if any) | 16. No. of acres in lease 17 Spacin 8222.6 | | | ng Unit dedicated to this well | | | | | | | | | |
| 18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, It | 19 Proposed Depth 20 BLM ~2010' MD | | 20 BLM4 | UBIA Bond No. on file | | | | | | | | | |
| 21 Elevations (Show whether DF, KDB, RT, GL, etc.)6704 GL | 22. Approximate date work will start* 04/01/2013 | | | 23. Estimated duration 2 weeks | | | | | | | | | |
| | 24. Atta | | | | | | | | | | | | |
| The following, completed in accordance with the requirements of Onsho I. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3 A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office) | | 4 Bond to cover t liem 20 above).5 Operator certific | he operatio | is form: ns unless covered by an ormation and or plans as | | | | | | | | | |
| 25 Signature 3 9 Dunk | | Name (Primed Typed) Geraid Daub | | | Date 11/6/1 | 2 | | | | | | | |
| Fitle President, Daub & Associates, Inc. | | | | | 1 | | | | | | | | |
| Approved by (Signature) | | Name (Printed Typed) | | | Date | | | | | | | | |
| Title | Offic | flice | | | | | | | | | | | |
| Application approval does not warrant or certify that the applicant hole conduct operations thereon. Conditions of approval, if any, are attached. | ds legatorequ | iitable title to those right | hts in the sul | oject lease which would | entitle the applicant to | | | | | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c States any false, fictitious or fraudulent statements or representations as | crime for any to any matter | person knowingly and within its jurisdiction. | willfully to r | nake to any department | or agency of the Unit | ed | | | | | | | |

(Continued on page 2)

*(Instructions on page 2).