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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS REPORT
AUGUST, 2006

ADMINISTRATION

1. Finalized three work programs for the FY-07 Bond Pool budget, the MacArthur Mine reclamation project, and the AML enhancement project.
2. Attended the meeting of the NBMG Advisory Board and the State Geologic Mapping Committee at UNR in Reno.
3. Met with Jon Price, Russ Fields, Debra Struhsacker, Christy Morris, and Greg Ekins to discuss the White Pine County land bill and the USFS Roadless/Wilderness initiative.
4. Administrator and staff attended the CMR meeting in Elko, including the tour of Newmont's Gold Quarry mine.
5. Met with the Nevada Excellence in Mine Reclamation Award Committee and selected the Newmont Bootstrap Mine for an award in the category of Wildlife Habitat Enhancement.
6. Signed a letter with other natural resource agency heads in support of a statewide GIS coordinator.
7. Met with Jodi Stephens of Congressman Gibbons' office to discuss the White Pine County public lands bill.
8. Attended, with Commissioner DeLong and Bryan, the summer GSN meeting.
9. Met with representatives of NDEP and NvMA to discuss the creation of a statewide AML fund to provide Good Samaritan status to the donors to the fund.
10. Completed the agency budget for FY08 and FY09 and submitted it to the Department of Administration.
11. Approved the purchase of GIS hardware and software for the AML database by the USACE for about \$28,000.
12. Met with the Controller's Office to close the FY06 fiscal records.
13. Gave a Nevada Mining/AML Stay Out and Stay Alive presentation at Davis Creek County Park Campground (one presentation – 40 people).

RECLAMATION BOND POOL

1. Issued notice level bonds for White Knight Gold (US), Idaho General Mines, Cordex Exploration Co., Greencastle USA, LtdAgnico-Eagle, Walker Lane Gold, Telkwa Gold Nevada, Bravo Alaska, Rimfire Nevada, and MIM USA.
2. Attended the hearing for the possible dismissal of Pallas Resources' bankruptcy. The hearing was postponed until August 30th. Janet Hess attended the bankruptcy hearing of Pallas Resources. The hearing was postponed another 45 days. Notified the equipment broker of the postponement.
3. Spoke with Quincy Energy Company about a notice level bond.
4. Started refund process for Atna Resources' notice level bond as the BLM has released it.

5. Received a decision notice from the BLM that AuEx, Inc. had obtained a letter of credit to replace a portion of their bond.
6. Paid out \$34,000 for the terminated Combined Metals Reduction bond which the BLM had demanded. Reclamation of the site would cost considerably more.
7. Received a demand letter for the terminated Manhattan Millsite bond. The bond pool has 4 options; require the operator to submit a reclamation plan and schedule, perform the reclamation, authorize the BLM to act as the bond pool's agent to contract and oversee the work with the contractor directly billing the bond pool, or paying off the bond. Met with Alan and Janet Hess to discuss these options. Traveled to Manhattan to check the condition of the Manhattan Millsite. The bond pool has received a demand letter from the BLM for the \$114,288.77 bond at this site. The millsite and tailings impoundment are relatively intact, and will certainly cost more than the bond amount to reclaim.

MINING AND LAND USE ISSUES

1. Spoke with John Dobra about mineral production and net proceeds of mines tax.
2. Spoke with Kathy Burke, Washoe County Recorder, about filing fees for patented claims.
3. Major Mines of Nevada 2005 received and distribution has begun.
4. Made predictions of 2006 and 2007 gold and silver production and metal prices and submitted to the State Economic Forum, per their request.
5. Helped Bill with claim research at the Nye County Courthouse.

AML / PUBLIC AWARENESS – NORTH

1. Supervised and assisted Boy Scout, Mitchell Walton, with his AML fencing Eagle Service Project. Four hazards were secured and two were repaired by Mitchell and his work crew in Washoe County.
2. Received call from claimant, Joe Nichols, regarding recently received letter reminding him of the large number of unsecured hazards on his claims near Lida, particularly two hazards ranked as "High". He insists that the hazards will be secured soon by the new lessee of his claims.
3. Received email from claimant, Carol Shanks, regarding the completed securing work performed on claims owned by Mascot Silver Mines, near Pioche. Replied with information on how to submit photographs of securing work and forwarded inquiry on uncertain hazard to NDOM-LV.
4. Communicated with Donna Noel (Pyramid Lake Paiute Tribe) for letter of permission to cross Tribal lands to gain access and secure hazards on Pah Rah Mountain.
5. Prepared for and participated in the 22nd Annual Minerals Education Workshop held at Western Nevada Community College. The workshop was attended by 98 educators. Acted as classroom coordinator for Grades 9-12 sessions, presented two activities and assisted with field trip tours of the Art Wilson Gypsum Mine and the Genoa fault scarp.
6. The summer interns completed their 12th week, securing 17 hazards in Lyon and Douglas Counties, and logging 2 hazards and 45 non-hazards in Lyon County. The interns participated in the Workshop on Thursday by assisting Liz Ball with her session on Majors and Careers, speaking to the educators about how they found their respective educational paths. Additionally, they attended the Thursday (Art Wilson) and Friday (Coeur Rochester) field trips.
7. Three summer interns (Greg Stokes, Erin Doerr and Jack Jacquet) were involved in a roll-over accident at approximately 9:30pm on Monday the 14th when the right rear tire on their 2005 Dodge experienced a blow-out while traveling 40-45 m.p.h. on the county maintained dirt road between Winnemucca and Midas, approximately 1 mile west of Midas. They were all wearing their seat belts and fortunately suffered only minor

- injuries. Greg, who was driving, received cuts and bruises to his left hand, arm and face, Erin received a bump on her head, and Jack received a small cut on the tip of a finger. Greg and Erin were transported by ambulance to Humboldt General Hospital, where they were treated and released. The responding Elko County Sheriff's Deputy found no evidence of speeding. The vehicle suffered severe body damage and was towed to Battle Mountain; Risk Management subsequently totaled the vehicle. While the cargo weight (~1,500 lbs.) may have contributed to the loss-of-control, this is the third blow-out of a Goodyear MT/R Dura-Wall tire this year. The tire responsible for the accident will be sent to Goodyear for analysis. In the meantime, a cargo weight limit of 1,000 lbs. will be imposed on the ¾ ton vehicles and a plan to restrict cargo shifting will be developed.
8. Summer interns completed their 13th week, securing seven hazards in Washoe County, logging one new hazard in Washoe County and 11 non-hazards in Elko County. In addition, four interns attended the CMR tour to Newmont's Gold Quarry Mine.
 9. Assisted Boy Scout, Robbie Ayres, and his work crew with his Eagle Service AML fencing project. Four hazards in Washoe County were secured.
 10. Sent thank you letter and photo-CD to Boy Scout, Robbie Ayres, following completion of his Eagle Service Project.
 11. Communicated with Boy Scout, Andy Haskin, setting Sep. 9th as date of his AML Eagle Service Project.
 12. Logged 2 new hazards, 2 re-visits, and 4 non-hazards in Pershing County.
 13. Two summer interns completed week #14, logging 3 hazards and 9 non-hazards in Lyon County and 34 hazards and 50 non-hazards in Mineral County. For the 14 weeks of the program, the summer interns secured or repaired 173 hazards, made inspection/assessment visits to 85 previously secured hazards, logged 212 new hazards and 773 non-hazards in 13 counties.
 14. All digital photos taken out of the CC office since May of this year were captioned, organized and archived.
 15. Notified by Newmont of an unsolicited securing of a mine shaft ~ ½ mile from their Carlin Mill #1 site. Newmont will send photo documentation.
 16. Received call from Steve Russell about proper securing work notification protocol. He will send photo documentation regarding securing work at the Bluestone Mine.
 17. Received request for minerals education presentation at Sarah Winnemucca Elementary School in Reno.
 18. Attended a meeting called by NDEP to discuss alternate means of funding abandoned mine remediation efforts.
 19. Assisted claimant, Bill Kogan, with identification and securing of three hazards on patented mining claims near Hamilton, White Pine County.
 20. Collected pyrite samples for upcoming Teachers Workshops at the Ward Mine, White Pine County.
 21. Met with Mark Henderson (archeologist) and Bill Wilson (geologist), BLM Ely Field Office, to discuss and visit abandoned mine hazards at the historic site of Hogum, south of Osceola. While there, met with claimant, Mike Pasek, who is actively mining his placer claim, which includes the historic site of Boon Tilford's cabin. Built in ~1889, all that remains standing today is a portion of the sandstone wall and doorway frame on the north side. The Hogum region is littered with prospects (~100 in a square mile), unfortunately the Hogum provisional 7.5 minute map shows very few prospects and as such had not been previously visited by NDOM. Logged 16 hazards and three non-hazards at Hogum. Typically, these placer mine hazards (shafts) are not highly visible, have 10-12' surface diameters, have steeply sloping sides and average 35' in depth. All

- 16 logged hazards exist within 200' of the historic cabin site and the region is rich with historic artifacts (colored glass, cans, bottles, metal equipment, stone foundations).
22. Logged one additional hazard and seven other non-hazards elsewhere in White Pine County with the help of a volunteer archeologist for the BLM Ely office.
 23. Participated in a conference call regarding GIS hardware and software purchase requirements.

AML / PUBLIC AWARENESS – SOUTH

1. Las Vegas office staff participated in the annual Festival in the Pines event at Kyle Canyon Ski Resort. The Division display included mineral facts and AML. An estimated 100 people visited the display (one presentation – 100 people).
2. Staff participated in the 22nd annual northern Nevada Minerals Education workshop for teachers in Carson City. Staff assisted in set-up, classroom coordination for grade levels 4-5 and 9-12, field trip coordination, tear-down and pack up. The optional day field trip was to the Coeur Rochester silver mine near Lovelock and a fossil collection site at the northwest end of the Mopung Hills in Churchill County.
3. Traveled back to Las Vegas following the Carson City minerals education workshop. En route, apache tears (from Coaldale site), basalt (from the crater near Silver Peak) and marble (from Carrara Quarry south of Beatty) were collected for future workshops.
4. Prepared maps, hazard inventory sheets and AML spreadsheets in preparation for site visits by Ken Maas, Nevada USFS AML coordinator, to the Spring Mountains in Clark and Southern Nye Counties on Thursday and Friday, August 24-25.
5. Continued work on Cultural Resource Avoidance Forms for Clark County BLM orphan sites secured by Scouts in 2005-2006.
6. Toured abandoned mine sites in the Spring Mountains in Clark and southern Nye Counties with Ken Maas of the Humboldt-Toiyabe National Forest. The area reconnaissance was to familiarize Ken with the hazards as he goes forward with a proposal for funding from the Southern Nevada Public Lands Management Act (Round 7) for permanent closure of the hazards.
7. Participated in a reconnaissance of the proposed Rays backfill sites north of Tonopah in Nye County with staff from the BLM State Office, Tonopah Field Station and a biologist with Nevada Division of Wildlife. 48 hazards have been proposed for backfilling. Cultural resource clearances are complete and five hazards need bat surveys. Chief-SNO assisted with night time external bat surveys on three hazards (using Infrared video and surveillance scopes). The backfill project is scheduled for the week of September 25-29, 2006.
8. Identified and ranked 11 hazards and logged 15 non-hazards in Nye County.
9. Chief-SNO and Deputy Administrator conducted AML claim research for Nye County hazards.
10. Responded to a call from Tonopah BLM regarding a concerned Tonopah resident who reported seeing young children inside a fence next to a deep, dangerous shaft. The resident was contacted and the hazard located (ES-764). The fence was found to be sagging and had large openings in the barbed wire. The fence was repaired, a number of fence “stays” were added to close gaps in the barbed wire and a second sign was added.
11. Visited NY-157, a shaft reported unsecured by a local resident and fenced by NDOM in March, 1994. Only one fence post was intact – all others were hanging down the shaft. A new fence was constructed around the shaft.
12. Prepared materials for the Red Rock NCA Harvest Fest scheduled for Saturday, September 2 and the Las Vegas Hard Assets International Conference (the annual Gold Conference) scheduled for September 6-7.

OIL AND GAS

1. Coordinating with BLM on possible changes in lease sales.
2. Received approval for injection pressure increase to Eagle Springs 1-34, **Deerfield**.
3. Approved change in operator of Cobble Cuesta well from **PetroWorld** to **Empire Petroleum**. Approved sundry change to drilling program BOPE system.
4. **Eagle Exploration** application Rio Blanco well, Nye County, issued.
5. **Noble Energy** sundry for delay in P&A until project is sold denied.
6. Approved **Tierra Nevada** Golden Eye well application.
7. Reviewing USFS Ely EIS for OG leasing.
8. Tierra Nevada sundry to deepen Sage 1 to 8700' approved. Golden Eye application to drill issued.
9. Received notice from Western General of ~40 bbl oil spilled at Kate Spring facility.
10. Received an "intent to plug" sundry from J. Isern. Can take no action until plugging program is submitted.
11. Notified **Neuhaus** of spill and housekeeping requirements at Tomera Ranch well battery. Company responded and will correct.
12. Received copy of NDEP notice of violation for Blackburn field to **Petroleum Corp** of NV. Oil spill, nonreporting, chemical use and housekeeping sited.
13. Notified **Foreland/Colour** that water/oil mix stored at Toana Draw must be processed or move to secure tanks prior to freezing weather.
14. Notified **Deerfield** of oil spill at well head North Willow Creek.
15. Requests from **Meritage Energy** regarding bonding and due diligence on Deerfield wells and properties.
16. Sundry for proposed change of operator on **Isern's** Gigante well to **Nevada Oil and Gas Operations, LLC**. Under review.
17. Received April through July monthly reports from **Geyser's** Santa Maria well.
18. Sundry from Geyser Petroleum testing Pipeline #1 well. Revised sundry on water storage. Approved.
19. Supported extension by 15 days of Empire Petroleum Cobble Cuesta well start. Rig mobbing.
20. Notified Winn Exploration that they are out of compliance on submission of reports and logs. Company representative pledged to comply.
21. Received a copy of a BLM APD for a well at Salt Wells, Gary Borgna operator. No submission to NDOM as yet.
22. Received confirmation from Colour Corp on loadout of test fluids at Toano Draw.

GEOHERMAL

1. Coordinating on Carson Lakes leasing situation with BLM and **Ormat**.
2. Field trip to **Ormat's** Steamboat Geothermal plants for Teachers Workshop, 40 participants (one presentation – 40 people).
3. Received 1st submitted discharge report from **Homestretch Energy**.
4. Received notice of approval of temporary injection permit for **Esmeralda Energy** drilling activity.
5. **Gerlach Green** sundry to for change in drilling program approved.
6. Received feasibility report on Hawthorn County, Mt. Grant Hospital geothermal retro-fit from OIT Geo-Heat Center. (GPW grant). Coordinating with Geo-Heat Center on estimates for a small bore well.
7. Approved hydro blast scale cleanout 23-5, **Ormat** Steamboat Hills, prior to pump replacement.
8. **Nevada Geothermal** drilling ahead on 26A-14. WDC rig released on 66-14.

9. Reviewing 30 CFR Geothermal Valuation and 43 CFR Geothermal Resource Leasing changes.
10. Reviewing new DOI Geothermal Steam Act regulation now out for public comment. Distributed notice of August 31 public meeting in Reno.
11. Nevada Geothermal Power, Blue Mt 26A-14 setting intermediate string at ~2200'. Released WDC rig from 66-14.
12. Spoke with Netherton Properties, Elko on geothermal heat system for an industrial park.
13. Received video logs of WE 2 and 4, Nevada Geothermal Utility. Casing looks good.
14. Cayley Geothermal application to drill observation well issued.
15. Ormat Steamboat Hills well clean out 23-5 completed, waiting for rig to install replacement pump.
16. Reviewed draft of **Constellation's** Soda Lake UIC permit.
17. Witness BOPE at **Nevada Geothermal's** Blue Mt site, 26A-14. Drilling ahead
18. **Vulcan DrillCo**, LLC BLM statewide bond approved. Meeting scheduled with company representative.
19. **Caithness Operating Company**, includes Dixie and Beowawe corporate offices, has moved offices, new address: 9590 Prototype Court, Suite 200, Reno, NV 89521. Telephones remain the same.
20. Spoke with Dale Burgett, Dennis Trexlar and Donna Stammers on BLM proposed regulations effect on commercial direct use royalties
21. Nevada Geothermal Power, sundry for testing 26A-14, piping flow to storage sumps and testing DB-1. Sundry approved.
22. Attended BLM public comments session on new geothermal regulations.
23. Received bonding required on commercial well, Vosika King, in Wells.
24. Notified GRID they are out of compliance on submission of reports and logs. Company owner pledged to comply.
25. Received BLM statewide bond for drilling, Vulcan Drillco.
26. Prepared handout for DOE State Working Group Summit on NV activities.