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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS REPORT FOR JUNE, 2006

ADMINISTRATION

1. Traveled to the Elko Expo and manned the NDOM booth. Spoke at the NWMA reception concerning the White Pine County Public Lands bill and the USFS Roadless/Wilderness Initiative.
2. Provided information to Ted Wilton, Neutron Energy, concerning the White Pine County Public Lands bill.
3. Met with Lance Taylor, Geotemps, concerning a possible contract for AML securing work during the fall of 2006.
4. Researched the four congressional bills that have created wilderness areas in Nevada and determined there are currently 55 wilderness areas totaling 2,711,109 acres.
5. Visited the Mt. Hope molybdenum project near Eureka and met with Paul Valenti the project manager for Idaho General Mines.
6. Visited the Victorine mine in Kingston Canyon and retrieved miscellaneous underground and plan maps from the abandoned mine office and assessed the reclamation liability for the bond pool for the site and the access road.
7. Met with Steve Fechner and Ken Maas of the USFS to discuss the AML program and better coordination with USFS and SHPO.
8. Approved invoice (\$4,462) for the purchase of the plastic rock and mineral boxes used for the teacher's mineral education workshops.
9. Met with representatives of the USACE RAMS program and the state of New Mexico abandoned mine lands program in Santa Fe, NM. Also met with Golder Associates to discuss support for the USACE RAMS program.
10. Met with summer interns concerning workplace issues.

RECLAMATION BOND POOL

1. Processed and issued notice level bonds for Medallion Resources, Ltd, Agnico-Eagle (USA), Tonkin Springs LLC, Golden Oasis Exploration, Galway Resources, Ltd, Cypress Holdings, HE-5 Resources, Golden Odyssey, and Epithermal LLC.
2. Spoke with Steve Drummond of the Battle Mountain BLM about partial release of the bond for the PMIT millsite near Kingston. Steve expects about \$60,000 to be released. Administrator visited the millsite and took pictures of the reclamation to support the Bond Pool's request for a reduction in bond amount.
3. Spoke with Steve Russell about the notice level bond pool.
4. Put together a procedure manual and examples of forms for notice level bonding.
5. Administrator visited the Victorine mine near Kingston to assess the reclamation liability of the Bond Pool for the access road leading to the mine.

MINING AND LAND USE ISSUES

1. Worked with Craig Smith and Annette Morfin on the MacArthur Mine reclamation project. The RFP (request for proposals) was released and the site inspection is scheduled. IFC (the Interim Finance Committee) approved the work program to receive money from BLM and NvMA for this project.
2. Drove to Elko and set up agency booth at the Elko Mine Expo. Helped man booth.
3. Helped Patrick Morgan and Dave Early with prevailing wage scales.
4. Completed the biennial report on internal controls.
5. Met with Steve Craig about exploration and permitting around the Borealis Mine.

AML / PUBLIC AWARENESS – NORTH

1. The summer interns completed their sixth week of work. During the month 92 hazards and 203 non-hazards were logged and 36 hazards were secured in Elko, Eureka, Humboldt, Nye, and Pershing counties. Several sites were also revisited or repaired. Ownership research was conducted on all the new hazards. All hazard identification and securing work is now complete within Berlin-Ichthyosaur State Park.
2. The summer interns assessed thirteen patented mining claims south of Eureka for physical hazards, and any cultural or environmental features of note were logged and photographed as well. A report will be prepared by the interns and provided to the Mackay School of Earth Sciences and Engineering as requested.
3. Administrator logged five hazards in Lander County at the Victorine mine.
4. Completed requisite BLM paperwork for hazards secured by interns.
5. Spoke with Allen Newberry and Eric Johnson (NV State Parks) regarding planned work by summer interns at Berlin-Ichthyosaur State Park and Downeyville town site.
6. Spoke with Eric Johnson (State Parks-Central Region Manager) regarding hazards identified and secured on State-owned patented mining claims at Downeyville town site, north of Gabbs. Considering the large number of hazards, the high ranking of several, and the difficulty in fencing some (bedrock at surface), alternative and more permanent securing methods will need to be considered.
7. Sue Rigby (BLM-Tonopah) provided map of potential AML sites in Manhattan town site which received archeological clearances and might be suitable as backfill candidates. A site visit is planned for late-July.
8. Contacted claimant Wally Robison regarding status of previously logged hazards on his claims southeast of Carson City on McTarnahan Hill. He will be repairing all hazard fences on those claims.
9. Completed Cultural Resource Avoidance Certification paperwork for secured hazards in Douglas, Elko, and Eureka counties.
10. Communicated with Rory Lamp (NDOW) regarding securing status of high hazard at Spruce Mountain. NDOW had planned to contract a fence around the site, but now uncertain when it might happen, not this summer. NDOM will try to fence the site and a few other hazards in July/August.
11. Communicated with Jennifer Jeffers (NDOW) regarding internal bat survey results for sites in Lyon and Storey Counties initially listed as backfill prospects.
12. Received a report from a concerned citizen regarding numerous unsecured abandoned mine hazards in the Como mining district, ESE of Dayton. Several interns re-visited the region and re-assessed 23 previously logged hazards. Most require securing work and are still under valid claim. Notification letters will be sent out next week.
13. Spoke with Susan Rigby (BLM-Tonopah) regarding hazards pending approval for securing. She provided NDOM verbal approval to fence approximately 60 hazards in Esmeralda County.

14. Deb McFarlane and Tim Murphy (BLM-Elko) communicated their request for attaching photos of NDOM's securing work to the completed "Cultural Resource Avoidance Certification" form when sent to the BLM, as required by SHPO.
15. Claimant Fred Solheim requested and received additional information regarding securing requirements and AML contractors for his co-owned claims at the Cassidy Mine in the Black Rock NRA near Gerlach.
16. Installed new digital image editing software on AML computer and began to archive 2006 digital images.
17. Provided with information from Susan Rigby, Susan McCabe (BLM-CC) gave NDOM the authorization to log and secure the unsecured well at Rhodes Marsh, adjacent to US95 south of Mina.
18. Provided spreadsheet containing all the logged Treasure Hill hazards to Jason Williams (NDOW) for incorporation into their bat habitat study proposals.
19. Met with new USFS AML lead, Ken Maas, and Steve Fechner to discuss NDOM AML procedures and status. It was decided that an amendment to the existing agreement between NDOM, USFS and SHPO should decrease the process time to authorize AML orphan fencing. A meeting is scheduled for July 7th, to discuss an amendment which would allow NDOM to submit photographs of the hazard site of sufficient quality and quantity to negate the need for the USFS archeologist to make a field inspection to each site in order to determine whether fencing is, or is not, authorized.
20. Spoke with Division of State Lands regarding availability of map showing location of all land owned by Nevada. This would be useful in assessing which AML hazard securings would be the responsibility of the State. They have no such map, nor the ability to create one. They are interested in providing whatever information they have to DOM to assist in developing the map.
21. Spoke with Boy Scouts, Matt Robinson and Robbie Ayres about their upcoming fencing projects. Paul Pearson, another Scout, has expressed interest in fencing for his Eagle Service Award and an AML packet was sent to him for review.
22. Assisted Boy Scout Matt Robinson with his Eagle Scout fencing project. Matt and his crew completed seven new securings in Douglas County.
23. Administrator assisted Shane Sobrio with his Eagle Scout fencing project. Shane and his crew completed five new securings near Fort Churchill in Lyon County.
24. Reviewed and signed two Eagle Service Project proposals for upcoming Boy Scout projects.
25. Spoke with Sheree Roseveer regarding her request for financial assistance to put on a youth play "Ol' Plumbottom" at Piper's Opera House in Virginia City presenting abandoned mine dangers. NDOM donated \$1,500 to help offset production, band, transportation, and chaperone costs for the six performances. The play runs twice a day for three consecutive Saturdays, beginning June 24th. They will display and distribute AML materials, provided by NDOM, before and after each performance. The "Stay Out and Stay Alive" message was presented to over 200 attendees and will conclude with two free performances on Saturday, July 8th (six presentations – 200 people).
26. Provided a phone interview and photos to Doug McMurdo of the Elko Daily Free Press discussing DOM's AML Program.
27. Communicated with BCI Video (Norm Bosworth) about creating "Stay Out, Stay Alive" radio PSA's utilizing sound from the video PSA's and minor additional voiceover work. He's estimated it will cost approximately \$450 for talent fees and \$570 for his time to create 30 and 60-second radio PSA's. The goal will be to have the PSA's playing on radio throughout Nevada during the height of the summer OHV season.

28. Sent photo CD to Patty Herzog (Newmont) containing images taken during the high school field trip to Twin Creeks in May.
29. Updated and printed NDOM posters for display at Elko Mining Convention.
30. Provided information on barite ore prices for property owner Walt Lebursci (Elko).
31. Provided information on antimony ore mining and processing facilities in the U.S. to claimant Bill Inman.
32. Attended Education Committee meeting and assisted with planning for the Teachers Workshop in Carson City.

AML / PUBLIC AWARENESS – SOUTH

1. Derek Gibson's Eagle Scout project was completed with four securings in Clark County.
2. Contacted by an Eagle Scout candidate regarding an abandoned mine securing project in Clark County. Shane Palmer is our 74th scout candidate.
3. Assembled materials requested by attorneys in the Robert Lord vs Argentina Consolidated Mining Company case. The materials were sent to Deputy AG Janet Hess for review.
4. Gave a deposition in the case of Robert Lord vs. Argentina Consolidated Mining Company. The case concerns the 2002 incident at the Argentina Mine involving the "scavenger hunt" group. Deputy Attorney General Janet Hess was in attendance.
5. Working on cultural resource avoidance certification forms for BLM "orphan" hazards secured in Clark County.
6. Las Vegas staff prepared copies of hazard inventory sheets and topographic maps for Clark County Round 5 AML sites. The information will be provided to the contract archaeologists and biologists when they arrive to begin field surveys. A field trip to selected sites with US Army Corps of Engineers staff and BLM staff is scheduled for July 26. It is anticipated that field work will begin in September.
7. Participated in a conference call to review progress toward funding SNPLMA Round 5 cultural and biological resource surveys for Clark County AML.
8. Worked with Chris Ross, BLM AML lead, to prioritize 330 Clark County orphan sites proposed for permanent closure. The sites will be given priority for cultural and biological resource surveys under SNPLMA Round 5 funding.
9. Participated in a conference call with new Carson District USFS AML lead Ken Maas, Steve Fechner, Alan Coyner and Mike Visher.
10. Work is continuing on Esmeralda County claim research for hazards investigated and ranked by Geotemps contractors.
11. Attended a meeting with Art Wilson, Administrator, NDEP and Division of State Parks staff regarding public safety remediation of the White Grow gypsum mine in Valley of Fire State Park.
12. Attended the Nevada Mining Association Education Committee meeting in Reno. The meeting focused on planning for the August 9-11 Carson City teachers workshop.
13. Toured, with other McCaw Foundation board members the Vanderburg Elementary School "Biosphere Rainforest" exhibit in Green Valley.
14. Attended the McCaw Foundation board meeting.
15. Met with the Clark County School District Curriculum Coordinator to review the alignment of the McCaw School of Mines volunteer script to Nevada and Clark County social studies, science, English language arts and mathematics curriculum standards.
16. Attended the Yellow Pine Rail Trail meeting. The Rail Trail committee is planning to apply for Southern Nevada Public Land Management Act (SNPLMA) Round 7 funding for the project feasibility study and certain areas of construction.

17. Assisted a Henderson resident who called requesting information on the proper procedure for disposal of mercury (among the materials inherited from a deceased relative). He was directed to Republic Services' Recycle Center, to staff of the Nevada Division of Environmental Protection's Waste Management Bureau and to a commercial operator who purchases/recycles mercury.
18. Presented minerals and their uses, birdseed mining and AML to 2 groups of 3rd graders at Sue Morrow Elementary School in Henderson. (2 presentations - 90 students).

OIL AND GAS

1. Approved **Winn** P&A of Long Canyon well
2. Received BLM field inspection of Current Creek 31-1. Requested well sign from **Neuhaus**.
3. Received further instructions to **Deerfield** from NDEP regarding workover of 1-34 injection well.
4. Determined fracture treating Toano Draw 15-19 was taking place. **Colour Corp.** notified of violation for lack of notification. Colour responded with complete set of data and necessary paperwork. BLM will visit site week of June 20.
5. Notified **Deerfield** they are once again out of compliance for failing to file notice of well work with NDOM. Operator re-entered well and altered casing without NDOM approval.
6. Approved and sent **Makoil** 21-21R permit. BLM approved CX.
7. Equipment 2000 moving from Winn to **Tierra** Sage 1 well. **Tierra Nevada** Sage 1 well spudded 6/23. Third party cultural survey of Tierra's Golden Eye site was rejected by Tonopah BLM FO. The contractor is well known and respected in the field. Operator coordinated with FO prior to sending consultant on site.
8. Meeting with James **Isern** regarding moving forward on the Gabbs exploration unit and bonding on a new well.
9. Coordinating information to NPS, NGC and state agencies on wilderness initiatives. WP county energy and mineral potential map on NBMG website, notice sent out to interested parties. Hard copy of poster being sent to WP County Commission.
10. Coordinating with NBMG on Pershing and Lyon County resource potential posters. Posters edited and preparing for website posting.
11. Attended White Pine County Commissioners meeting and gave a presentation on potential posters and offered NBMG and NDOM aid in their process.
12. Coordinating with the Renewable Energy Task Force on presentation regarding energy and mineral potential posters. Scheduled for July 20.

GEOHERMAL

1. Working with NDOW on geothermal leases within Humboldt Conveyance area. No opposition to moving forward.
2. Spoke with **Gerlach Green**, waiting on BLM permit, all other permitting complete.
3. Spoke to BLM Tonopah about **Esmeralda Energy** observation well. They have received a temporary permit from DWR for use of ranch well for injection testing and drilling. BLM has received inquiry from NDEP regarding resource cooling. NDEP may have exceeded their regulatory purview and expertise. NDEP requested an extensive list of information from the operator prior to granting a temporary injection permit. Some requested information can only be ascertained after drilling and injection testing.
4. Received temporary permit from DWR for Grass Valley exploration work by **Ormat**.

5. Received Reese Valley exploration program. Called **Cayley Geothermal** and discussed plans and required paperwork. They are partnering with **Western Geothermal Partners** on two projects.
6. Coordinating with **Cayley Geothermal**, bonding, received six applications to drill observation wells, Reese River, Lander County. Working with EMA. Technical program for observation wells reviewed and approved. Waiting for bonding and fees.
7. Spoke with **Caithness** about requirements by NDEP to drill (unspecified) number of monitoring wells before permission given to resume injection in Batz 1. Concern over vagueness of requirements in addition to the fact that historically Batz had some 15 monitor wells around it. These wells were P & A and released in the 90's because 20 years of injection showed no effects to monitored fluids. Reports of such were submitted to NDEP and NDOM.
8. Reviewed and approved two sundries for acid treating **Caithness**, Dixie Valley wells 65-18 and SW-3.
9. **Dixie Valley**, cancelled work on SWL-1 and provided new sundry for cleanout on SWL-3, approved.
10. Spoke with **Nevada Geothermal Power** about changes to surfacing casing program on 26A-14. Sundry approved to change surface casing depth. **Nevada Geothermal Power** completed TG-7 and TG-12. TG-12 left tools in the hole, still usable for TG testing.
11. Sundries received from **Nevada Geothermal Power** regarding surfacing casing change to 38-14 approved. Calco rigging up on 24A-14 well, sundry approved for BOPE configuration change. Setting up WDC on 38-14 well – spudded 6/23.
12. Coordinating with J. Hess on clarification on overlapping jurisdiction with DWR and NDEP regarding geothermal wells. Case in point is **Ormat's** Steamboat injection well. Provided geochemical data to NDEP.
13. Sent letter denying renewal of project area permit to **EarthPower**, Tuscarora project.
14. Sundries received from **Nevada Geothermal Utility** for pump maintenance on wells WE-1 and WE-2. MIT will be performed on WE-2 while pump is pulled.
15. Received MIT results on four **Dixie Valley** injection wells.
16. Attended California Collaborate Tribal Summit, Susanville.
17. Attended Renewable Task Force Meeting. Will present County Land bill efforts to the task force in August.
18. Information from a local realty appraiser. Has concluded that a domestic geothermal heating system can add ~\$50,000 to the appraised value of a home in Reno.
19. Coordinating information to NPS, NGC and state agencies on wilderness initiatives. Coordinating with NBMG on natural resource potential posters for Pershing and Lyon counties. Met with two Washoe County commissioners and briefed them on our efforts.
20. Coordinating with DOE, OIT on expansion of feasibility study and grant for Hawthorne district heating.
21. Coordinating with P.Thomsen on Nevada Geothermal Council luncheon.
22. Coordinated with BLM SO and FO, NDOW, State Lands, and Bureau of Reclamation on geothermal leasing issues in Carson Lakes area.
23. Attended Tax Commission meeting regarding Net Proceeds of Mines regulation changes regarding geothermal operations.
24. Follow-up on **Earth Power's** bond release.
25. Coordinated with D. Hand of **Chevron** renewable energy group on option for projects in Nevada.