



KENNY C. GUINN
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89703
(775) 684-7040 • Fax (775) 684-7052
<http://minerals.state.nv.us/>

Las Vegas Branch:
1771 E. Flamingo Rd.
Suite #120-A
Las Vegas, Nevada 89119
(702) 486-4343
Fax (702) 486-4345

ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS REPORT FOR FEBRUARY, 2006

ADMINISTRATION

1. Assisted Homestretch Geothermal with policy issues concerning the expansion of their Wabuska geothermal project.
2. Attended the official launch of the new Nevada quarter at the State Capitol.
3. Attended, with Chairman Gibson, Commissioner Bryan, and Commissioner Parratt, the Mackay School Advisory Board meeting in Reno.
4. Met with Liz Ball and Leslie Rumph concerning the funding of the Recruitment and Retention position at the Mackay School.
5. Division completed the Information Security Training mandated by the Governor's Office and the Department of Information Technology.
6. Assisted hosting twenty delegates from Central Asia and made a presentation concerning the activities of the Division.
7. Attended the Governor's Natural Resource Cabinet breakfast meeting.
8. Met with the BLM to discuss the OG&G MOU and proposed regulation changes.
9. Submitted the Division chapter for the Biennial Report to the Dept. of Administration.
10. Facilitated the annual meeting of the Nevada Abandoned Mine Lands Environmental Task Force (NAMLET) at the BLM-NSO.
11. Staff attended budget training for the FY07-08 budget.
12. Attended the Education Committee meeting in Reno.
13. Assisted Steve Fechner of the USFS concerning oil and gas leasing in Nevada.
14. Attended the Nevada Geothermal Council luncheon.
15. Attended the Nevada Petroleum Society monthly meeting.
16. Alan, Doug, and Mike met with representatives of Department of Conservation and Natural Resources, include State Parks, concerning the abandoned White Grow mine in Valley of Fire State Park near Las Vegas. Mike presented a powerpoint showing conditions at the mine and reclamation funding alternatives were discussed, including agency funding and funding from NDEP environmental settlements.

RECLAMATION BOND POOL

1. Met with David Pruett, NDEP, and BLM regarding his bonding needs at the Buckskin Mine. He is proposing to truck the sulfide concentrates from his property to Queenstake. He will not be utilizing the bond pool.
2. Met with Larry Creek of Specialty Clays about his reclamation bond.
3. Issued a notice level bond for BH Minerals USA, Inc.
4. Spoke with Dick Larsen of Florida Canyon Mining about a notice level bond.
5. Corresponded with Apollo Gold about a notice level bond and the need to return documents which were loaned to Apollo.

6. Spoke with Idaho General about the bond pool.
7. Met with Bob Petri, the underlying claimant at Specialty Clays' operation. Status of the reclamation bond was discussed.
8. Issued a notice level bond for Robert Burkett, via Enviroscientists, Inc.

MINING ISSUES

17. Assisted Homestretch Geothermal with policy issues concerning the expansion of their Wabuska geothermal project.
18. Attended the official launch of the new Nevada quarter at the State Capitol.
19. Attended, with Chairman Gibson, Commissioner Bryan, and Commissioner Parratt, the Mackay School Advisory Board meeting in Reno.
20. Met with Liz Ball and Leslie Rumph concerning the funding of the Recruitment and Retention position at the Mackay School.
21. Division completed the Information Security Training mandated by the Governor's Office and the Department of Information Technology.
22. Assisted hosting twenty delegates from Central Asia and made a presentation concerning the activities of the Division.
23. Attended the Governor's Natural Resource Cabinet breakfast meeting.
24. Met with the BLM to discuss the OG&G MOU and proposed regulation changes.
25. Submitted the Division chapter for the Biennial Report to the Dept. of Administration.
26. Facilitated the annual meeting of the Nevada Abandoned Mine Lands Environmental Task Force (NAMLET) at the BLM-NSO.
27. Staff attended budget training for the FY07-08 budget.
28. Attended the Education Committee meeting in Reno.
29. Assisted Steve Fechner of the USFS concerning oil and gas leasing in Nevada.
30. Attended the Nevada Geothermal Council luncheon.
31. Attended the Nevada Petroleum Society monthly meeting.
32. Alan, Doug, and Mike met with representatives of Department of Conservation and Natural Resources, include State Parks, concerning the abandoned White Grow mine in Valley of Fire State Park near Las Vegas. Mike presented a powerpoint showing conditions at the mine and reclamation funding alternatives were discussed, including agency funding and funding from NDEP environmental settlements.

AML / PUBLIC AWARENESS – NORTH

1. Met with Chris Ross (BLM-NSO) to review backfill movie and discuss 2006 backfill and foam prospects.
2. Received and accepted an invitation to participate in Farm Days 2006 at Fuji Park in Carson City on April 5th and 6th. 1,000 to 1,500 children are expected to visit each day.
3. Gave Rocks/Minerals/AML presentations to two classes of 4th-graders at Pleasant Valley Elementary School (two presentations – 56 children).
4. Re-visited ST-106 to check on securing status by claimant. Hazard found still unsecured. Posted three "Stay Out, Stay Alive" signs until claimant (DWC Resources) fences or backfills site. Claimant was reminded by phone of need to promptly secure hazard.
5. Attended BLM's Strategic Leadership Training (SLT) meeting at Carson City FO.
6. Received request for samples of coal for classroom experiment at Jacks Valley School and provided three pounds of small coal samples.
7. Reviewed Lyon County land status of four hazards, all determined to be private property. Letter sent to owner with location, status and requirement to secure hazards.

8. Received interest in fencing project from Boy Scout, Andy Haskin (age 17, Carson City) and a package containing all necessary information was sent to him.
9. Entered field data of non-hazards discovered by contractors into database.
10. Contractors completed logging all hazards and non-hazards on McMahan Ridge quad and began working on Goldfield quad.
11. Reviewed AML database and 2005 numbers. 706 hazards were discovered and 355 hazards secured in 2005. Reports on unsecured hazards by county, orphans by county and hazards needing claim research were created.
12. Performed claim research on 25 hazards in Lyon County and 4 in Washoe County.
13. Investigated 12 backfilled hazards in Perry Canyon region to determine amount of subsidence since they were backfilled at the end of October. Five sites had measurable settling of backfill material, one was significant (>6') and was backfilled by shovel. It may require foaming to more effectively secure it; will revisit site in two weeks.
14. Spoke with archeologist Susan Rigby (BLM-Tonopah) about getting a copy of the BLM/USFS Wildland Urban Interface (WUI) report completed on hazards in and around Manhattan to assist in determining viability of backfill project later this year.
15. Received phone call from claimant Bill Kogan requesting additional time, due to weather, to secure three hazards on his claims in White Pine County. He would also like to meet with us in the field to better determine what options are available to him.
16. Visited 12 previously secured (circa 1990) hazards northeast of Washoe Lake and found all 12 are no longer secured. Research claim status and found all are orphans and potential Boy Scout fencing projects.
17. GeoTemps contractors completed their second 10-day work period and discovered 68 hazards and 161 non-hazards in Esmeralda County.
18. Provided a Letter of Reference to 2005 summer intern, Noah Millett, for WAAIME scholarship application.
19. Inventoried mineral and rock samples at shed for needs at upcoming Las Vegas Teachers Workshop. Picked up bucket of granite supplied by NBMG.
20. Attended Education Committee meeting in Reno. Finalized arrangements for Las Vegas Teachers Workshop and initiated planning for Carson City Workshop in August.
21. Spoke with Jon Price and Dirk van Zyl to discuss planned activities for Teachers Workshop classroom sessions.
22. Attended the annual NAMLET meeting and presented AML PSA and backfill videos.
23. Communicated with Deb McFarlane (BLM-Elko) regarding additional placement sites for "Stay Out, Stay Alive" video, brochures and PSA.
24. Interviewed 16 students applying for the 2006 summer intern positions.
25. Received a request from the Reno Gem and Mineral Society to provide a Stay Out, Stay Alive presentation at an upcoming monthly meeting.
26. Met with the principals of the GIS database company TerraSpectra Geomatics in Las Vegas along with Brian Jordan of the Army Corps of Engineers to discuss NDOM's AML procedures, database issues and GIS needs. Elaine Ezra (TerraSpectra) and Brian Jordan will provide a preliminary scope of work to NDOM for review next week. Brian and TerraSpectra are also drafting a request for assistance from NBMG and the Keck Museum for a large number of available datasets which could provide a cost saving of nearly \$15,000.
27. Participated at Westergard Elementary School's Science Fair as an exhibitor, discussing the hazards of abandoned mines and the "Stay Out, Stay Alive" outreach program. Distributed AML items to attendees (one presentation – 350 parents and students).

28. Spoke with Larry Smith, member of the Reno Gem and Mineral Society, about providing an AML/Stay Out, Stay Alive presentation at one of their summer meetings.
29. Communicated with Beth Price to have the math and science standards applied to some activities to be presented at the Las Vegas Teachers Workshop.
30. Provided information to JBR Environmental Consultants, Inc. (Elko) regarding clarification of property owner and claimant's responsibilities for abandoned mine securing. Referred them to Kris Urquhart (NDOW) and Jennifer Newmark (NV Natural Heritage Program) for answers regarding bats, bat surveys and bat compatible enclosures.
31. Answered questions from a property developer addressing abandoned mines, surface and mineral rights, and the patenting process.
32. Provided information requested by NDOW for a preliminary list of orphaned hazards being considered for backfill in the Virginia City area.
33. Left message with Steve Holloway, Executive VP, of Associated General Contractors of Las Vegas to discuss possible presentation on White Grow Mine.
34. Contractors completed work on their third work period. For this period they logged 23 hazards and 157 non-hazards in Nye County and 44 hazards and 52 non-hazards in Esmeralda County.
35. George Bishop has mailed out to public schools 1,443 4th grade mini-units and 35,985 AML brochures; 1,386 8th grade mini-units and 35,220 brochures; 110 4th grade mini-units and 1,820 AML brochures to private school; 94 8th grade mini-units and 1,905 brochures to private schools; and 30 AML videos and 1 DVD to new schools.

AML / PUBLIC AWARENESS – SOUTH

1. Tyson Parker's Eagle Scout project was completed. Six hazards were secured at the Oro Plata Mine between Nelson and Searchlight in Clark County.
2. Co-presented a powerpoint on the Nevada AML program with Chris Ross (BLM_NSO) and Jon Brown (NvMA) to the Nevada BLM State Leadership Team (SLT) at a meeting in Carson City. AML materials were distributed to approximately 30 attendees.
3. Contacted by two prospective Eagle Scout candidates regarding mine fencing projects in Clark County.
4. Attended the Nevada Boom Town History Conference in Amargosa Valley. The conference was attended by approximately 190 people. The Division's display was set up and AML materials distributed (one presentation – 190 people).
5. Prepared mineral and rock samples for kits to be distributed at the 2006 Las Vegas Minerals Education Conference. Samples prepped include: Minerals: Barite, garnet, galena, feldspar, calcite, malachite, quartz, and sulfur; Rocks: Basalt, shale, sandstone, conglomerate, schist, quartzite, and marble.
6. Sent out a project package to new Eagle Scout candidate Kyle Lefevre (#68) for four hazards west of Nelson in Clark County.
7. Conducted AML field investigations near Nelson, Clark County. 7 new hazards were logged and ranked and a total of 18 non-hazards were investigated and plotted.
8. Presented the AML public safety program at the NAMLET meeting. "Stay Out and Stay Alive" materials were made available for the 32 attendees (one presentation – 32 people).
9. Attended the Nevada Mining Association Education Committee meeting.
10. Claim research was conducted using BLM's LR2000 mining claim database for two Clark County hazards. The two hazards are orphans and a request for authorization to fence the sites has been sent to Las Vegas BLM. The two hazards will be added to two others in the vicinity for an Eagle Scout securing project.

11. Provided a tour of McCaw School of Mines for two staff from the State Mine Inspectors office. The tour was initiated at the request of the NvMA to provide more information on modern mine safety to students, parents and teachers who tour the facility. The mine inspectors will prepare a presentation for adult and student docents.
12. Attended the meeting at Terra Spectra Geomatics to discuss the Division GIS needs.
13. Prepared an Eagle Scout project package for Stephen Erickson (#69) for four Clark County orphans.
14. Completed first draft of the 2005 Abandoned Mine Lands annual report.
15. Conducted recon for Chris Eliason's Eagle Scout mine securing project (Scout #48). Five hazards will be secured in the Mt. Stirling area of Nye County.
16. Contacted by Jordan Wall, another prospective Eagle Scout (#70). A project package for four sites in the Mt. Stirling area of Nye County was sent to Jordan.
17. Conducted claim research for 7 Clark County AML sites. All were found to be orphans. Requests for authorization to secure were submitted to the Las Vegas BLM Field Office.
18. 55 orphan sites in Esmeralda and Nye Counties around Tonopah have been identified for a possible Fall 2006 backfill project. The site information has been submitted to the BLM State Office and the Tonopah Field Station. NEPA studies for cultural and biological resources will commence shortly.

OIL AND GAS

1. Revised location of Petro-World's Cobble Cuesta well and received BLM permit.
2. Geysler Petroleum drilling at Santa Maria de los Angeles, correcting deviation. Sundries to deepen to 8500' approved.
3. Nevada Exploration Partners requesting information on OG drilling on federal land. Have three locations in mind.
4. BLM meeting in Reno, reviewed the OGG MOU concentrating on elements of cooperation defined within. Met the new BLM OG inspector, Michael Tyler. Reviewed the OG NAC 522 suggested changes.
5. Invitations sent to regulators, producers and other interested parties for an informal meeting on March 2 to discuss suggested NAC 522 changes.
6. Completed revision of the Oil Patch Excel sheet and will use it for the Jan/Feb report.
7. Received information from J.Menghini, BLM regarding BLM confidentiality regulations for oil and gas well records. Further clarification needed.
8. Terra submitted two NOS to BLM. The BLM sent them back because of errors. Copies have not reached NDOM as yet.
9. Working on change of ownership, five wells from Makoil to Grant Canyon.
10. Received drilling application from Winn Exploration for Long Canyon well. Coordinating with Permits West on some components of the program.

GEOHERMAL

1. Ormat Steamboat approved P&A program for 32-28 and clean out sundry for well 23-5.
2. BLM meeting in Reno, reported on State Leadership Teams plans for the estimated \$480,000 which should be allocated to the state via the 2005 Energy Act for solving problems with geothermal drilling applications and leasing. SLT plans to use the money for both geothermal and oil and gas applications and leasing and to put the personnel who will be hired with these funds may be in the Winnemucca field office.
3. Provided some statistics to D. Fleishman, GEA for a study he is conducting.
4. Completed the Geothermal Update Newsletter. Further editions are on hold until additional funding can be found.

5. Geo Energy Partners/Esmeralda Energy has received their GRED III funding and is preparing to drill at Immigrant in Esmeralda County.
6. Annual geothermal power plant generation report complete with 1,269 GWH delivered.
7. Sent R. Berg, Round Mt. Gold, information on geothermal drilling in area.
8. Approved domestic well application for D. Handke, Washoe County.
9. Met with B. Bradley, Stradley Energy, CO on Humboldt county exploration area.
10. Met with L. Biehn to discuss domestic well in Carson County.
11. Worked on Tribal Workshop grant paperwork.
12. Received request for extension of project area permits from Ormat. Granted 1yr extension per precedent of Division. Discussed re-design of P&A program for well 32-5.
13. Received Nevada Geothermal Power work plans for 2006.
14. Caithness, Beowawe rigging down on 57-13 well.
15. Coordinated with L. McClenahan on GRC session. Requests for speakers sent out.
16. Reviewed monthly generation reports.
17. Aggresources I, LLC submitted a drilling permit for an observation well in Humboldt County. Need an organization report and bond to proceed.
18. Reviewed Homestretch's status on water permits with Pat Fagan.
19. Received suggested edits from R. Hoops, BLM on geothermal regulation revisions.
20. Coordinating with Vosika King and Mike Logen on drilling of domestic/commercial well. Dennis Trexler to revise program. Sundry revision approved and sent.
21. Received Caithness's bond for Beowawe and Dixie Valley.
22. Provided information for the Environmental and Energy Study Institute and the Geothermal Energy Association Congressional Briefing to be held on March 2 on Nevada projects and plans and roadblocks.
23. Reviewed the value examination of non-consumptive water rights and geothermal rights when transferred with L. Hibbard, Esq.
24. Nevada Geothermal Power requested processing of four production well drilling applications which had been held awaiting further notice. The four were processed, signed and sent. Request for two additional applications received at end of week.
25. Approved sundry notices of MITs on five injection wells at Soda Lake for Constellation.
26. Approved revision of P&A of Stat 35 at Steamboat Hills for Ormat.
27. Coordinating with J. Deymonaz, Esmeralda Energy and GeothermEx on the Emigrant project proposal.
28. Received bentonite spill cleanup report from JBR for Steamboat.
29. Prepared solicitation letter for contributors to GRC session. Received confirmation of participation from Western Geopower, Meager Creek project.
30. Coordinating with Doug and Ehni Enterprises on renewal of Geothermal Newsletter contract.
31. Attended NGC luncheon with Russ Land of NDEP as guest speaker.
32. Agreed to make geothermal presentation at the Natives Impacted by Mining conference, Reno, March 23-24. Working on ppt.
33. Spoke with Andrew Egbert, Homestretch about continuing problems of water allocation for expansion of the Wabuska project.
34. Provided information to Elliott Chris on geothermal leasing.
35. Provided information to J. Sapp, City of Wells on Vosika King geothermal well.
36. Approved sundry notice Brady Power Partners, logging of Desert Peak 67-21.
37. Reviewed plans on converting status of two well at Warren Estates.

38. Spoke with J. Kingsett, GRID project, informed of no funding from GPW at this time. Spoke of possible funding through the GPW working group. GRID production well public notice complete, requesting some further casing information from B.Ehni.