

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 JANUARY, 2007

ADMINISTRATION

- 1. Commissioner Mudge and the administrator attended Governor Gibbons inauguration.
- 2. Provided information to Ted Wilton concerning the White Pine County land bill and the number of wilderness areas in Nevada.
- 3. Committed to having the State of Nevada booth at the Arizona Geological Society Symposium, September, 2007, in Tucson, Arizona.
- 4. Sent a letter of inquiry to Nevada Precious Metals, Inc. concerning their mineral property on the playa north of Fallon.
- 5. Attended with Commissioner Parratt, the SME monthly meeting, at which Commissioner Parratt was the speaker.
- 6. Coordinated injection well repair at Steamboat with Mark Tibbs, Ormat, and Russ Land, NDEP.
- 7. Arranged and attended the CMR meeting in Las Vegas.
- 8. Supplied information concerning manganese in Nevada to Tronox, Inc.
- 9. Spoke with Jerry Hepworth, Coeur Rochester concerning the Downeyville AML project.
- 10. Met with the Division of Internal Audits concerning the extent of the Division's compliance with the recommendations of the LCB audit. Two recommendations are partially implemented and four recommendations are fully implemented.
- 11. Installed a mineral display case in the State Capitol, in cooperation with the Nevada State Museum and the Keck Museum. The minerals in the case are examples of the rocks and minerals listed in the wall frieze on the first floor of the capitol. Met with Brent Boynton, Governor's Communications Director, concerning the mineral case.
- 12. Made arrangements for Mike Visher and the administrator to attend the National Association of Abandoned Mine Land Programs annual business meeting in Santa Fe, NM, February 28 to March 2. The Division wants to consider membership in this organization.
- 13. Agreed to serve on the steering committee for a BLM sponsored Mining Issues Training Workshop to be held in Reno in 2008.
- 14. Participated in an USACE RAMS conference call to discuss legislative strategy.
- 15. Attended the NvMA Minerals Education Committee meeting in Reno.
- 16. Approved the \$2,500 membership in the John Mackay Club.
- 17. Provided information on mercury to Nigel Bain at Queenstake Jerritt Canyon.
- 18. IFC approved the work program for the Nevada-U.S. Forest Service land use liaison contractor.

RECLAMATION BOND POOL

- 1. Obtained the release of Amalgamated Minerals' bond.
- 2. Issued a notice level bond for MIM (USA) Inc.

- 3. Reviewed Firstgold Corp.'s (Scott Docktor) application for a \$613,500 bond. Informed Firstgold that if the Bond Pool should allow them to participate, the pool would require a 100% deposit.
- 4. Attended the CMR meeting in Las Vegas. Gave the CMR updates on mining issues and on the bond pool.
- 5. Drafted proposed changes to the bond pool regulations for notice level bonding procedures.
- 6. Drafted fact sheet on the bond pool for use at the legislative hearing of AB31.

MINING AND LAND USE ISSUES

- 1. The mining claim forms on the agency web site have been revised to reflect the requirement of stating they do not contain a social security number.
- 2. Assisted Lumos & Associates with a permitting question.
- 3. Assisted the National Technology Transfer Center in West Virginia with information about use of mine refuge chambers in Nevada.
- 4. One hundred and nine exploration survey forms were mailed out.
- 5. Spoke with Didra Pike, a reporter from the Reno Gazette Journal, about whether oil production would peak.
- 6. Spoke with Peter Jansen of DETR (Dept. of Employment, Training, and Rehabilitation) about the cost of producing copper.
- 7. Sent 1998 production records for Lone Tree, Chimney Creek, and Rabbit Creek mines to Sharon Byrum of Newmont.
- 8. Met with Mike and Geotemps about a start date for the AML contractors.
- 9. Visited Geo-Nevada's minesite between Moundhouse and Sliver City to help them locate an abandoned mine. It was found to be partially backfilled and a non hazard.
- 10. The Annual Status and Production Report forms were sent out to metallic and non-metallic producers. This year, the forms can also be filled in online.
- 11. Gave a presentation to 26 docents at the Nevada State Museum on minerals and their uses with a touch of Stay Out and Stay Alive (one presentation 26 people).
- 12. Attended the Nevada Miners and Prospectors Association meeting in Reno.
- 13. Spoke with George Deverse of the Tonopah BLM about the Manhattan Millsite (the site reclaimed by Houston Oil & Minerals).
- 14. Met with Alan, Christy, and Gary Miller of Terralliance and James Collins of STRONGER about oil permitting.
- 15. Made up two certificates of appreciation for Eagle Scouts who secured abandoned mines.
- 16. Worked with Craig Smith (BLM) on a new scope of work for the MacArthur Mine reclamation project.
- 17. Spoke with Diane Bain from the Arizona Minerals Division. She was doing a survey of western states to find out how their minerals agencies were funded.
- 18. Developed a draft flowchart for contract procedures for the agency's internal control binder.
- 19. Spoke with Carlos Christenson who is working with Tony Selig trying to restart the Manhattan Mill.

AML / PUBLIC AWARENESS - NORTH

1. Cultural avoidance information was provided to the USFS for four orphan hazards secured during calendar year 2006 in the Spring Mountain NRA in southern Nye County.

- 2. Communicated with members of the Nevada Bat Working Group to acquire bat-compatible closure cost data.
- 3. Completed a cost estimate worksheet (based on NDEP's SRCI model) for closure of Downeyville hazards. Submitted to NDEP for review then forwarded to DCNR for consideration. Reviewed worksheet and proposal with Jerry Hepworth (Coeur-Rochester) and provided him with additional location and photographic information.
- 4. Communicated with Ken Maas (USFS) about potential uses for FS bat-gating team to secure hazards in Nevada.
- 5. Provided UTM information to Chris Ross (BLM-NSO) regarding backfilled hazards at Perry Canyon.
- 6. Burned photo CD of 2006 Twin Creeks Mine field trip images and another of Guanomi Celebration images for NvMA.
- 7. A summary of known unsecured orphans was prepared for use by GeoTemps contractors expected to begin securing/logging work on February 6th. There are currently 352 hazards in the AML database available for securing.
- 8. A summary of hazards needing ownership research was also prepared to estimate work requirements/needs for a contracted landman. There are currently about 400 hazards in the AML database needing ownership research.
- 9. A CD of photographs, documenting the existing condition of abandoned mine hazards at Downeyville, was delivered as requested to Alice Baldrica (SHPO).
- 10. Provided a Rocks/Minerals/AML presentation and "Paste with a Taste" activity to 23 4th-grade students at Caughlin Ranch Elementary School in Reno (one presentation 23 people).
- 11. Received a request for a school presentation at Capital Christian Elementary School, Carson City and participation at the Westergard Elementary School's Science Fair.
- 12. A tour of 31 abandoned mine hazards proposed for backfill in the Jumbo Grade and New Washoe City regions was provided to Jennifer Newmark (NV Natural Heritage) and Chris Ross and Bob Kelso (BLM-NSO). Preliminary bat surveys were conducted and seven hazards will require summer surveys before determinations about bat habitat can be made.
- 13. Notification paperwork requesting authorization from the BLM to backfill the orphan hazards at Jumbo and Washoe City were completed and will be sent, along with a map and photos, to BLM-CC for processing and to assist with their budgeting and planning of the requisite archaeological surveys.
- 14. A site tour to Downeyville with Jenni Jeffers, NDOW was scheduled for Feb. 9th.
- 15. Informational packages containing proposals to backfill 26 abandoned mine hazards, in the New Washoe City and Jumbo Grade regions of Washoe County, were sent to Chris Ross (BLM-NSO) and Carla James (BLM-CC). Included in the packets were photographs and hazard inventory sheets for each site and location maps.
- 16. Ownership research performed on 42 hazards in Douglas County in the Mt. Siegel area which will be evaluated for backfill potential.
- 17. Attended NvMA Education Committee meeting via conference call.
- 18. Definitions used in, and modifications to, the amended MOU between the USFS, SHPO, and DOM were discussed with Ken Maas (USFS). The final amended MOU is expected to be complete and ready for signing within the next 2 months.
- 19. Three additional applications for the GIS/Field Specialist position were received. A total of nine individuals have applied. Interviews will be scheduled with the strongest candidates for the next two weeks.

AML / PUBLIC AWARENESS – SOUTH

- 1. Conducted Justin Graf's Eagle project reconnaissance site visit 6 hazards in the Crescent area west of Searchlight.
- 2. Assisted as tour guide at McCaw School of Mines for 38 3rd graders (one presentation 38 people).
- 3. Traveled to the Amargosa Dunes area of southern Nye County in response to an AML call from Las Vegas BLM and Amargosa Volunteer Fire Department. Investigated and ranked 2 hazards and logged one non-hazard prospect pit.
- 4. Checked road conditions into the Mt. Stirling area of the Spring Mountains in southern Nye for an up-coming Eagle Scout AML project. NOTE: The project scheduled for Saturday, January 13 was postponed due to severe weather conditions.
- 5. Conducted claim research for the room and pillar gypsum mines in the West Warm Springs Road area near Blue Diamond. Updated claim research for Mountain Vista gypsum mine AML sites in west Las Vegas area and for one hazard site in Esmeralda County.
- 6. Assisted as tour guide at McCaw School of Mines for 30 4th graders from Meadows Academy Charter School (one presentation 30 people).
- Attended Commission of Mineral Resources meeting Las Vegas. Presented Southern Nevada Operations Education and AML activities. Coordinated field trip to abandoned gypsum mines on West Warm Springs Road with commissioners, staff, Clark County personnel and BLM staff.
- 8. Prepared talking points paper requested by CMR Chairman Gibson for a meeting with the Clark County Manager on abandoned mine notification procedures.
- 9. Conducted 2 classroom presentations for 125 3rd graders at Dorothy Eisenberg Elementary School, Las Vegas. Topics included minerals & commodities, "birdseed mining" activity and AML (two presentations 125 people).
- 10. The Las Vegas office received two new requests for Eagle Scout mine fencing projects (numbers 81 and 82).
- 11. Collected quartzite samples for teacher workshop rock kits from Ute siding north of LV.
- 12. Observed work in progress at the White Grow gypsum mine in Valley of Fire State Park. Crews drilled and blasted rock above pit high walls that will be moved to re-contour and partly backfill two small open pits.
- 13. Attended the quarterly McCaw Foundation Board meeting. Agreed to be interim cochairman of the Board along with Bill Snyder of Tate, Snyder, Kimsey Architects following the resignation of Chairman Michele Schack.
- Registered for the Boomtown History Event in Amargosa Valley scheduled for February 16-17. "Stay Out and Stay Alive" and other Division materials will be displayed.
- 15. Assisted with training of 6 new student volunteers at McCaw School of Mines. The students are from Nevada State College and will be able to fill time slots on days when the Mine tours are short of regular adult volunteers.
- 16. Prepared minutes from last McCaw Foundation Board meeting.
- 17. Conducted 2 classroom presentations for 30 2nd graders and 23 3rd graders at Van Gorter Elementary School in Sparks. Topics included minerals & commodities and AML (two presentations 53 people).

- 18. Presented AML, minerals and their uses and a fluorescent mineral display at the Kate Smith Elementary School Family Science Night in Sparks. Approximately 60 students and parents attended (one presentation 60 people).
- 19. Las Vegas office staff attended the Nevada Mining Association education meeting in Reno. Plans for the 2007 Las Vegas earth science education conference were finalized; the 2007 Elko workshop planning process is underway (to be held August 7-9); and a date has been set for the 2008 summer workshop in Tonopah for July 22-24, 2008.
- 20. Attended the Clark County Mobilization and Response Team (CMART) meeting. The monthly meeting was attended by 30 people from a variety of Clark County agencies (Metro Police, Fire Department, Code Enforcement, Human Services, Building Inspection) and NDEP. The informal meeting is a round-table discussion of programs and projects with short presentations made by each attendee. Made a short presentation on the status of Clark County AML and efforts to get claimants to secure the mine hazards located off of West Warm Springs Road. The Clark County Fire Department has expressed an interest in having AML presentations made for their Heavy Rescue response teams training program.
- 21. Claim research done via BLM LR2000 on hazards logged in Esmeralda County.

OIL AND GAS

- 1. Noble Energy's Rattlesnake well PA in progress. Slowed by rig and weather problems.
- 2. Received Empire's Cobble Cuesta well geology report.
- 3. Coordinating with BLM on clean up of Toana Draw well site prior to approving transfer of operator from Colour Corp to DY Exploration.
- 4. Meeting with J. Isern and G.Hollis on Westar Oil. Delivered 8 apd's and organization report. Waiting for bond confirmation for federal land.
- 5. Meeting with NDEP on Grant Canyon air injection program. NDEP includes "ambient air" injection within the NV UIC program. Working with agency and operator to expedite and standardize this process.
- 6. Plains Exploration Pancake 21-1 apd approved. Completed review of Pluto 27-1.
- 7. Received sundry notices of spills, cleanup proposal and shut-in of Toano Draw 15-19 well from DY Exploration. DY has not been approved as operator of the well pending cleanup process. Colour Corporation remains the responsible party. Provided information for contacting Bureau of Corrective action for adequate cleanup procedures. Approved shut in of well pending cleanup of site and repair to the gathering system.
- 8. Received apd for EOG Resources, well 1-07, a gas well. Under nationwide bond. Waiting for organization report.
- 9. Received Energy Operations and for Yankee Mine 3. Completed review of appl. Met with representatives Jim Collins and Gary Miller.
- 10. BLM notice received of production review initiated of Petroleum Company of Nevada, Makoil, and Western General.
- 11. Plains Exploration Pluto 27-1 apd approved.
- 12. Provided production and leasing information to the State Energy Office
- 13. Received 6 additional NOS from Westar Inc. Requested additional information from BLM on the proposed approval of two apds in the Cobble Cuesta unit area. NDOM has precluded further drilling here until the 1-4 which is out of compliance is taken care. This position taken in accordance with BLM discussions.

GEOTHERMAL

- 1. Round Mountain Gold, using WDC rig, to PA two geothermal wells.
- 2. Revision of TG Power's APD for Well 65-8 production well, received, approved and sent. Blackgold 20X rig mobbing.
- 3. Coordinating with Vulcan Power on continued discrepancy in well numbers. New surveys received.
- 4. Attended Town Hall meeting called by DRI and ConocoPhillips. Emphasis on fuel economy/efficiency.
- 5. Prepared quarterly reporting information for the DOE GPW grant.
- 6. Provided information on regulatory information which could be incorporated into the Redfield Campus curriculum of renewable energy development.
- 7. Spoke with Dr. Dees, Mt. Grant Hospital. Current heating system has faired ok this winter. Discussed further funding for test well on site. Will pursue with GPW and OIT
- 8. Received 4 TG well completion reports and logs from GRID, Hazen project. Waiting for P&A programs.
- 9. Asked to collaborate on a paper for GSA with L. Garside and L. Shevenell.
- TG Powers core hole 87-5 completed. Rig down. Continuing to rig up on production well 65-8. Provided information on H2S equipment suppliers. Coordinating with BLM for onsite inspection.
- 11. Provided Ellen Hotis, Justice Dept NM, on geothermal permitting information.
- 12. Reviewed new DOE budget and TOA process for 2007 with R.Hill, Sandia Labs.
- 13. Ormat reworking 64A-32, push pull on SBH production well 28, on site inspections. Attended NDEP/County/GeothermEx/ Ormat meeting on monitoring program.
- 14. Webinar with PUC and Wind working group on renewable transmission issues.
- 15. TG Power 65-8 production well spud 2/4. Approved sundry for logging ST65-8.