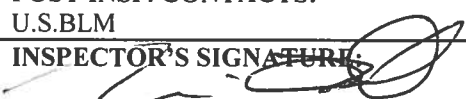




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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): Travis H. Marshall	INSP. DATE: July 24, 2013	INSP. TIME: 12:00
OPERATOR: Natural Soda, Inc.	OPERATOR REPRESENTATIVE: Michael Clark	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$178,250.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: U.S.BLM	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 6, 2013

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>Y</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>Y</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(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 as part of the normal program established by the Colorado Division of Reclamation, Mining and Safety. The Nahcolite Project is a 112d-3 operation located approximately 30 miles northwest of Rio Blanco, Colorado west of Piceance Creek Road. Michael Clark of Natural Soda, Inc. was present during the inspection.

The mining and reclamation permit was issued to Natural Soda, Inc. January 31, 1984. The total permit area is 8,223 acres. The maximum allowed disturbance at one time is 260 acres. The entire permit area is on land managed by the Bureau of Land Management (BLM). The Division currently holds a reclamation bond in the amount of \$178,250.00, the BLM holds \$1,859,000.00 and it is estimated that the Environmental Protection Agency is holding \$231,000.00.

The Nahcolite Project site is currently active. The project consists of 34 active monitoring wells; 6 active production wells and 4 active injection wells. Also located on the site is a production facility and evaporation ponds. The pond liner appeared to be in good condition and the operator recently installed netting over the entire pond to prevent water fowl from entering the pond.

Active drilling was observed at the 11/12 pad during the inspection.

No problems or possible violations were observed during the inspection.

Photos that show the conditions observed during the July 24, 2013 inspection are included at the end of this report.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone no. 970-241-2042.

PHOTOGRAPHS



Inspection Contact Address

Michael Clark
Natural Soda, Inc.
3200 CR 31
Rifle, CO 81650

cc: Paul Daggett
BLM – White River Field Office
220 East Market Street
Meeker, CO 81641