

Texas Brine Company, LLC Daily Update – 8/15/13

Fifth Amendment to the Declaration of Emergency and Directive dated 12/7/12 and Amended Fifth Amendment issued on 1/14/13

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

1. Directive 1:
 - a. No changes.
2. Directive 2a-e (Amended Fifth Amendment): Given DNR's issuance of an amended Fifth Amendment on 1/14/13, the requirements of this Directive have changed. TBC has work underway to address the requirements of Directive 2 a-e.
 - a. An additional aerial EM survey is scheduled to be performed, in the next few days once the helicopter arrives and weather permits, with different instrumentation in order to gather additional data for mapping of the shallow subsurface.
 - b. On 7/30/2013 G-01 was depressurized and a valve was installed in order to allow for the well to be logged. Plans are under development to begin installation of the permanent geophone array in early September. G-01 will be depressurized, sampled, and logged on 8/15/2013.
 - c. Geophone #3 is recording data on the CERL website as LA 17 location NW of the sinkhole.
 - d. Pressure monitoring continues on OG 1, OG 2, OT 9, and OT 10 brine wells.
3. Directive 3:
 - a. TBC and its consultant submitted a work plan for additional MRAA monitoring wells on July 15, 2013 in response to the June 25, 2013 LDNR Directive Item #1 in Sixth Amendment to Declaration of Emergency and Directive. DNR responded with comments on Installation of the additional monitor wells on 7/23/13.
4. Directive 4:
 - a. The TD measurement for OG3A taken on 8/9 encountered a hard bottom depth of 4046'.
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. The professional engineer's report was submitted 02/06/2013.

B.E. Martin
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