

Texas Brine Company, LLC Daily Update – 1/7/13

Fifth Amendment to the Declaration of Emergency and Directive dated 12/7/12

Per the requirement in the Fifth Amendment, the daily update on progress in implementing all Directives is provided below:

1. Directive 1:
 - a. The temporary geophone installed on 12/14/12 continues to work and generate data which is being reported as required. The work plan required by the Directive was submitted on 12/15/12 with additional information being provided on 12/19/12 in response to DNR's follow up question.
 - b. A vibro-seismic study is tentatively planned for the third week in January to work with the surface seismic stations, geophone well, and USGS stations.
 - c. A permanent geophone plan was submitted to DNR by MEQ on 1/4/13. DNR review and approval is needed to allow permanent geophone array to be ordered.
2. Directive 2:
 - a. TBC and consultants have submitted permit applications to build well locations and construct the wells, to the Office of Coastal Management (OCM) (12/21/12) and the Injection-Mining Division (12/27/12). DNR-Office of Conservation forwarded the well permit application to their Engineering Division-Lafayette on 12/28/12. TBC continues to answer questions and clarifications requested by DNR-Office of Coastal Management.
 - b. The plans for Geophone 01 & 02 wells were submitted to DNR on 12/28/12 as required.
 - c. TBC continues to work with adjacent landowners for access approval to improve the access road and build the location for Geophone 02 well.
3. Directive 3:
 - a. TBC and its consultant submitted the work plan for the additional MRAA monitor wells on 12/28/12 and will be ready to meet with DNR to review work plan comments.
 - b. Quotes for field related work for monitor well installation are being obtained by consultants.
 - c. Comments were received from DNR on 1/5/13 and are being reviewed.
4. Directive 4:
 - a. TBC and consultants submitted a work plan required by this Directive on 12/28/12 and will be ready to meet with DNR to review comments.
5. Directive 5:
 - a. TBC submitted the first daily report on 12/12/12 for OG 1 pressure monitoring as required. These will be submitted daily going forward
6. Directive 6:
 - a. TBC submitted the first daily report on 12/12/12 for OG 2 pressure monitoring as required. These will be submitted daily going forward.
7. Directive 7:

- a. TBC and consultants are developing plans for the required work. Past sonar inspection reports are being compiled. A sonar survey of Oxy Geismar Well 1 was completed on 1/3/13 and one for Oxy Geismar Well 2 during its workover in mid-January.

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