

## STATE OF NEVADA COMMISSION ON MINERAL RESOURCES

#### **DIVISION OF MINERALS**

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ALAN R. COYNER
Administrator

# ACTIVITY AND ACHIEVEMENTS April 2008

## **ADMINISTRATION (Alan Coyner)**

- 1. Checked potential AML liability for UNR at the Burrus mine.
- 2. Travelled to Washington DC and met with congressional staffers from 14 different offices, State Governor's offices, and the Assistant Secretary of the Army concerning future funding for the USACE RAMS program.
- 3. Met with George Stone, National BLM AML lead, in Washington DC concerning the FAST program and set the date for an AML physical hazards conference to be held July 8-10 in Boulder City, NV.
- 4. Spoke with Joani Matranga of the Colorado Governor's office concerning the Colorado Geothermal Trade Mission proposed for June 23 to 25, 2008.
- 5. Prepared three draft documents for the CMR meeting concerning mining law reform, public lands bills, and the NDOM mission statement.
- 6. Facilitated the CMR meeting in Carson City.
- 7. Met with CMR members to discuss possible changes to the mining claim fee.
- 8. Prepared guidebook and information for Virginia City field trip.
- 9. Led a tour of 55 people to Virginia City as part of the Mackay Centennial Celebration.
- 10. Met with the State Museum concerning artwork for the CMR conference room.
- 11. Attended the annual Mackay Awards Banquet in Reno.
- 12. Attended with Commissioners Bryan and Parratt the Mackay EAB meeting.
- 13. Attended the dedication of the Eimco mucker in front of the Laxalt building.

## **RECLAMATION BOND POOL (Doug Driesner)**

- 1. Issued a notice level bond for Britannia Gold Corp.
- 2. Was notified that Nevoro Nevada Inc. wanted to postpone obtaining a notice level bond.
- 3. Initiated a deposit refund for Electrum USA and a partial refund for General Metals Corp.
- 4. Spoke with Electrum USA about one of their bonds which was partially doubled up on the deposit. The project was originally bonded by Epithermal LLC who made the original deposit. Electrum took over the project, expanded it, and was required to post a larger bond. Electrum mistakenly paid the deposit for the entire bond, not just the increased amount. I wanted to make sure the original deposit went to the right company.
- 5. Met with Bob Chaplin of White Dragon Mines LLC about future bonding needs.
- 6. Spoke with Lynn Oliver of the Inyo National Forest about the Bond Pool providing bonding on Forest System lands.
- 7. Checked on the status of the Bovie-Lew Project. The reclamation is in progress. All equipment has been removed, and the dirt-work appears to be completed. No release has occurred yet.
- 8. Responded to an auditor requesting the status of one of the pool's participants.

9. Met with Eric Scheetz of the Controller's Office about the Bond Pool. This stems from new audit standards issued by the Auditing Standards Board as a result of financial misreporting from such instances as ENRON and others. The Controller's Office views the premiums and interest as state money, but not the deposits. He was confused about deposit refunds, which sometimes include paid but unused premiums. He wants the paid but unused premiums to be accounted for as though they were revenue adjustments as opposed to refund payouts.

## MINING, LAND AND OTHER ISSUES (Doug Driesner)

- 1. Spoke with Mike Taylor about mining law reform.
- 2. Answered several questions concerning mineral rights, various properties, geologist registration, refineries, and indirect mining employment.
- 3. Went to the State Museum's storage area with George and picked out some mineral samples for our display cabinet. These samples will be on a long term loan from the museum. The museum's registrar will need to prepare some paperwork before we can actually take possession of the samples.
- 4. Checked with Susan Kaller of the BLM about the status of the BLM's payment to NDOM for the SNPLMA contract for abandoned mine inventory work in Clark County.
- 5. Spoke with Adella Harding about exploration activity in Nevada. Adella is now living in Texas, but working for the Elko Free Press on a freelance basis.
- 6. Completed the Eagle Scout project for Michael Hartley. Four AML sites were fenced in Douglas County.
- 7. Worked on Nevada's mineral production for 2007.
- 8. Attended the Mackay awards dinner in Reno.
- 9. Attended the CMR meeting in Carson City, announced the gold, silver, and copper production, and gave a Bond Pool update.

#### AML / PUBLIC AWARENESS - NORTH (Mike Visher)

- 1. Coordinated with FS State Office and Carson City District Office regarding closure of "C Hill" hazard CC-74. FS personnel backfilled the small opening and provided a photograph documenting the closure. Hazard inventory sheets for the fencing project and the 18 re-visited hazards were updated and accompanying photos were labeled and uploaded into the image database.
- 2. Communicated with Tim Neal, Nevada Adanac, Inc., regarding their as-yet unsecured adit in Douglas County which they said would be secured in 2007. A new commitment to secure the hazard in late April was made and they will drop by with the photographs immediately following the securing.
- 3. Along with Alan and Paul, re-visited 19 AML sites in the Perry Canyon area near Pyramid Lake. Many are located on a 40 acre parcel owned by UNR. The Burrus Mine is no longer being used by the University and the previously installed gates have been vandalized and the mines are receiving some recent visitation. A review of closure options will be made following an internal survey and assessment for bat habitat later this month.
- 4. Revisited three hazards, making repairs to two of them, and logged five non-hazards in Storey County. Logged 13 non-hazards in Churchill County.

- 5. Re-visited eight Storey County hazards to assess their securing status, including the Monte Cristo property (Six-Mile Canyon), where Paul and I worked to better define the property boundary and its contained AML hazards.
- 6. Paul and I met with NDOW contractors and bat researchers, Dr. Rick Sherwin and his colleague Carl Johansson, and escorted them to 25 AML sites being considered for backfill closure in Washoe County. Internal bat surveys were conducted in both adits and shafts and the information collected will be provided to NDOW, NDOM and the BLM in order to guide closure methods. In addition to providing logistical support and hazard specific information, repairs were made to 12 fences.
- 7. Re-visited eight AML hazards in Cold Springs and Lemmon Valley to check their securing status in advance of Dr. Sherwin's visit next week.
- 8. Coordinated with Dr. Rick Sherwin and NDOW regarding his upcoming visit to conduct pre-closure bat surveys in northern Nevada. Met with Jason Williams (NDOW-Ely) to plan site visits and update maps and spreadsheets.
- 9. Communicated with Jason Williams (NDOW) regarding the bat survey work done last week near Round Mountain in Nye County. They discovered several interconnected hazards which have not been logged by NDOM and pose a moderate risk to the public. These sites have been added to our summer fieldwork plan.
- 10. Rebecca Lang (BLM-Winnemucca) requested and received AML hazard information for the Fireball Ridge area, north of Brady Hot Springs, Churchill County.
- 11. A concerned citizen reported to Chris Ross (BLM-NSO), an unsecured mine shaft next to a 4WD road near the La Plata site in Churchill County. The region has a considerable number of prospects which have never been investigated by NDOM. A site visit is planned for this week and if the region appears target-rich, another visit by the interns may be warranted.
- 12. Another concerned citizen reported several unsecured hazards in a remote canyon east of Winnemucca Lake (dry) in Pershing County. They may be ones previously secured by NDOM, but he did not have a GPS and was uncertain which canyon he was in. He will revisit the area with a GPS and provide photos of the hazards, which he says can only be accessed by foot or ATV.
- 13. Assisted claimant with claim validity research and provided Carson City assessor parcel maps.
- 14. Researched land status of AML hazards in Nye County as part of plans for 2008/2009 backfill projects.
- 15. Emailed Sam Layne (AZ-AML) and Cy Oggins (CA-AML) to alert them to BLM's planned AML/physical safety hazards conference in Boulder City, NV July 8-10<sup>th</sup>.
- 16. Spoke with Mimi Rodden, Director of the Tonopah Mining Park, regarding her request for our support of fencing improvements at the Park. She has provided NDOM with an estimated need for 3,156 linear feet of chain link fencing and gates. She was told that NDOM just needed to receive, from Nye County, a request along with a bid on the contracted cost of the fence work. This information was forwarded to Town Manager James Eason.
- 17. Received a request for information on Nevada's AML program from Arizona Republic newspaper reporter, MaryJo Pitzl. She is preparing an in-depth article on how different western states are approaching the AML problem and where their funding comes from.

- 18. Seven of the eight interns have provided their DMV driver history as requested. One has encountered some uncertain difficulties in obtaining his from California but is expected to have it for us soon.
- 19. Summer intern Murphy Gardner informed us that he would not be working for us this summer as he had accepted an offer with Goldcorp to work in Mexico. Subsequently, Mackay student Trenton Sweeney was asked and quickly accepted our offer.
- 20. Spoke with AT&T wireless phone vendor representative, Rob Ramos, to resolve billing issues and request additional phones and service for summer interns.
- 21. Provided Boy Scout, Casey Sylvester, with a CD containing image files from previous week's fencing project near Lovelock. A "Thank You" letter was also sent to him.
- 22. Spoke with Alicia Craig, reporter for the Lovelock Review Miner, about Boy Scout Casey Sylvester's recently completed AML project.
- 23. Communicated with Boy Scout, Dean Wilhite, regarding his upcoming fencing project, which we have scheduled for May 4<sup>th</sup>.
- 24. Scanned all archived newspaper articles on Nevada AML incidents and provided them to Barbara Mackey and Marian Samuelson for use in the new "Stay Out, Stay Alive" exhibit at the Fourth Ward School. Additional "Stay Out, Stay Alive" scans were provided to Marian Samuelson (Ion Design) for use at the Fourth Ward School.
- 25. Received a request from Emily Hammer, Classic Residence by Hyatt, to provide a presentation on Nevada Mining to their Men's Breakfast Club. A tentative date of August 14<sup>th</sup> was made.
- 26. Attended the monthly NvMA Education Committee meeting to review the Las Vegas workshop and plan for July's workshop in Tonopah. Discussed options to sway teachers to attend this more remote workshop location. Continuing the offer of travel stipends, as done for Elko last year, is simple but difficult to ascertain its effectiveness. Providing chartered transportation may also increase attendance, Shar Peterson will contact KT Transportation for interest/rates and Julanne will request rates from Coach USA.
- 27. Assisted staff with moving of office furniture and re-installation of computer equipment and preparations for CMR meeting.
- 28. Attended CMR meeting and presented quarterly results of the AML program.

## **AML / GIS (Paul Buffington)**

- 1. Contacted Turquoise Ridge Joint Venture Safety Department and asked them if they would send us some mine rescue photographs for the display at the Fourth Ward School Mining Museum. They sounded enthusiastic about the idea and are trying to get approval from the mine. Made a follow-up call to Turquoise Ridge Joint Venture about mine rescue pictures for the Fourth Ward School display. The safety department is looking into getting some pictures from their mine rescue group for us to use in the display.
- 2. Called out to the Pinson Mine to inquire about AML work done on the property. Left a message for John Porterfield asking about the AML work and rumors of bat gates constructed on site. Received a call from Todd Lewis about the AML work done on the Pinson Mine property. Mr. Lewis is a contractor who was involved in the work done. The bat gates were constructed in the fall of 1997 and were on a tungsten site close to Golconda, NV. The documentation for all the AML work done has been put into deep storage at three different sites and is no longer easily available. Mr. Lewis has volunteered to take us out to the sites for us to log and record for our database.

- 3. Traveled to the Burrus Mine with Alan Coyner and Mike Visher. We had received word that the locked gate had been vandalized and the mine was no longer secured. After investigating the area we found that two of the old mines that had been gated were no longer secured. The bars locking the gates into the rock had both been cut with a hacksaw and were open. Mike Visher and I checked on other hazards in the area and filled out revisit information for our database. Alan, Mike, and I drove up Perry Canyon and checked on two reclamation sites done by the property owner.
- 4. Pulled hazard information out of files for field work in the Virginia City area. Checked field backpack and replaced low or missing supplies.
- 5. Mike Visher and I traveled to the Virginia City area to locate and record work reported by owners on hazards. We investigated four hazards north of Virginia City and found that three were fenced by the owners and one was backfilled by the owner.
- 6. Mike and I hiked the Monte Cristo claims checking hazards logged by NDOM and backfilled by the owner. We located six claim markers and two BLM brass cap markers in the Monte Cristo claims area. We recorded the UTMs for all the markers found, and will use them to plot the claims in ArcGIS. Contacted Rick Murray of State Lands and informed him of the markers we found at the Monte Cristo site. Offered to send the coordinates for the markers to State Lands for their files on the Monte Cristo claims.
- 7. Met with Rick Sherwin and Carl Johansson for internal bat surveys on proposed backfill sites. Mike Visher, Rick, Carl and I investigated 25 sites in the Reno area. Mike Visher and I repaired a total of twelve fences around hazards being surveyed for bats.
- 8. Used ArcGIS to make maps for backfill prospects in the Berlin and Columbus areas.
- 9. Received a call from Paul Dirksen of Timberline Resources concerning the claims on the Downeyville site. Mr. Dirksen is sending us the paperwork on the results of the title search done on the claim ownership.
- 10. Researched venders and prices for safety equipment including cap lamps, miners' belts, and an air tester for use underground. Turned in a list of gear and prices for approval to Alan Coyner. Alan approved it and the list was given to George Bishop for ordering. Received order for four Kohler miners cap lamps, three miners' belts, six cap lamp holders, and one lamp charger. One miners' belt and one M40M gas tester on backorder. Received the Industrial Scientific M40 gas monitor and miners belt that were backordered. That brings the total for the underground safety equipment to four miner's belts, four cap lamps, one cap lamp charger, and one M40 gas monitor.
- 11. Put together a folder of all the paperwork needed for an Eagle Scout project for Eli Bagley. I met with Eli and his father on Sunday and drove out to the Painted Rock area to do the recon work for the scout project. I gave Eli the paperwork needed for him to turn in his proposal for the fencing project. We visited all of the hazards to be fenced and Eli gathered all of the information he needed for his proposal.
- 12. Attended the April Education Committee meeting held at the NvMA office in Reno, NV. Discussed the upcoming Teachers Workshop in Tonopah July 21<sup>st</sup> through the 24<sup>th</sup>. Contacted Shar Peterson with Newmont Mining about estimates on charter bus service to Tonopah Teachers Workshop.
- 13. Attended Sexual Harassment Class for state employment.
- 14. Installed ArcGIS onto NDOM laptop computer for use in the field with GPS unit.
- 15. Downloaded pictures from Doug Driesner's Eagle Scout AML fencing project.

- 16. Worked with Debbie Selig on updating software on computers in the office and making changes to the new server with DoIT.
- 17. Helped George Bishop and Linda Wells with the booth at the annual Farm Days function. The event drew about 1700 parents, teachers, and children over two days. George, Linda, and I gave minerals and AML presentations as well as handed out bags of giveaways and flyers for the Tonopah Teachers Workshop (50 presentations 1500 people).
- 18. Moved office furniture, assembled new office tables, and rearranged office to make ready for the commissioners meeting.
- 19. Attended the quarterly commissioners meeting in the NDOM Carson City office.
- 20. Backed up the minerals drive to the external backup drive.

## AML / PUBLIC AWARENESS - SOUTH (Bill Durbin)

- 1. Las Vegas office staff began preliminary work on the 2007 AML report including text updating and work on 2007 statistics.
- 2. The NCC Clark County AML field crew investigated and ranked 12 hazards and logged 125 non-hazards.
- 3. Logged seven unsolicited securings in Esmeralda County provided by Silver Reserve Corp.
- 4. Conducted a site visit to Clark County AML sites permanently closed or scheduled for closure under SNPLMA Round 5 with Chris Ross and Mel Meier, Planning and Environmental Coordinator for the Division of Resources, Lands and Planning, BLM Nevada State Office (Steve Salzman's replacement). Two Mojave green rattlesnakes were encountered during the trip.
- 5. The NCC Clark County AML field crew investigated and ranked 13 hazards and logged 147 non-hazards. Three of the NCC inventory staff persons, Darren Doderer, Dan Nielsen and Pat Rainbolt have left for jobs in other states. Garrett Fish is the remaining staff person and will continue with Clark County inventory work. Additional NCC staffers may be assigned to assist Garrett, as needed.
- 6. Conducted a site visit to the Arden Quarries area of West Las Vegas following a report by a concerned citizen of vandalism of secured AML sites. Two adits, CL-671 and 672, backfilled in the mid-1990s by BLM, were found partly open and accessible. Adjacent adit openings with bat gates and concrete slab barriers were found to be in excellent condition except for graffiti and bullet holes. The open adits were reported to the Las Vegas BLM.
- 7. Materials assembled for Michael Erickson's Eagle Project scheduled for April 12. Michael Erickson's Eagle Project was completed. Three AML hazards were secured three miles west of Nelson, Clark County. Michael's is the 86<sup>th</sup> completed Scout project.
- 8. Jeff Mohlman's Eagle project was successfully completed with three mines secured in the McCullough Range west of Searchlight. Jeff's is the 84<sup>th</sup> completed Scout project.
- 9. Assembled materials for Eagle Scout projects for Kody Bryan and Robert Marder. Their projects are scheduled for April 26 and 27.
- 10. Received a request for a mine securing project from Eagle Scout candidate Michael Bashaw (#109).
- 11. Las Vegas office staff attended a Nevada Mining Association Education Committee meeting in Reno.

- 12. Debbie Selig worked at the Carson City office installing new computers and working on various programs.
- 13. Chief-SNO attended the 2008 John W. Mackay Awards banquet Reno.
- 14. Received a request from Nevada Mining Association Vice-President Jon Brown to make a presentation at the May NvMA Board of Directors meeting regarding strategic planning and the future of the McCaw School of Mines. Began work on a PowerPoint on the strategic plan for the McCaw School of Mines for the May 8 NvMA Board meeting.
- 15. Assisted with a tour at the McCaw School of Mines for 27 4<sup>th</sup> grade students and a tour for 29 5<sup>th</sup> grade students.
- 16. Wrote up the minutes for the March 14<sup>th</sup> McCaw Foundation Board meeting.
- 17. Conducted three sessions of minerals and commodities, AML and "Animal, Vegetable or Mineral" for fourth graders at Whitney Elementary School Las Vegas (3 presentations 75 students).
- 18. Assisted Julanne Kaufman of the Nevada Mining Association with transportation of "concrete stepping stone" materials for the Summerlin Park Earth Day celebration scheduled for Saturday, April 19.
- 19. Attended the Commission on Mineral Resources meeting in Carson City. Chief-SNO gave a report of activities for Southern Nevada Education and AML projects.
- 20. Signed up for "Festival in the Pines" to be held at Kyle Canyon ski resort August 2, 2008.

## **GEOTHERMAL** (Christy Morris)

- 1. Conference call with Sierra Geothermal and BLM on permitting at Reese River. Coordinating with BLM on inspection of Sierra Geothermal Reese River obsv well 88-5, documentation and supervisory questions. Required revised drilling reports from Sierra Geothermal on Reese River TG well 13-4. Reports were inaccurate. Revised report submitted. Reports from Sierra Geothermal Reese River 88-5, TGH, have not been submitted timely. Last report on 4/9. Completed review of Sierra Geothermal Reese River 18-33 obv well. Company is still out of compliance on status report of well 88-5. Completed review of sundry notice change in program for Reese River 62-4 TGH.
- 2. Enel, Salt Wells 65-36R recovered fish, drilling ahead. Enel, Salt Wells 65-36R completed. Mobbing rig to Stillwater 28-36. ENEL drilling ahead on injection well 28-36, Stillwater.
- 3. Ormat Jersey Valley 18A-27 recovered fish, drilling ahead. Approved deepening of Ormat's Fireball Ridge 85-31 obsv well to 3480'. Drilling ahead. Drilling ahead on Jersey Valley 18A-27. Drilling ahead on NAS 82-36.
- 4. Continue to monitor Ormat Fireball Ridge observation well 63-29 and investigating possible solutions to inadequate cementing. Ormat Fireball Ridge 85-31 drilling ahead. Jersey Valley 18A-27 flow testing. Drilling ahead on NAS 82-36. Ormat, change in status of Fireball Ridge 63-29 to Temperature Gradient Hole, subject to P&A within one year. NAS 82-36 testing. Jersey Valley 18A-27 testing. Change in drilling program for Desert Peak 74-28 production well approved. Completed review of Desert Peak 62-28 production well application. Working with Ormat and others on cementing alternatives for the Desert Peak 62-28.
- 5. Nevada Geothermal drilling temperature gradient holes at Blue Mt and Pumpernickel. Sundry change of program approved for production well 58-15 Blue Mt. Drilling ahead. Working with Nevada Geothermal to stabilize TG Wells 5 and 9 at Pumpernickel, surface

- flow sealed with cementing program. Blue Mt production well 58-15 drilling ahead. Sundry change in location of the proposed Pumpernickel production well (minor). Drilling ahead on Blue Mt. 58-15.
- 6. Received 5 applications for production wells at Carson Lakes, Vulcan Power. One application for a production well at Hazen-Patua project. Met with Vulcan Power on permitting production wells at Hazen (Patua) and Salt Wells. Completed review of five Carson Lakes production wells. Waiting for bond to process production well application for Hazen, Patua project.
- 7. Application for new production well at Homestretch Wabuska operation put out for public notice. Sent request for further information to Homestretch on production well application.
- 8. Working with US Geothermal to set up operations in Nevada. Acquired Empire and surrounding resource areas.
- 9. Press release on acquisition of Empire Geothermal Project by US Geothermal Inc.
- 10. Coordinating with Lisa Shevenell, GBCGE, on updated Nevada resource information.

## **OIL AND GAS (Christy Morris)**

- 1. Working with KBE Energy on permitting oil well in Humboldt County.
- 2. Faskin Oil and Gas drilling ahead on Noah 1, east side of Diamond Range. P&A program approved for Faskin Oil on Noah 1.
- 3. Completed reviews of Makoil's application for oil wells 36-43, 27-41, 15-41.

## **OTHER (Christy Morris)**

- 1. Providing information to Sierra Pacific on land use for wind energy project in Washoe County.
- 2. Coordinating with Great Basin Center on possible allocation of federal BLM receipts for geothermal lease sales for the Center.
- 3. Continue to receive public requests for Mineral and Energy Potential posters for Mineral and Esmeralda County. Will update Lyon. Will include eastern portion of Douglas County which is included in the Mineral and Lyon proposals for Wilderness Areas. Working with NBMG. Attended public meeting in Smith Valley. Spoke with County Commissioners and Coalition representatives.
- 4. Working with NBMG Cartography group on interactive website for renewable energy . Demonstration scheduled for next CMR meeting.
- 5. Sending out requests for Nevada Petroleum Society 08-09 meetings. Suggestions are welcome.
- 6. Spoke w/ Cameron Johnson of the Wilderness Coalition requesting GIS files of their proposed wilderness areas. Suggested that information being compiled by the division would be helpful to them in formulating their proposals. An exchange of information between NBMG cartography and the coalition, with updates to the public via the web would be the goal.
- 7. Attended CMR quarterly meeting.