



Texas Brine Company, LLC

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January 9, 2012

Commissioner James H. Welsh
P.O. Box 94275
Baton Rouge, LA 70804

RE: In response to State of Louisiana Department of Natural Resources Office of Conservation's Second Amendment to Declaration of Emergency and Directive

Commissioner Welsh,

In response to the Second Amendment and Declaration of Emergency and Directive order issued by the Louisiana Department of Natural Resources (LDNR), Office of Conservation on September 25, 2012, Texas Brine Company, LLC (TPC) understands the seven items listed in the document.

In the above mentioned, TBC was specifically directed and ordered to perform certain tasks outlined in the above mentioned document. Below are the required responses, as directed.

1. TBC's counsel provided LDNR legal counsel with a response to Directives 1-3 on September 28, 2012.
2. TBC understands Directive 4, which is to provide all daily logs and field notes from all contractors conducting investigation into subsidence and natural gas bubbling. The Daily Action Summary and results for current information can be found in the Attachment section of this report.
3. TBC understands Directive 5, which directs TBC to immediately allow for split or share any sample taken on site related to Well 3A (Serial Number 974265), the cavern, other wells facilities or other site locations. The Daily Action Summary of today's collection can be found in Attachment section of this report.
4. TBC understands Directive 6, which directs TBC to immediately report the results (final and preliminary) of any tests, logs samples or data collection performed on Well 3A, the cavern, other wells, facilities or site locations that indicate a change in any previously known conditions related to the investigation of the subsidence or natural gas bubbling

events, and continue to report any such results. The Daily Action Summary and the Results related to this Directive can be found in Attachment section of this report.

5. TBC understands the Directive 7, which states that TBC will provide a daily summary of all tests, or logs performed or samples taken from Well 3A and the cavern as well as any results of those tests or logs, including preliminary as of September 25, 2012 and going forward. The Daily Summary and Results related to this Directive can be found in Attachment section of this report.

Please note that the drilling rig used for the Observation Well 3A has been removed and the site is being rigged down and returned to pre-drilling condition. As such, daily drilling reports for this well have ceased. Plans are being made for longer term potential gas venting/flaring requirements and possible hydrocarbon material recover from Well 3A.

In addition, previous daily summary reports issued to LDNR have included significant duplicate information as there is a fair amount of overlap in the information requested in each of the Directives included in the September 25, 2012 order. All requested information associated with the Directives issued in the September 25, 2012 order are included in the Attachment section of this report.

TBC believes that the submittal of this report satisfies the requirements of the Declaration of Emergency and Directive issued on September 25, 2012. As directed this report is submitted by email to conservationorder@la.gov, ref. "Emergency Declaration-Texas Brine Company LLC-9/25/2012.



Bruce E. Martin

Vice President, Operations

Texas Brine Company, LLC

Summary Table for Daily Events

TBC Oxy Grand Bayou Data Management-Environmental

Contractor	Responsibilities	Collected By / Work Completed	Date Collected	Delivered to Lab	Results from Lab	Laboratory	Method	Date to Agencies
Sage	Stationary Air Monitoring	Steve Shaughnessy - 08:05 - 09:15 Ricky Provost (Code Red) - 07:00 - 17:00	1/8/2013	No	No	No	AreaRAE Monitors	1/9/2013
	Residential Air Monitoring	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Gas Seep Sampling	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Well Gas Sampling	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Indoor Air Monitoring	Jill Martin and William Verrett Site 6 - 13:05-13:25 Site TBD2 -13:50-14:06 Site 65 - 14:36-14:45	1/8/2013	NA	NA	NA	Hand-held Multipro Monitor	1/9/2013
Respec	Inclinometers/Tilt Meters	No work performed	1/8/2013	NA	NA	NA	NA	NA
	InSAR Reflector Installations	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Geophone Installation	Drill well, install & cement casing TBC-LA-12 - Walker Hill	1/8/2013	NA	NA	NA	NA	NA
	Amendment #3, Directive #2	Work completed; No work conducted	1/8/2013	NA	NA	NA	NA	NA
Miller	Weekly Stability Survey	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Misc. Survey Work	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Sinkhole Hydro/Perimeter Survey	No Work Performed	1/8/2013	NA	NA	NA	NA	NA
Pisani	Surface Water	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Well Water	No work performed	1/8/2013	NA	NA	NA	NA	NA
	Geoprobe Wells	No work performed	1/8/2013	NA	NA	NA	NA	NA

Grand Bayou Well 3A

Daily Operations at 3A	Summary of Today's events										
1/8/2013	OXY 3A										
	7 am	1/9/2013									
	0 casing										
	Relief Well # 1										
	1/7-8/2013	7:00 AM	7:00 AM	24.00	.500"	92.53	2220.72	2220.72	.94psi	Metered CFM	
1/8-9/2013	7:00 AM	7:00 AM	24.00	.500"	1.29	30.90	2251.62	.87psi	Metered CFM		

Attachments

Daily Action Summary

January 08, 2013

Stationary Air Monitoring

- Steve Shaughnessy onsite from 08:05 to 09:15. Changed out the monitors between 08:20 and 08:52. Collected data from the monitoring database and forwarded to Jill Martin in the Baton Rouge office for processing.
- Ricky Provost of Code Red (monitor sub-contractor) onsite from 07:00 to 17:00. Assisted in battery change outs and maintenance of the monitoring equipment.

Residential Air Monitoring

- Not Scheduled

Gas Seep Sampling

- Not Scheduled

Well Gas Sampling

- Not Scheduled

Air Indoor Monitoring

- Jill Martin and William Verrett performed the in-home LEL monitoring between 13:05 to 13:25 for Site 6, 13:50 to 14:06 for Site TBD2, and 14:36 to 14:45 for Site 65. Data collected from the monitoring was forwarded to Jill Martin in the Baton Rouge office for processing.

Texas Brine - Belle Rose, Louisiana
Hourly Air Monitoring Data

*Time indicates start of time period (ex. 12:00:00 AM gives the time period 12:00:00 AM to 12:59:59 AM)

Date-Time *	South-most Pipeline Site					Middle-most Pipeline Site					North-most Pipeline Site					On Drill Rig Boom					Relief Well				
	AM-3					AM-2					AM-1					OG 3A-1					RW-1				
	CO (ppm)	Non-Methane VOC (ppm)	H2S (ppm)	LEL (%)	O2 (%)	CO (ppm)	Non-Methane VOC (ppm)	H2S (ppm)	LEL (%)	O2 (%)	CO (ppm)	Non-Methane VOC (ppm)	H2S (ppm)	LEL (%)	O2 (%)	SO2 (ppm)	Non-Methane VOC (ppm)	H2S (ppm)	LEL (%)	O2 (%)	CO (ppm)	Non-Methane VOC (ppm)	H2S (ppm)	LEL (%)	O2 (%)
01/08/2013 01:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	1.2	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	1.2	<1.0	0.0	0.0	20.9
01/08/2013 02:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	1.1	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 03:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 04:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9
01/08/2013 05:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 06:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 07:00:00 AM	0.0	0.0	<1.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 08:00:00 AM	<1.0	<1.0	<1.0	0.0	20.9	<1.0	0.0	0.0	0.0	20.9	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 09:00:00 AM	<1.0	<1.0	<1.0	0.0	20.9	<1.0	0.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9
01/08/2013 10:00:00 AM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 11:00:00 AM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 12:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 01:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 02:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	<1.0	0.0	<1.0	0.0	20.9
01/08/2013 03:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 04:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 05:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 06:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 07:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9
01/08/2013 08:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 09:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 10:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	<1.0	0.0	20.9
01/08/2013 11:00:00 PM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9
01/09/2013 12:00:00 AM	<1.0	<1.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	0.0	0.0	0.0	20.9	0.0	<1.0	0.0	0.0	20.9	0.0	<1.0	<1.0	0.0	20.9



LEL Indoor Monitoring Locations

Through 1/8/2013

Sportsman Drive Locations





LEL Indoor Monitoring Locations

Through 1/8/2013

Crawfish Stew Street and Sauce Piquante Lane Locations





LEL Indoor Monitoring Locations

Through 1/8/2013

Grand Bayou Street Locations



Indoor Residential Monitoring - Site 6
 Bayou Corne, LA
 January 8, 2013

Index	Rooms Monitored	Number of Readings Taken In Reach Area/Room	LEL Reading Results (%)					
1	Kitchen	5	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
2	Laundry Room	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
3	Office	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
4	Dining Room	2	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A	N/A
5	Living Room	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
6	Foyer Closet	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
7	Hall Bathroom	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
8	Extra Bedroom - Playroom	1	No Detectable Reading	N/A	N/A	N/A	N/A	N/A
9	Closet in Extra Bedroom - Playroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
10	Water Heater Closet	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
11	Guest Bedroom	1	No Detectable Reading	N/A	N/A	N/A	N/A	N/A
12	Closet in Guest Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
13	Hall Linen Closet	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
14	Master Bedroom	1	No Detectable Reading	N/A	N/A	N/A	N/A	N/A
15	Closet in Master Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
16	Master Bathroom	6	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading
17	Utility Building	2	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A	N/A
18	Bathroom in Utility Building	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A

Indoor Residential Monitoring - Site TBD2
 Bayou Corne, LA
 January 8, 2013

Index	Rooms Monitored	Number of Readings Taken In Reach Area/Room	LEL Reading Results (%)				
1	Kitchen	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
2	Pantry	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
3	Left Hall Closet	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
4	Right Hall Closet	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
5	Living Room	2	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
6	Refrigerator Room	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
7	Hall Bathroom	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
8	Left Guest Bedroom	1	No Detectable Reading	N/A	N/A	N/A	N/A
9	Closet in Left Guest Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
10	Right Guest Bedroom	2	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
11	Closet in Right Guest Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
12	Computer Nook	2	No Detectable Reading	No Detectable Reading	N/A	N/A	N/A
13	Master Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
14	Closet in Master Bedroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A	N/A
15	Master Bathroom	5	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Readings
16	Garage	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A

Indoor Residential Monitoring - Site 65
 Bayou Corne, LA
 January 8, 2013

Index	Rooms Monitored	Number of Readings Taken In Reach Area/Room	LEL Reading Results (%)			
1	Multi-purpose Building Hobby Room	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
2	Multi-purpose Building Closet in Hobby Room	2	No Detectable Reading	No Detectable Reading	N/A	N/A
3	Multi-purpose Building Shop Room	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
4	Multi-purpose Building Garage	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A
5	Guest House Kitchen	4	No Detectable Reading	No Detectable Reading	No Detectable Reading	No Detectable Reading
6	Guest House Living Room	1	No Detectable Reading	N/A	N/A	N/A
7	Guest House Closet in Living Room	2	No Detectable Reading	No Detectable Reading	N/A	N/A
8	Guest House Bathroom	3	No Detectable Reading	No Detectable Reading	No Detectable Reading	N/A

RESPEC Consulting & Services

Texas Brine, L.L.C.

Assumption Parish, Louisiana

Daily Field Report

Report By: Eric Krantz

Date: 01-08-2013

Company: RESPEC

Work Order #: 0

Personnel	Company	Job Title
Eric Krantz	RESPEC	Engineer
Gary Hill	WHE	WHE President
Timmy	WHE	Driller- Sonic
	WHE	Helper
	WHE	Helper

Time On Site: Start Time: 0800 End Time: 1730

Weather: Cloudy, rainy, calm, high ~65 F.

Equipment: Geoprobe rig, sonic rig and other drilling related equipment; FID (WHE);

Daily Activity: Safety meeting. Submit Workplan for geophone wells. Meet Danny with Florida Gas to tour pad where TBC-LA-12 for utility check. Geoprobe rig on Stand-by. Installed 4" equipment mounting pole at TBC-LA-13 and TBC-LA-12, 5' below grade and 5' above grade. Sonic crew drilled, installed and cemented annulus 65 ft 5 inch galv casing, 63 ft bls, 2 ft stick-up on TBC LA-12. Collect Shelby Tube sample from 10' and 20' in TBC-LA-12. Sonic crew pumped water from TBC-LA-13. Meet w/ Scott Borne, Chris from Tetra Tech, Gary Hill, and Maurice Valentine to discuss 160' vent well on Pad 3. Order 60W solar panels for IPI sites w/ cell modems to replace 20W panels.

Proposed Schedule: Meet with Scott Borne to visit Pad 3 and determine location for ORW-12 vent well. Drillers set up and drill ORW-12. Continue pushing site access for Cross-Tex geophone wells.

WHE: Sonic: Drill and set casing at ORW-12. Geoprobe- Stand-by.

RESPEC: Support drilling activities for vent well ORW-12 installation. Pushing for site access to Cross Tex (TBC-LA-15 and TBC-LA-16).

Initials: ELK

ME&A Daily Action Summary

January 8, 2013

Subsidence Survey:

- No Work Done

Sinkhole Perimeter/Hydrographic Survey:

- No Work Done

Support Sinkhole Cleanup

- No Work Done

Misc. Survey Work

- No Work Done

Michael Pisani & Associates

Texas Brine, L.L.C.

Assumption Parish, Louisiana

Daily Field Report

Report By: Patrick Ritchie

Date: 1/8/2013

Company: MP&A

Work Order # 80-05

Health and Safety Meeting YES NO

Weather: 56 F Overcast Raining, N Wind

Personnel	Company	Job Title
<u>Patrick Ritchie</u>	<u>MP&A</u>	<u>Environmental Scientist</u>
<u>Kevin Simoneaux</u>	<u>Shaw Group</u>	<u>Environmental Scientist</u>
<u>Jacque Cancienne</u>	<u>Shaw Group</u>	<u>Engineer</u>
<u> </u>	<u> </u>	<u> </u>
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<u> </u>	<u> </u>	<u> </u>

Site Activities: Start Time 9:00 End Time 13:00

Equipment On-site: Airboat

Daily Activity:

Conduct in-situ monitoring surface water transect and industrial water well locations

Measure water level for the industrial water wells

Collect laboratory samples from TBC and GG industrial water wells

Estimated time of completion:

On-going

Proposed schedule:

Conduct in-situ monitoring surface water transect and industrial water well locations 1/11/2013

Measure water level for the industrial water wells 1/11/2013

Measure pressure and water level at TBC Geoprobe location #3 when accessible

Collect groundwater laboratory samples from TBC Geoprobe location #3 when accessible

Measure pressure and water level at TBC Geoprobe locations 1/14/2013

Collect laboratory samples from the surface water transect location 1/11/2013

Estimated time of completion:

On-going

Initials: PMR

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.

B.E. Martin
VP Operations
Texas Brine Company, LLC