

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:
2030 E. Flamingo Rd.
Suite #220
Las Vegas, Nevada 89119
(702) 486-4343
Fax (702) 486-4345

ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS June 2008

ADMINISTRATION (ALAN)

- 1. Attended the Elko Expo in Elko.
- 2. Toured the Barrick Meikle and Goldstrike properties with the Legislature's Public Lands Committee and other industry representatives.
- 3. Testified before the Legislature's Public Lands Committee concerning an update on mining and exploration in Nevada.
- 4. Responded to an inquiry concerning dead Cactus Wren in hollow claim posts.
- 5. Met with Commissioners DeLong and Bryan, and NDEP/BMRR chief Dave Gaskin at Plum Mining in American Flats to review bond pool application.
- 6. Met with Tony Selig concerning the Manhattan millsite.
- 7. Held a telephonic meeting of the CMR to approve holding workshops for an increase of \$2.00 to the mining claim filing fee and the letter agreement with UNR concerning the Marigold royalty.
- 8. Attended the State Environmental Commission meeting in Las Vegas.
- 9. Made a presentation on the NDOM AML program to the California abandoned mine working group in Sacramento.
- 10. Attended the monthly meeting of the RETAAC Phase II committee in Carson City.
- 11. Facilitated the CMR Bond Pool Committee conference call concerning Plum Mining.
- 12. Provided wire transfer information to Plum Mining for the reclamation bond pool payments.
- 13. Met for two days with 4 people from the Colorado Trade Mission and provided a basic understanding of how Nevada does geothermal. Commissioner Snow participated in the meeting with BLM, State Water Engineer and NDOM. Toured the Brady and Steamboat geothermal plants along with the Gilroy onion drying plant.
- 14. Attended the IFC meeting. Three Division work programs were approved.
- 15. Responded to a complaint from Illinois concerning the fraudulent sale of turquoise claims near Tonopah.
- 16. The announcement concerning the proposed mining claim filing fee increase was sent out to the Nevada mineral industry.
- 17. The O G and G job position description was made available to selected candidates.

RECLAMATION BOND POOL (DOUG)

- 1. Issued notice level bonds for Nevoro Nevada Inc., Redstar Gold USA, Inc., TGC Holdings, Calibre Mining Corp., and Meridian Minerals.
- 2. Prepared a notice level bond for TXAU which will be issued July 1, 2008.
- 3. Released a notice level bond for Fischer-Watt.
- 4. Completed invoices for bond pool participants on a June schedule.
- 5. Sent bond information to Patricia Thacke at Searchlight regarding her need for a plan of operations level bond.

- 6. Attended a presentation and site tour of Plum Mining with Commissioners DeLong and Bryan, Alan, and Dave Gaskin. Participated in a follow up conference call about Plum's bond application.
- 7. Met with Tony Selig about future plans for the Manhattan Millsite and Whitecaps Mine.
- 8. Participated in a conference call with the CMR Bond Pool Committee to discuss Plum Mining's application to the pool. It was decided to issue the bond, pending Plum's full compliance with NDEP.
- 9. Spoke with Janet Hess and Ron Hess (NBMG) about the fate of the mine maps at the Gooseberry Mine. The attorney for the bankruptcy trustee has agreed that the maps may be borrowed to be scanned so the information will not be lost.
- 10. Spoke with Terry Howard of TNT Ventures about bond cost calculations.
- 11. Figured the administrative costs of managing the Bond Pool for FY-08.

MINING, LAND AND OTHER ISSUES (DOUG)

- 1. Attended the Elko Mine Expo and manned the agency booth.
- 2. Gave a TV interview for NBC news (Elko affiliate) regarding mining activity in northeast Nevada.
- 3. Sent information on the Major Mines booklet to Jon Price.
- 4. Sent 2007 metallic production spreadsheet to John Muntean at NBMG.
- 5. Finished the biennial report on internal controls for submission to the Internal Audit Division.
- 6. Prepared the invoice to the BLM for AML inventory work in Clark County funded by SNLPMA.
- 7. Attended the Budget Division training session on doing work programs on-line.

AML / PUBLIC AWARENESS - NORTH (MIKE)

- 1. The summer interns completed their fifth week with five securings, seven re-visits, 38 hazards and 385 non-hazards logged in Humboldt County.
- 2. The interns completed their sixth week, securing 32 hazards, re-visiting 33 sites (making several needed repairs), logging 3 new hazards and 4 non-hazards in Nye County.
- 3. Performed ownership research on AML hazards logged in Pershing County.
- 4. Performed preliminary land and claim status research on regional AML prospects for next week's summer intern work in Churchill and Lander Counties.
- 5. Traveled to Churchill County AML site to investigate report of explosives box discovered by interns. Cardboard explosives box was found to contain only rat nesting material and associated debris.
- 6. Returned phone calls made by Frank Eagen regarding AML securing work he is doing for owner of hazards near Goldfield. He found several other hazards needing securing on same property and provided updated information on their status and location.
- 7. Unsecured hazard reported near Austin by a rancher, was re-secured by interns working in the vicinity.
- 8. Communicated with NDOW regarding pre-closure survey work to be done at Columbus. Worked with Paul to provide additional maps and data for their survey work.
- 9. Received a call from a concerned citizen reporting hazard LY-757 as no longer secured. This site and several others in the vicinity will be re-visited during the week of June 30th.
- 10. Completed and sent to Carla James (BLM-CC) the formal backfill request package, itemizing features proposed for backfill in Washoe County this fall; this included maps, ID sheets, individual request forms, photographs and data CD.

- 11. Submitted an estimate of work to Chris Ross (BLM-NSO) detailing the projected costs to NDOM in order to inventory 200-300 abandoned mine features in White Pine County and conduct ownership research. Using 2007 similar intern work in the area as a baseline, it appears that approximately \$80,000 would be needed to cover all field, office, research, transportation, per diem and other related costs.
- 12. Performed land status and ownership research for Humboldt and Nye counties areas of interest, prior to interns' work.
- 13. Archived all AML field photos made since January 2008 to CD.
- 14. Communicated with Chrysler Roadside Assistance and Winnemucca Dodge dealership to resolve disabled agency vehicle north of Winnemucca. The vehicle was towed to Winnemucca for repair and the interns carpooled back to Carson City. A loose shifter cable, which prevented engagement of the transmission, was repaired under warranty by the dealer and the vehicle will picked up later this week.
- 15. Received a call from concerned claimant, Richard Bustos, regarding vandalized fences around hazards on his claims in White Pine County. Replacement signs were sent to him and the sites will be investigated later this summer. If possible, he would prefer that the sites be backfilled and we will coordinate with BLM-Ely and NDOW-Ely to assist.
- 16. Communicated with Rick Sherwin regarding his formal report on the internal bat surveys performed at sites proposed for backfill this fall in Washoe County. Additional information and photographs were supplied to him.
- 17. Completed identifying the last month's worth of AML field photos, organizing, re-sizing, and archiving them.
- 18. Jim Smithson, US Gold, called to confirm their intent to secure hazards at Spruce Mountain (Elko County) but indicated that the BLM-Elko office would like to wait until after the FAST Workshop in Boulder City where the backfilling of hazards on active leased claims, or even those on private property, will be discussed in detail.
- 19. Resolved duplicate hazard ID number issues in Humboldt County and gaps in the number sequence for Nye County.
- 20. Mentored Paul on claim ownership and land status research protocol for pre-intern and post-intern hazard investigations.
- 21. Chuck Williams (H&M Mining) called to set an appointment (July 1) to discuss securing work they've recently completed and plans for additional work in area.
- 22. Attended NvMA Education Committee meeting to finalize plans for upcoming Teachers Workshop in Tonopah this July. Inventoried rock and mineral samples available at shed for use at workshop. Sufficient material found for all samples except barite.
- 23. Created updated NDOM informational posters (geothermal, summer intern program, backfill program) for use at the Elko Mine Expo and subsequent outreach opportunities.
- 24. Provided Rocks/Minerals/AML presentations to four classes of 4th-graders at Spanish Springs Elementary School. (4 presentations 122 children and adults)
- 25. Communicated with Arloa Woolford regarding edits to UG mining activity to be used at upcoming National Mining Education Conference.
- 26. Communicated with Jon Price and Liz Ball (NBMG) regarding their participation at the upcoming Teachers Workshop in Tonopah.

AML / GIS (PAUL)

1. Prepared trucks with equipment and supplies. Did the pre-trip walk around and inspection on each truck.

- 2. Traveled to Beatty with the summer interns to meet Bill Durbin with NDOM and Linda Manning, a wildlife biologist for Death Valley National Park.
- 3. Spent three days out in the field logging hazards in the Death Valley National Park. We logged a total of 49 hazards, 273 non-hazards, and did 29 revisits in the Beatty area.
- 4. Worked with Mike Visher to provide the summer interns with maps and information needed for the weeks field work in the Austin area.
- 5. Constructed maps for NDOW to assist in the pre-closure work to be done in Columbus. Sent the shape files, PDF file and MXD file to Tracy Kipke with NDOW and printed copies of the maps.
- 6. Communicated with Arloa Woolford and Bill Durbin to assist in underground mining and ground support activity for the National Mining Education Conference.
- 7. Used ArcGis to make topo maps for the use by the interns in and around the Santa Rosa Mountains. Created an index map of the area to assist in use of the topo maps.
- 8. Collected work done by the interns in the Austin area. The interns logged 495 non-hazards and 46 hazards, did 16 securings and 30 revisits for the week.
- 9. Helped interns get ready for the work in the Santa Rosa Range in Humboldt County. Talked to them about quality of work, safety, and care of NDOM pickups. Collected the pre-trip walk around inspection sheets for all of the pickups.
- 10. Researched maps in Pershing County west of Rye Patch Reservoir. Identified areas with hazards and organized the maps for work by the interns later in the summer.
- 11. Constructed a map of the Berlin-Ichthyosaur State Park area using ArcGis and printed copies of the map.
- 12. Responded to an e-mail from Chris Ross concerning the upcoming AML FAST meeting in Boulder City.
- 13. Worked on paperwork turned in by interns checking for errors or blank data.
- 14. Drove to Winnemucca with George Bishop to get the 2008 Dodge pickup from the Dodge dealership and return it to the NDOM office in Carson City.
- 15. Proof read hazard ID sheets turned in by the summer interns for the work done north of Winnemucca, updated the revisits in the hazard ID books, and filed the hazard ID sheets in the proper county ID books.
- 16. Received a call from Eagle Scout Eli Bagley regarding his Eagle Scout fencing project. Eli was getting the last of the information needed before submitting the project to the Eagle Scout Board for approval.
- 17. Worked on land status research using Geocommunicator, LR2000, and the Nevada Lands Records site for the upcoming work by the interns in the Yerington area.
- 18. Worked on Maxtor 1 Terra Byte external hard drive. The Maxtor hard drive malfunctioned sometime during the night and was no longer reading any of the information on its discs. Made some phone calls to find out if the information was recoverable and if the drive itself was usable. The drive could not be reformatted and is not being recognized by the computer anymore.
- 19. Reviewed the weeks work with the interns upon their return, collected all of the hazard ID sheets for the work they completed, and discussed the status of the pickups, gear used in the field, and fencing supplies.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Conducted field investigations in the "Nevada Triangle" of Death Valley National Monument with the summer interns and Paul Buffington.

- 2. Completed checks and edits on hazard ID sheets and non-hazard sheets and conducting claim research for hazards investigated and ranked in Nye County in the "Death Valley Triangle".
- 3. NCC staffer Garrett Fish investigated and ranked 4 hazards and logged 10 non-hazards in Clark County and conducted AML claim research for hazards logged by the NCC crews.
- 4. NCC staffer Garrett Fish logged 4 non-hazards in Clark County and conducted AML claim research for hazards logged by the NCC crews. Garrett's final work day is Friday, June 13, 2008.
- 5. Completed a Power Point presentation on "Nevada Inventory and Lands Research" and road log for the BLM FAST Conference, scheduled for July 8-10 in Boulder City.
- 6. Las Vegas office contacted by two new Eagle Scout candidates requesting AML securing projects Mark Boggess (#110) and Myles Putnam (#111).
- 7. Coordinated a work crew of McCaw Foundation Board members and staff, and employees from Chevron Minerals (Mountain Pass) and Round Mountain Gold to clean out the McCaw Elementary School Union Pacific caboose (which has been donated and will be moved to the McCaw School of Mines); removed mineral specimens and valuable displays from Mine rooms 1 and 2 the water system and fire suppression system will be overhauled during the summer in these areas; cleaned out and reorganized the Mine Conex storage container; repairs completed on track lighting systems and miscellaneous repairs made on Mine building.
- 8. Completed a PowerPoint on Nevada's Mineral Education program to be presented at the National Mineral Education Conference in Columbus, Ohio on June 16.
- 9. Attended the annual McCaw School of Mines Volunteer Appreciation and Awards dinner.
- 10. Attended the National Mineral Education Conference in Columbus, Ohio. Made a presentation on Nevada's Mineral Education program and assisted in presenting an "Under the Earth" activity session for teachers. Toured the Ohio Geological Survey education and seismology center and drill core storage facility (18,000 sq. ft.), Olen Corporation aggregate mine (bucket dredge), Shellyco limestone quarry (blast), the Ohio Statehouse and Governor's Mansion (grounds are a wildlife preserve).
- 11. Debbie Selig manned a Division AML display at the first annual "Library Safety Fair" at the Paseo Verde Library Henderson (one presentation 120 people).
- 12. Met with Lee Huddy of Innovations International Charter School (LV) to discuss an 8-10 week after school science program series for K-5 that will include earth science curriculum and activities. The program will commence in the fall of 2008.

GEOTHERMAL (CHRISTY)

- 1. Ormat, Desert Peak production well, testing. Jersey Valley production well testing. Mobbing onto Rock Hill, Esmeralda County, obsv. Well site. Received and reviewed six observation wells for Grass Valley. Sundry notice change in Rock Hill 22-35 approved.
- 2. Nevada Geothermal Blue Mt. injection well, drilling ahead. Received application for TGH at Black Warrior project. Requested changes to program. Received and completed review.
- 3. Sierra Geothermal, Reese River obsv well, completed. Received logs and reports on three Reese River wells.
- 4. USG Nevada application for project area at Empire sent for public notice. Ownership of wells transfer complete. Reviewed 3 applications for production wells, completed,

- awaiting notice period for project area to be complete. Waiting for final six wells for transfer of ownership before releasing Stewart bond.
- 5. Recieved Peppermill Casino transfer of ownership of adjacent wells and revision of bond. May pull production well video sundries due to high cost of pulling pumps in these wells.
- 6. Received applications from Raser for Devils Canyon. Requires extensive revision. 1st revision received. Second revision required.
- 7. Requested Constellation Energy to provide copies of missing logs and completion and PA report on well 22-33, Soda Lake
- 8. Vulcan cash bond for statewide NDOM received. Three additional production well applications received from Vulcan for Patua Hazen area. Review complete. Sending out for public notice four production well applications.
- 9. Issued five TG permits to Nevada Geothermal Power at Black Warrior.

OIL AND GAS (CHRISTY)

- 1. KBE Energy well No. 1, drilling ahead.
- 2. Makoil E. Inselburg 36-43 spud suspended due to questions on unit. Cabin Spring review of program complete waiting for BLM review.
- 3. Investigated accident at KBE#1 concerning catastrophic failure of the drawworks. No injuries or fatalities occurred.

OTHER

- 1. Western Governors Renewable Energy Zone Committee conference call on workplan.
- 2. Governor's RETAAC II executive order out. Will serve on the Committee, continuing work begun last year.
- 3. Coordinating with NBMG on finalization of MELD map and distribution of link information to county officials.