

Texas Brine Company, LLC Daily Update – 1/8/13

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 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 has received verbal approval from OCM and USACOE to begin building the well locations. Efforts will continue with contractors to begin the work at the earliest possible date and coordinate this work with response activities for Directives from other DNR Amendments due to area congestion.
 - b. The plans for Geophone 01 & 02 wells were submitted to DNR on 12/28/12 as required. Comments from DNR-Office of Conservation were received on 1/7/13 and are being reviewed.
 - c. TBC has received access approval from adjacent landowners to improve the access road and build the location for Geophone 02 well and will be mobilizing equipment to begin this work along with work required by other Directives for other DNR Amendments.
3. Directive 3:
 - a. TBC and its consultant submitted the work plan for the additional MRAA monitor wells on 12/28/12.
 - 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. Comments from DNR-Office of Conservation were received on 1/7/13 and are being reviewed.
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. A contract engineering firm will review the data and provide a professionally stamped report on the comparisons.

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