



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 ACHIEVEMENT REPORT MAY, 2006

ADMINISTRATION

1. Participated in Mackay Days at UNR with tabletop display and AML information (one presentation – 200 people).
2. Led the High School Mining Field Trip to Newmont's Twin Creeks Mine (one presentation – 40 people),
3. Attended Del Fortner retirement coffee at BLM Reno.
4. Attended meeting at BLM – NSO to discuss process for approval of geothermal well permits.
5. Attended the Nevada Petroleum Society meeting at which Christy Morris was the guest speaker.
6. Conducted an interview with Earl Dunn, Northern Nevada Business weekly, concerning metal prices and exploration activity.
7. Did reconnaissance in Washoe Valley and near Fort Churchill for possible AML sites for Eagle Scout projects.
8. Briefed the USACE RAMS program manager in Albuquerque, NM and the New Mexico AML state lead concerning the status of the Nevada AML program.
9. Attended with Commissioner DeLong and Parratt a dinner for BLM State Director Ron Wenker.
10. Completed comments for the White Pine County Lands Bill and submitted them to State Lands for inclusion in the state comments to Senator Ensign's staff.
11. Distributed the letter requesting nominations for the 2006 Nevada Excellence in Mine Reclamation Awards.
12. Attended with Commissioner Parratt and Jon Price, NBMG, the Society of Economic Geologists meeting in Keystone, Colorado and manned the State of Nevada booth.
13. Attended with Commissioner Bryan, the Nevada Miners and Prospectors meeting in Reno.
14. Attended with Commissioner Parratt, the Geological Society of Nevada meeting in Reno. Discussed the White Pine County Public Lands Bill with the membership.
15. Signed the Nevada Bat Plan.
16. Met with Eric Struhsacker of AuEx concerning exploration activities at Pequop project.
17. Met with Rob McLarney of Merrill Lynch concerning exploration activity in Nevada.
18. Completed an Eagle Scout field reconnaissance with Shane Sobrio near Fort Churchill State Park. Project is planned for June 24, 2006.
19. Provided Peter Hummel, Eagle Exploration with a copy of the White Pine County Public Lands Bill map.
20. Supervised the six summer interns AML work at Mineral Hill and surrounding areas in Eureka County.
21. Toured the Barrick Ruby Hill mine in Eureka with the six summer interns.

22. Assisted Jim Morin concerning the White Pine County Public Lands bill.
23. Assisted Peter Hahn concerning the White Pine County Public Lands bill.
24. Doug and Wanda attended the Division's audit hearing and supplied answers to the audit committee's questions.

RECLAMATION BOND POOL

1. Worked on a spreadsheet for tracking bond pool premium payments.
2. Spoke with Janet Hess about filing a motion to lift the bankruptcy stay for selling assets at the Gooseberry Mine. It was decided not to file the motion at this time, due to the significant AG time required.
3. Issued 8 notice level bonds: Gold Summit USA, Idaho General Mines, Aberdene Mines Ltd (2), White Knight Gold (US) Inc., Epithermal LLC, Bravo Alaska, Inc., and AuEx, Inc. The current level of notice level bonds is now \$281,798.00.
4. Spoke with Alan Wright, Elliot Crist, and Ken Brooks about notice level bonds.
5. Prepared invoices for the notice level bond participants on a June payment schedule.
6. Took diagrams of the MacArthur Mine to Annette Morfin of State Purchasing for inclusion in the request for bids for reclamation.
7. Spoke with Steve Trussell of the Arizona Aggregate Association about how the bond pool is working. The mining industry in Arizona is interested in setting up a bond pool similar to Nevada's, however the state of Arizona is not willing to back it up.

MINING ISSUES

1. Developed a spreadsheet for calculating the value of the metals contained in modern U.S. coinage.
2. Spoke with Earl Dunn of the Nevada Business Weekly about exploration in 2005.
3. Sent production information to John Muntean of NBMG.
4. Continued work on the exploration survey.
5. Did an interview with Jim Carlton of the Wall Street Journal primarily about David Pruett. The Wall Street Journal is doing a character story about Mr. Pruett, who is planning to ship sulfide rich tailings from his Buckskin Mill to Queenstake's roaster at Jerritt Canyon. We also talked about mining and exploration in Nevada in general.
6. Attended the Nevada Miners & Prospectors meeting in Reno.
7. Requested mining claim numbers from BLM.
8. Accompanied Summer Interns to Jumbo Grade and Virginia City area.
9. Did paperwork for the Summer Intern activity at Jumbo Grade and Storey County areas.
10. Spoke with Tom Davis of Long Beach, CA about permitting aggregate operations.
11. Worked with Mike to figure out areas in Elko County for the Summer Interns to work.

AML / PUBLIC AWARENESS – NORTH

1. Two Rock/Mineral/AML presentations provided to four combined classes of 83 4th-graders at Dayton Elementary School (two presentations – 83 people).
2. Summer interns secured 13 hazards, logged four new hazards and identified 16 non-hazards in Eureka County. They also visited 11 previously secured moderate and high hazards in Lander County and five in Eureka County to assess their securing status.
3. Received phone call from Doug Bowden (Golden Summit Corp.) regarding presence of potential primer cord or fuse in old shack on their exploration property in Esmeralda County and request of assistance for disposal. Contacted them for additional information and UTM's, forwarded the information to Ed Tomany (State Mine Inspector). Ed found approximately 25 pounds of more than 40-year old safety fuse and disposed of it on site.

4. Received report of dog falling down a shaft in Reno. A 14-year-old Reno boy was walking his dog in the undeveloped Chalk Bluff area south of I-80, north of 4th Street and west of West McCarran Blvd. when the dog fell down a 22'-deep, 2'-diameter hole. The boy returned home and called his father. The father used a purchased 24'-extension ladder to climb down the hole and retrieve the uninjured dog. A site visit identified three additional hazards, a total of two adits and two shafts, all within 100 yards of a church. Limiting easy access to the hazards is a surface aqueduct, which delivers Truckee River water to the nearby Chalk Bluff water treatment plant. The shaft of most concern was temporarily secured with orange plastic safety fence material and posted with two signs. This shaft lies on property owned by the Truckee Meadows Water Authority (TMWA). A message was left with TMWA/Reno City Risk Management. The three other hazards reside on private property owned by a development company. Because of the location of the hazards and their internal complexity, the hazards appear suitable as bat habitat; no internal survey was conducted. A bat biologist will make a preliminary assessment on Monday the 8th to aid with determining appropriate, more permanent, securing options.
5. Toured Chalk Bluff hazards with representative from Truckee Meadows Water Authority (TMWA) to discuss the recently discovered hazard on their property and the three others on the adjacent property. Additionally, spoke with Reno City Risk Management, who handles such affairs for TMWA, and discussed the hazards and methods for closure.
6. Performed external night-time bat surveys, with biologist Jennifer Newmark (Nevada Natural Heritage Program), on four recently discovered hazards in Washoe County to facilitate the permanent closure by the respective property owners. Bat survey equipment was loaned by BLM-NSO. Only one bat was seen. All openings subsequently covered with bat exclusion netting to prevent bats from entering these hazards prior to closure. TMWA was notified by phone that they may proceed with permanent closure of the one hazard on their property. The other property owner, Heiser-Scholten Properties (Petaluma, CA), has been notified by mail.
7. The Chalk Bluff hazard was backfilled by the owner, TMWA, and verified by DOM. The owner of the other three Chalk Bluff hazards called in response to the DOM letter and expressed interest in securing these immediately. While the property is currently in escrow, all interested parties and their agents have been made aware of the existence and status of the hazards. DOM's list of AML contractors was provided.
8. Initiated six summer interns to the AML Program; including, NDOM policies and procedures, off-road driving, safety protocol, fencing procedures, hazard and non-hazard identification, logging and documentation. One orphan hazard fenced and five non-hazards logged in Lyon County.
9. Received phone call from concerned citizen regarding unsecured hazards at the Cassidy Mine in the Black Rock National Conservation Area. Reportedly, nearly 30 individuals camped at the site over the Memorial Day weekend. The BLM received an additional report mentioning the same activity. The previously logged hazards reside on active, valid claims co-owned by a Gerlach resident and a Boulder, CO resident. Both owners have been repeatedly notified by DOM of these hazardous conditions. After tracking down individual phone numbers and making repeated attempts, phone conversations with each resulted in promises to secure all the hazards promptly. DOM will re-visit the site within the next few weeks to verify securing status.
10. Completed loggings for 16 unsolicited securings in Lyon County, submitted by Wally Robison for the Wunderlich Estate.
11. Interns field checked securing status of 18 hazards in the Jumbo Grade area in Washoe County, a number of which require repair and/or re-fencing.
12. Interns repaired/re-fenced 4 orphaned sites near Virginia City, Storey County.

13. Coordinated archeological DAT training and site visit for interns with Susan McCabe (BLM-CC).
14. Approximately 600 copies of the 2005 AML report delivered to interested parties; including all State Legislators and County Commissioners. A web version has also been posted on the NDOM website.
15. Visited several previously secured AML sites northeast of Washoe Lake to check on their status and suitability for Eagle Scout Projects. Eight sites require fencing and/or signage and are planned for securing this summer by scouts.
16. Supervised the completion of Eagle Service Project by Boy Scout Mitch Benning. Four adits and two shafts were fenced and posted with warning signs in Washoe County by the scout and 17 volunteers.
17. Reviewed hazards near Perry Canyon for additional scout projects. Identified eight sites needing fences or repairs, logged one new hazard and two non-hazards.
18. Communicated with two scouts regarding upcoming reconnaissance visits to hazards proposed for securing as Eagle Service Projects.
19. Performed field reconnaissance of six orphaned hazards in the Perry Canyon area with Scout Mitch Walton, his father, and his troop leader, and four orphaned hazards in the hills NE of Washoe Lake with Scout Robbie Ayres and his father.
20. Sent letter and photo CD to each scout with information needed to prepare their Eagle Service Project proposal.
21. Communicated with claimant Lenora Sax about the exact location of a previously identified hazard and that it does indeed exist on her patented claim near Tonopah. Dick Davis will secure the hazard for her in the next few weeks.
22. Communicated with Jennifer Newmark (NNHP) regarding disposition of data for bat surveys. The final version of the 2005 Nevada Bat Conservation Plan is currently making the rounds for signing. It was reviewed by NDOM staff without additional comment. Additionally, discussed issues surrounding plastic claim posts and bird mortalities. NNHP will work with NDOW to seek a near-term solution.
23. Installed photo software on AML computer and prepped two new digital cameras for use by summer interns.
24. Spoke with John Carpenter regarding the backfilling of a small shaft on a private ranch in Lander County.
25. Communicated with Patty Herzog (Newmont) and Liz Ball (Mackay) regarding use of field trip pictures.
26. Edited, prepped and burned to CD pictures from recent work at Guanomi mine and high school field trip to Twin Creeks. Guanomi CD's provided to NvMA, PLPT, and Round Mountain Gold. Twin Creek's pictures posted to webpage for participants to view. Delivered requested Guanomi earthwork images on CD and 2005 Backfill Program DVD to Reg Reid (BLM-NSO) for their outreach opportunities.
27. Edited pictures for the "2005 Major Mines" publication, images supplied to NBMG.
28. Provided two Rocks/Minerals/AML presentations to 54 4th-grade students at Alice Smith Elementary School in Reno (two presentations – 54 people).
29. Filled request by Nevada State Museum for some ore samples for a "hands-on" display.
30. Provided three Mining/Minerals/AML presentations to 34 K-4 students at Twin Ridges Charter Elementary School in Truckee (3 presentations – 34 people).
31. Received a request from the Silver City Youth Theater Group for financial assistance to perform their mine safety musical "Ol' Plumbottom" at Piper's Opera House in Virginia City. They need \$1,500 to pay for stagehands, transportation, chaperones, scripts, etc. for six afternoon shows beginning Saturday June 24th. DOM would be able to set-up a display booth to show off the AML program and distribute information.

AML / PUBLIC AWARENESS – SOUTH

1. Worked on preliminary claim research using BLM's LR2000 mining claim database for AML sites logged by contractors in Esmeralda and Nye Counties.
2. Participated in a conference call regarding the status of SNPLMA Round 5 funding for the Clark County AML project.
3. Investigated and ranked two AML sites in Esmeralda County and conducted claim research on them. Four non-hazard sites were investigated and plotted.
4. Shipped "Stay Out and Stay Alive" materials (approx. 200 of each item) for the Saturday, May 6 Battle Mountain Safety Fair – requested by Shar Peterson, Newmont.
5. Assisted the owner of patented claims in Searchlight with information on alternatives to fencing AML sites and requirements for cultural and biological clearances needed prior to permanent closures or seals.
6. Conducted claim research at the Nye County and Esmeralda County recorder and assessor offices for AML sites logged by Geotemps contractors.
7. Received a subpoena to appear for a deposition in the matter of Robert Lord vs. Argentina Consolidated Mining Company and others concerning the 2002 incident at the Argentina Mine involving the "scavenger hunt" group. The deposition is June 5.
8. Toured McCaw School of Mines with Scoutmaster Paul Wilson to investigate possible future Eagle Scout repair and clean-up projects.
9. Fencing materials were purchased for upcoming Eagle Scout AML securing projects in Clark and southern Nye Counties. Three projects are scheduled for the following dates: May 6, May 20 and June 3, 2006.
10. Conducted Jordan Wall's Eagle Scout project reconnaissance visit. The project will consist of 4 AML securings in Southern Nye County and is scheduled for May 20.
11. Jordan Wall (Scout #70) completed his Eagle Scout project. Four hazards were secured in the Spring Mountains in southern Nye County.
12. Stephen Erickson's Eagle Scout project was completed (Scout #69). Four hazards were secured and one previously secured hazard was posted with a new warning sign west of Jean, Clark County. This is the 57th completed project. To-date, scouts have secured 353 AML hazards and repaired 27 existing securings.
13. Conducted the reconnaissance visit to Eagle Scout candidate Derek Gibson's project area. Derek and crew will secure four AML hazards near Nelson on June 3.
14. Delivered a desk and a bookshelf unit donated by the Castle Mountain Mine office of MK Gold to the McCaw School of Mines with the help of Larry Turner.
15. Conducted classroom activity sessions for the Fay Herron Elementary School Science Camp at Mt. Charleston for 56 5th grade students. Activities included an outdoor session of map reading, GPS and Brunton compass demonstrations and rock identification; minerals and commodities, birdseed mining and AML (three presentations – 56 people).
16. Collected marble and schist near Beatty and rhyolite tuff from Stonewall Pass in Nye County for teacher workshop rock kits.
17. Assisted Nevada Mining Association personnel in manning the display, helping with the "Making Concrete Paving Stones" activity and packing up at the Helldorado Days celebration at the South Coast Hotel/Casino (one presentation – 200 people).
18. Attended the Nevada Mining Association Education Committee meeting in Reno. Review of the Las Vegas workshop and planning session for the August 9-11 Carson City mineral education workshop.
19. Attended the McCaw School of Mines annual docent appreciation dinner. Presented awards to docents and McCaw staff who provide direct support to the mine.

20. Assisted a claimant in Goodsprings whose claim map was rejected by the Clark County Surveyor's Office due to lack of survey control. Assisted in locating legal survey control points and used GPS to identify the claim corners and location monument.
21. Assisted at McCaw School of Mines with a student tour from Amargosa Valley. Conducted 5 sessions of Nevada mining history, minerals and their uses and AML (5 presentations – 50 people).
22. Worked on tour descriptions and other materials for the Carson City Minerals Education Workshop.
23. Conducted minerals and commodities, rock identification, "Make Your Own Volcano", "Sedimentary Rocks in a Jar" and "Metamorphic Sandwiches" activity sessions and AML for 16 4th and 5th grade students at Omar Haikal Islamic Academy in Las Vegas (two presentations – 16 people).

OIL AND GAS

1. Completed IOGCC 2005 report.
2. Provided information to the Tomera ranch on **Neuhaus** wells on their property.
3. Presentation to Nevada Petroleum Society.
4. Provided information to NDEP on **Deerfield** injection well 1-34.
5. Spoke with **Foreland Refinery** regarding marketing of NV oil products.
6. Received sundry on casing program change, bope test and spud date for **Winn Expl.**
7. Received notice and reviewed **Cobble Cuesta** extension and expansion of unit **Petroworld**.
8. Coordinating with Battle Mt. BLM on OG document.
9. Approved sundry notice of casing change, **Winn Expl.**
10. **Winn** exploration spudded Long Canyon well on May 19. Drilling ahead.
11. Working on NAC 522 and 534A changes.
12. Attended USFS open house on RMP revision Toiyabe Humboldt Forest.
13. Reviewed BLM EA for Black Rock 1, **Tierra Expl.**
14. Meeting with BLM reps on possible workshop for oil field personnel.
15. Received application to drill from **Makoil**, Dry lake 21-21R, requested additional information and fee, received fee and response, application in process.
16. Completed World Report request for 2005 information, sent.
17. Coordinating information to NPS, NGC and state agencies on Wilderness Initiatives. Meeting at NBMG and NMA on mineral and energy potential information posters for county land bill committees and other stakeholders. Made telephone contact with 11 Nevada counties to inform them of the availability of NBMG information and to request maps when available.

GEOHERMAL

1. **Empire** P&A of well 18-10. Replacing injection meters.
2. Working with Great Basin Center to layer of tribal lands on the geothermal potential map.
3. **Amp** has not completed sale to Raser, requested delay on change of ownership papers at Salt Wells.
4. Press release to NV media on DOE grants to Mt. Grant Hospital and Elko heating district.
5. Received **Chemettal Foote** exploration report. Confidential.
6. Visited Desert Peak power plant construction site and MIT testing, **Ormat**.
7. Approved two sundries to fish tubing at Desert Peak, **Ormat**.

8. Coordinated with **Caithness** on NDEP requirements for recompletion and testing of Batz injection well.
9. Informed by BLM that the **Gerlach Green** EA is going out for public comment.
10. Coordinated with BNSF on geothermal properties.
11. Approved MIT and rework of Batz well **Beowawe**.
12. Working with R. Zehner GB Center on tribal lands/geothermal map.
13. Request for assistance in finalizing Cox well P&A program, **Ormat**.
14. Visited Hawthorne direct heating project area.
15. Received three sundries for changes in location of injection wells at **Stillwater**. Requested further information.
16. Nevada Geothermal Power drilling TG-7 at Blue Mt.
17. Coordinating with GBC on tribal lands version of geothermal potential map.
18. Request from Earth Power for bond release on P&A well at Tuscarora. Provided information to new project owner TG Power LLC.
19. Request for change in location of three injection wells in the Stillwater project area. Notified FWS in Fallon, no comment. Sundries approved.
20. Coordinating with Ormat and BLM on observation wells and TG wells at Grass Valley, Buffalo Valley and Jersey Valley.
21. Coordinating with NV Geothermal Utility and PUC on possible credits or RECs for direct heating.
22. Coordinating with BLM, Bureau of Reclamation and State Lands on geothermal lease in the Humboldt Project Conveyance area.
23. Request to stakeholder to participate in an informal meeting on NAC 534A changes. Waiting for feedback.
24. Reviewed MITs on 8 injection wells at Brady. RAs passed on all wells.
25. Coordinating with staff on August teachers' workshop. Request field trip to Steamboat complex.
26. **Nevada Geothermal Power** drilling TG-7 at Blue Mt. Set conductor on production well 26A-14.
27. Attended California Renewable Energy Collaborative meeting, Davis, CA.
28. Reviewed and approved acidization of **Desert Peak** well 21-2.
29. Coordinating with **Mt Grant Hospital** and Geo Heat Center on feasibility study.
30. Received third DOE GPW grant for **GRID** project in Hazen.
31. Meeting with NDEP regarding Cox P&A, Batz1, Eagle Springs, and Esmeralda wells.
32. Working on 534A changes. Invitations sent to stakeholders and state agencies for June 13th informal meeting.
33. Attended ITCN meeting with UNR and presented geothermal potential map with Indian country outlined.