

Texas Brine Company, LLC Daily Update – 8/21/13

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 was performed 8/16 and 8/17, with different instrumentation in order to gather additional data for mapping of the shallow subsurface. Results will be provided once they are available
 - b. Plans are under development to begin installation of the permanent geophone array in G-01 in early September. G-01 was depressurized, sampled, and logged on 8/15/2013.
 - c. Geophone #3 is recording data on the CERI 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 8/16 encountered a true measured depth of 4030' and a true vertical depth of 3780''.
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
VP Operations
Texas Brine Company, LLC