



JIM GIBBONS
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 MARCH, 2007

ADMINISTRATION

1. Met with the UNR John Mackay Club concerning careers in the mining industry.
2. Attended a USFS Forest Plan/Roadless planning meeting.
3. Discussed AML and the USACE RAMS program with Michael Walker of Senator Feinstein's office.
4. Gave a presentation "Update of Nevada Exploration, Mining, and Bonding Activities" to the American Association of Professional Landmen in Reno.
5. Manned the agency table top display at the Mendive MS career day.
6. Presented NDOM's budget before the Joint Finance Committee was 3/21.
7. Met with former Commissioner Parmer concerning the Yerington mine site cleanup.
8. Met with Nye County Commission Chairman Gary Hollis concerning the Westar oil well near Gabbs.
9. Met with the Governor's office concerning a lakebed mining proposal by Royal Mines near Searchlight.
10. Discussed the TG Power geothermal well permit near Tuscarora with representatives from the Department of Wildlife.
11. Participated in a USACE RAMS conference call concerning the NAMLET request for funding AML work in Nevada in FY08.
12. Attended the BLM Minerals Workshop at the Nugget in Reno.
13. Met with Jerry Hepworth of Coeur Rochester concerning the Downeyville AML project.
14. Attended, with Commissioner Fagan, the Nevada Geothermal Council luncheon and the NGC geothermal day at the Legislature.
15. Finalized the meeting packets for the CMR Budget Committee meeting.
16. Met with new NDOM employee Danielle Villa.
17. Sent talking points on Nevada's mining industry to the Governor's office for his speech to the National Mining Association Board of Directors.
18. Discussed possible mining law reform legislation with K. Benedetto, House Committee on Resources staff.

RECLAMATION BOND POOL

1. Issued 5 notice level bonds for RMP Resources Medallion Resources, AuEx, Consolidated Gold Win Ventures, and Redstar Gold USA.
2. Released one notice level bond for Western Energy Development Corp.

MINING, LAND AND OTHER ISSUES

1. Put together a list of the AML sites on BLM land where incidents have occurred since 1990 for Chris Ross, and whether they were secured and the securing method.

2. Wrote a brief letter of support for the BLM's efforts to get SNLPMA funding for AML work in White Pine County.
3. Developed a contract amendment for Ehni Enterprises Inc. for the geothermal newsletter.
4. Spoke with Hugh Ingle about the adequacy of a cage for a shaft. Referred him to the Mine Inspector.
5. Discussed the selection of Summer Interns with Mike.
6. George completed the mail out of 4th and 8th grade mini-units and AML brochures. A total of 758 4th grade units, 753 8th grade units, and 75,353 AML brochures were sent. 51 AML videos were also sent to new schools.
7. Completed the preparation of the contract with Ehni Enterprises for the geothermal newsletter. Obtained all the required signatures and submitted it to the budget office.
8. Attended the BLM Minerals Workshop in Sparks. Gave a brief talk on the Division's activities, particularly those interfacing with the BLM.
9. Worked out various scenarios for a claim research contractor.
10. Worked on the Annual Status and Production reports and the 2006 Major Mines booklet.

AML / PUBLIC AWARENESS – NORTH

1. Ten hazards were secured in Lida by the Geotemps contractors in Esmeralda County. All of the remaining orphan sites at Lida will be secured within the next week. Geotemps contractors secured 15 hazards in Esmeralda County for a total of 77 abandoned mines secured during the last six weeks, and they secured another 14 hazards in Esmeralda County.
2. One new hazard was logged in Douglas County.
3. Visited with Kris Urquhart and Jenni Jeffers (NDOW) 20 AML sites in the southern Pine Nut Range being considered for backfill to perform the requisite biological surveys. Significant bat habitat was encountered at only two mine openings. Eight other sites were found unsuitable for backfilling. Information on the remaining ten sites will be forwarded to BLM-CC for the necessary archaeological clearance in anticipation of backfilling in the fall.
4. Met with John Gebhardt (NDOW), Jennifer Newmark (NV Natural Heritage), Chris Ross (BLM-NSO) and Bill Durbin to discuss and review a listing of AML sites and regions proposed for semi-permanent and permanent (i.e. backfill) closure work during the next several years. Current plans are for 2007 backfill work at Jumbo Grade, New Washoe City, and Ruhenstroth in northern Nevada and numerous sites near planned OHV race routes near Tonopah. NDOW has provided, and will continue to provide, the requisite pre-closure biological survey work. Archaeological clearance work will be performed or contracted by the BLM.
5. Met with claimant Jeff Hampton to discuss securing work he plans for AML sites in Washoe County and to review recently completed securing work he did for a client notified by NDOM of hazards on his private property.
6. Reviewed 2006 AML numbers and minor database discrepancies in preparation for completion of 2006 AML Report.
7. Communicated with NDOW regarding planned trip to AML sites in the Ruhenstroth region east of Gardnerville.
8. Questions were answered of claimants, Paul Burkett and Warren Berdick, regarding hazard securing of AML sites on their claims in Esmeralda County. The AML contractor list was faxed to each.
9. Spoke with Tonopah Times reporter Mark Waite regarding current securing work being performed in Esmeralda County by contractors. Several photographs and a summary of work were emailed to him.
10. Received inquiries from claimants Lenn Pritchard and Greenspun Corp. regarding securing requirements and deadlines for AML sites on their active claims.

11. A new Participating Agreement draft between the USFS and NDOM was reviewed and returned with comments to USFS. No significant changes in performance measures or expectations were made and the new document is expected shortly. It will allow NDOM to access FS managed lands to log and secure, with an exclusionary fence, known orphans in a **single** visit.
12. A final review of all 21 summer intern candidates resulted in offers to six candidates, three of which declined, having accepted offers from industry. Offers to three other candidates were accepted. All other candidates were notified via email. The six students who have accepted the summer internship are: Greg Stokes (returnee), Sam Saunders (returnee), Ryan Turner, Jack Rhodes, Daniel Atkinson and Paul Hetu. The summer interns start on May 21st.
13. DVD copies of the off-road PSA were provided to Richard Brown (BLM-NSO) for use at a national BLM conference where it will be considered for broader distribution. Spoke with videographer/producer Norm Bosworth regarding the BLM's plans to provide wider (national) distribution of the NDOM/BLM jointly produced PSA focusing on OHV activities and abandoned mine hazards.
14. Communicated with Karen Hume, Roy Gomm Elementary School, Reno regarding rock and mineral kits and educational poster availability. The requested materials will be delivered within a week.
15. Attended the NvMA Education Committee meeting in preparation of the upcoming Teachers Workshop in Las Vegas and continue planning for the August workshop in Elko.
16. Attended and provided photographic services at the BLM Minerals Workshop in Sparks.
17. Workshop presentation and activity supplies were acquired and preparations made for the Earth Science Education Workshop in Las Vegas.
18. The "Paste with a Taste" minerals activity was taught to 29 2nd graders at Miguel Sepulveda Elementary School in Sparks. "Stay Out, Stay Alive" outreach materials were provided as well as a brief summary of mining in Nevada (one presentation – 29 people).

AML / PUBLIC AWARENESS – SOUTH

1. Made a PowerPoint presentation on the Potosi lead mine and AML for the Old Mormon Fort "Lunch with History" program (one presentation - 10 people).
2. Three AML hazards near Gold Butte were investigated and ranked and seven non-hazards were logged. Claim research was conducted using BLMs LR2000 mining claim data base. Securing authorization requests were prepared and sent to Las Vegas BLM.
3. Completed a letter response to a Clark County Deputy District Attorney who had questions regarding the County's authorization to secure AML hazards on public lands in cases when claimants failed to heed Division or County requests to secure dangerous conditions. The Clark County DDA's concern was preemption of BLM authority.
4. Completed land status research in the area of the Best Bet placer claims and the Mountain Vista lode and placer claims and it appears that the surface estate transferred from BLM to Clark County, effective May, 2003.
5. Assisted in field tour with Chris Ross, Kim Mulhern of US Army Corps of Engineers, staff from the US Bureau of Reclamation and Ed Winchester of Frontier Environmental Services to visit proposed AML sites that will be used to train USACE and USBoR in bat gate construction and expansive foam applications.
6. Chief-SNO, BLM AML Lead Chris Ross and NDOW staff conducted "second-season" bat surveys for eleven of sites that may be suitable bat habitat and considered for bat gates under SNPLMA Round 5.
7. Prepared Eagle Scout project packages for candidates Jared Cooper (#85) and D.J. Stanger (#82). The projects involve re-securing a number of vandalized sites south of Henderson. Prepared an Eagle Scout project package for candidate Jacob Trotter (#84). The project

involves securing 2 hazards and re-fencing 2 vandalized previously-secured hazards southeast of Nelson, Clark County.

8. Conducted an AML presentation for four ATVers who ventured up to a mine site southeast of Nelson (one presentation – 4 people).
9. Attended a strategy meeting with NDOW, BLM and Nevada Natural Heritage Program staff to prioritize AML “orphan” bat survey work for sites proposed for permanent closure.
10. Las Vegas office staff copied hazard inventory sheets for AML sites along and adjacent to off-road vehicle race routes in Esmeralda and Nye Counties. The ID sheets will be forwarded to BLM-Tonopah, Nevada Division of Wildlife and the Nevada Natural Heritage Foundation. Bat surveys and biological clearance work will be accomplished for these sites to determine suitability for permanent closure in late 2007 and/or 2008.
11. Attended the BLM Minerals Conference in Sparks.
12. Conferred with McCaw School of Mines Executive Director on the 2006 budget figures and on fund-raising plans for 2007.
13. Participated in Pat Diskin Elementary School Career Day. Presentation on mining industry careers, minerals & commodities and AML for 136 K-3rd grade students (one presentation – 136 people).
14. Las Vegas office staff continues to assemble and prepare materials for the Las Vegas teacher workshop, including sulfur, garnet, limestone, and rhyolite samples. Also prepared 200 each of “bagged and tagged” gold and silver ore and diatomite samples for workshop bag stuffers. Also took a pickup load of materials to Cheyenne High School and called all points of contact for the tours to ensure that they will be ready for our visits on April 3 and 4th.
15. Attended a Nevada Mining Association Education Committee meeting in Reno.
16. Presented minerals and commodities, “birdseed mining” and AML for two classes of 4th graders at Ober Elementary School in Summerlin (two presentations - 56 people).
17. Las Vegas office staff met with Capitol North American Van Lines regarding the office move. Also toured the new office space, taking measurements and preparing a floor plan which will be used to guide the moving crew for the April move, scheduled to begin April 11. The tenant improvement work is progressing rapidly.

OIL AND GAS

1. Eagle Exploration, re-location of Rio Blanco #2 well. Re-submission of application to drill with new map.
2. Coordinating with BLM and NDEP on integrity testing of RRV injection wells.
3. Reviewed and performed some statistics on the 2006 oil production numbers. Number of producing wells stayed the same as 2005. Production dropped by 5.8%, less than expected.
4. Provided information to BLM on Toano Draw 15-19 fee well, part of a federal unit. DY Exploration and Colour Corp meeting with BLM re leases.
5. Attended USFS interdisciplinary team meeting. Sent out RFP for consulting position.
6. Plains Exploration has spudded Pancake Summit 21-1 well and is drilling ahead. A modification to the drilling plan was approved.
7. Spacing exemption for Eagle Exploration Rio Blanco #2 well was approved based upon working interest and lease position. Eagle has further agreed to submit required information on two previous wells which were delinquent. A revised permit with new location was submitted and approved.
8. Sundry notice of re-work of well for Grant Canyon #9, Grant Canyon Oil, received and reviewed. Recommended approval to BLM.
9. Coordinating with Grant Canyon Oil on the acquisition of wells in the Blackburn field.
10. MITs through out the RRV field were underway. M.Tyler, BLM, on site for witnessing tests for NDOM and NDEP.

11. Plains Exploration drilling ahead on Pancake Summit 21-1 well.
12. Sent fiscal 2005 production numbers to IPAA.
13. Received IOGCC NEPA manual, draft. Will review.
14. Provided information to Senator Reid's staff on the work being done by NDOM and NBMG on renewable potential maps and how they could be used in the coordinating initiative proposed by the Senator between federal and state agencies and developers. Of particular concern is the integration of maps developed by the military of land use (such as maneuvers, flyovers) with renewable resource areas.
15. Received and approved a rider for Grant Canyon Oil and Gas, incorporating the new Blackburn Oil and Gas, LLC as a wholly owned subsidiary. This new holding company will be the owners-operator of a number of Blackburn field wells. Ownership change in progress.
16. PXP continues drilling on the Pancake 21-1 well. Initiated Baker Hughes tool use to correct deviation problem.

GEOTHERMAL

1. Ormat Nevada, BPP well 15-12 on site for BOPE testing.
2. Caley Geothermal well 56-4, drilling sidetrack.
3. Approved shut in and rig down on TG Power well 65-8. Thirty day timeline to replace rig or do temporary abandonment.
4. Ormat Nevada Grass Valley 67-16 observation well spudded and drilling ahead.
5. Attended conference call with Valley Electric, Nye County school district and consultants on design for geothermal heat pump systems for new schools in Pahrump.
6. Coordinating with Nevada Geothermal Power on geophysical survey work and further drilling this summer at Blue Mt.
7. Three sundries for push pulls on Steamboat wells approved.
8. Meeting with P.Cleary and J. Ordowski on geothermal properties.
9. Provided production and development information to Great Basin Center for legislative testimony.
10. Two apds for TG Power Tuscarora project review complete, NDOW comments received, Sage Grouse issue is preventing issuance of permits.
11. In response to the Governor's executive order 2007-02-16 regarding renewable energy permitting, NDOM will make our forms and applications on our website into interactive pdfs which can be filled out and submitted on line. The Governor is asking for reports of progress by June 1; we will start with the geothermal first but OG forms should be included as well. The second area will be to provide permitting information on the web. A list of active permits, location, and operator contact will be a good start. This could be augmented with GIS information once our new position and system is up later in the year.
12. Attended GeoPowering the West Utah Working Group meeting in Salt Lake City. Field trip to the Raft River Geothermal Project.
13. Coordinating with Raser Technologies on NV project area.
14. Conference call to Rory Lamp of NDOW regarding sage grouse issue at the Tuscarora project. TG Power implementing sound monitoring in the area.
15. Coordinating with BLM on the Jersey Valley EA for test drilling by Ormat. This EA has been in progress for a year. Field office had questions regarding acidization clean out of working wells, a normal SOP for geothermal projects, handled by NDOM and NDEP in normal course of business. Provided information and suggested the issue should not be a concern in an EA for test wells.
16. Ormat Grass Valley 67-16 has set surface casing, passed pressure test and is drilling ahead.
17. Ormat Brady Hot Springs 15-12 has set surface casing, passed pressure test, and is drilling ahead.

18. Received sundry notice of MIT on Beowawe 85-18. Coordinating with NDEP on program.
19. Coordinating with Nevada Geothermal Council regarding attendance at the Legislative Luncheon sponsored by NGC on March 26th.
20. D.Hand of Chevron Energy Solutions continues to work in the state on community geothermal projects. Caliente and Hawthorne are municipals with which Chevron is coordinating.
21. Cayley Geothermal (Sierra Geothermal) has drilled to TD and hung the liner in well 56-4. They will be releasing the rig and going to testing phase.
22. Ormat drilling ahead on the Brady Hot Springs 15-12 well. Drilling ahead on the Grass Valley 67-16 well. Approved sundry for pump work on SB 78-29. Sundry for permeability testing of Strat 9 well at Desert Peak approved.
23. Meeting and conference call with GRID representative, OIT, and GBGC. Progress report.
24. Reviewed requests from NDOW on sage grouse stipulations to permits to drill in the Tuscorara project area. Stipulation within the permit requests operator to coordinate with NDOW on activity. TG Power has made significant efforts to provide on going monitoring and coordinate with the agency. Received information on replacement rig going to Tuscorara project.
25. NDEP has indicated they are considering a simplified version of an injection permit for domestic geothermal users. Inquiries to NDOM would suggest that re-injection of domestic geothermal wells are going to become more prevalent and the simplification for home owners is a very beneficial move.
26. Approved MIT program for Beowawe 85-15.
27. Received and accepted Raser Technologies statewide bond.
28. ENEL, an Italian power company, has completed their purchase of AMP Resources, a NV geothermal company. The purchase includes for the geothermal project area of Salt Wells and the Stillwater plant.
29. Coordinating with electric co-op Valley Electric on search for funding for new school district buildings using geothermal heat pumps. Also distributed VE's interest in purchasing geothermal power to contacts.
30. Attended Nevada Geothermal Council's legislative luncheon. Lunch was provided to Nevada Legislators in Carson City. The Assembly was in session which limited the number of members able to attend. NGC has a very good turnout, with all the major producers and developers represented.
31. On site at Ormat's Grass Valley well 67-16. Rig inspection. BOPE test initiated but generator lost. Test completed next morning and rig is drilling ahead.
32. Attended a meeting with Senator Titus and Dr. Dees of Mt. Grant Hospital. Briefed the senator on the project and challenges facing Mt. Grant and the very good potential for installing geothermal heating system retro fit.
33. Coordinated with Lags Exploration, a new drilling company coming to the state for a geothermal project. Rig is a very large water well drilling rig out of Florida.
34. Coordinating with Cayley Geothermal and NBMG on cutting submissions which need reboxing to be acceptable.
35. Coordinating with TG Power on providing information to DOE on GRED funding; re: meeting requirements of coordination with NDOW and meeting NDOM requirement to safely plug or re-enter the well, 65-8, which is currently shut in under a 30 day NDOM order.
36. Continue to work with USFS and NBMG on trading GIS information on mineral and energy potential. GIS layers provided to USFS to prepare working Arc Map program for layer for comparison to aid land use designation. Spent a day with S.Fechner analysis potential maps and proposing land use designations for the Altima, Toquima, and Shoshone areas. Will present our work at the USFS ID team meeting on 4-11.