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**ALAN R. COYNER**  
Administrator

ACTIVITY AND ACHIEVEMENTS  
December 2008

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**ADMINISTRATION (ALAN)**

1. Attended NWMA annual meeting and chaired the Area Reports Session.
2. Responded to Carl Ager of Searchlight Minerals concerning their proposed drilling project near Searchlight, NV.
3. Responded to an LCB request concerning the underestimation of revenues in the FY10 and FY11 budget.
4. Received a request from Jon Price, NBMG, for further funding of projects associated with the Great Basin Science Sample and Records Library.
5. Attended the Board of Examiners meeting in CC at which the CMR/Mackay Interlocal Agreement was approved without comment.
6. Reviewed the status of oil and gas bonds and geothermal bonds with Lowell.
7. Assisted Cougar Gold, Electrum USA, Cypress Development, and AuEx with bond reductions. Designed a spreadsheet for use in calculating refunds for notice level bonds.
8. Agreed to make a presentation to the American Association of Professional Landmen in Reno on March, 2009.
9. Provided amended language to Ryan McGuinness of the Nevada DC office for the National Governors Association resolution (NR-23) concerning abandoned mine funding.
10. Attended the monthly meeting of the RETAAC task force.
11. Attended with Commissioners Bryan and Mudge the reception for Jeff Thompson, the new Dean of the UNR College of Science, with Commissioners DeLong and Parratt the annual meeting of AIPG, and with Commissioners Bryan, DeLong, and Parratt the monthly GSN meeting.
12. Received Internal Controls training.
13. Provided Don Decker with Nevada mineral industry production information.
14. Met with Gary Johnson and Mel Meier (BLM-NSO) concerning the BLM field inspector position and the BLM Fluids manager position.
15. Provided suggested language on AML expenditures for the Economic Stimulus Bill to Neil Kornze of Senator Reid's office.
16. Accepted an invitation to meet with mining officials from Hubei Province, China, next February or March in Carson City.
17. Submitted a work program to supplement the out-of-state travel budget.
18. Received a request from Steve Friberg to meet with a delegation of Chinese mining officials in February.

**RECLAMATION BOND POOL (DOUG)**

1. No report.

**MINING, LAND AND OTHER ISSUES (DOUG)**

1. Attended Internal Control training session with Alan and Wanda.

## **AML / PUBLIC AWARENESS - NORTH (MIKE)**

1. Attended NWMA Annual Mining Conference and assisted with DOM's outreach efforts manning the shared display booth (with NBMG) and providing information to many of the estimated 2,200 attendees.
2. An AML reconnaissance visit was made, with scout Grant Zampirro and his father Dan, to six hazards north of Wadsworth in Washoe County as part of his Eagle Service Award project. One additional hazard was logged in the field and added to his project. Two non-hazards were also recorded.
3. The USFS gated three adits and backfilled three shallow shafts and one short adit on Peavine Mountain using FS crews and resources. Ken Maas (USFS) will provide the necessary documentation and closures photographs.
4. The BLM backfilled 24 AML hazards at Painted Rock with assistance from the Operating Engineers Training Facility at Wadsworth. Unfortunately, two of five hazards planned for an Eagle Scout fencing project this Saturday were backfilled ahead of schedule. Two replacement orphan hazards will need to be identified within reasonable travel from this site.
5. A concerned citizen, Virginia Gallegos, called to report several unsecured abandoned mine hazards in the town of Austin. A field visit and tour with her later in the week resulted in 12 AML re-visits and one potential new logging. On the western edge of town, in the middle of Highway 50, is a subsidence feature. She maintains that this is in the same location as a deep production shaft dug in 1860 related to the historic mining town site of Clifton, which existed before Austin became a town in 1864. The existence of the shaft has not been corroborated in preliminary research efforts; however she claims to have some old maps showing its location and even production and payroll ledgers related to it. NDOT has made frequent repairs to the road surface at this site since 1948, but reported plans of road widening in the canyon has spurred local concern over the location and mitigation of nearby mine hazards. In addition, she has a map she made about 15 years ago identifying 96 abandoned mine features on Lander Hill. Our current map of the same area indicates only 40 inventoried sites, of which 20 are logged as hazards. She will gather her mapping and additional information to share with us and assist with future inventory efforts.
6. During the Austin visit, several business owners and individuals inquired about "Stay Out, Stay Alive" brochures and outreach materials for distribution. A box containing brochures, stickers, pencils, signs, DVD's and a few bats was sent to Ms. Gallegos for circulation around town.
7. Conducted ownership research on Austin hazards and regions in Nye and Esmeralda counties slated for inventory work by the Geotemps contractors.
8. Communicated with Scott Hall (Geotemps) regarding work program expenditures to date, amount remaining on the contract and work plans for remainder of the year. With money remaining for approximately 14 more days of contracted field work and the holiday plans for staff and contractors, it was decided to conduct field work for 5 more days this year then resume field work (weather permitting) on January 6<sup>th</sup>.
9. Worked with Paul to develop two additional AML orphan hazards for his scout project to replace two which were backfilled by the BLM.
10. Reviewed prior week's work by Geotemps contractors and outlined plan for next week's work, to be the last of the year. Based on discussions with Geotemps, it appears there will be approximately 14 field days remaining on the \$50,000 contract. The current plan, which is weather dependent, is to start up again around January 6<sup>th</sup>.

11. Updated AML database with new securing work done by USFS, BLM and recent scout projects. Sorted database on unsecured hazards, orphans, unknown ownership, etc. Provided export of White Pine data to Bill for use in ownership research.
12. Amended statewide bat-gating priority list in advance of the Nevada Bat Working Group meeting. Copies of the list were distributed at the meeting.
13. Communicated with Leslie Rumph (UNR-Mackay) regarding potential dates to hold interviews for the summer intern program. Two days will likely be needed and current plan is for Tuesday/Wednesday or Wednesday/Thursday the week of February 2<sup>nd</sup>.
14. Queried current AML database and created spreadsheets and (county breakdown) graphs of currently unsecured orphan hazards (~897) and currently unsecured hazards with unknown ownership (~1,536). These will be used to assist an ownership research blitz in early 2009.
15. Copies of current White Pine county field maps were made and originals returned to Bill.
16. Work began on annual USFS report, to include inventory and securing work conducted on USFS-managed lands in 2008.

#### **AML / GIS (PAUL)**

1. Lined out Geotemp contractors for work down in the Gabbs and Downeyville area. Collected maps and paperwork for work done in Lyon County. The contractors logged 5 hazards, secured 5 hazards, logged 82 non-hazards, and did one revisit from November 24<sup>th</sup> through November 26<sup>th</sup>.
2. Received an e-mail from Tracy Kipke with NDOW asking me to add some alternative hazards to the maps I had previously constructed for her of the Jefferson Canyon area.
3. Sent maps of areas to be researched for potential bat gates by the Nevada Department of Wildlife to Tracy Kipke of NDOW.
4. Worked on NDOM database and NDOM photo database.
5. Attended the Northwest Mining Association conference in Sparks, Nevada. Helped work the NDOM/NBMG booth.
6. Proofed ID hazard sheets and put into hazard ID sheet binders.
7. Made a spread sheet of logged hazards in an area around Battle Mountain for Steve Drummond of the BLM.
8. Steve Drummond (BLM-Battle Mountain) picked up maps and spreadsheet generated by the NDOM GIS system for AML work around Battle Mountain.
9. Collected paperwork from Geotemp contractors on work done in the field in Nye and Esmeralda Counties. The contractors logged 12 new hazards, secured 3 hazards, and logged 22 new non-hazards from December 15 to 19.
10. Proofed hazard ID sheets turned in by the Geotemp contractors.
11. Updated hazard ID sheets with revisit information gathered by the Geotemp contractors while in the field.
12. Bill Durbin requested pictures of hazards that were logged in the Death Valley National Park last spring. Posted the requested pictures on the ftp site for Bill to download.
13. Attended Nevada Bat Work Group meeting at the Nevada Department of Wildlife office in Reno. Took examples of maps I made of areas for prospective bat gate projects.
14. Traveled to Painted Rock near Wadsworth to research AML hazards for Eagle Scout project with Eli Bagley. Found two hazards to replace hazards backfilled by BLM.
15. Received and e-mail from Eli Bagley concerning his Eagle Scout project. Eli had to postpone the date for finishing his project do to other scouting obligations. We set a tentative date for December 13<sup>th</sup>.

16. Loaded fencing supplies in NDOM pickup for an Eagle Scout project.
17. Met with Eli Bagley and a group of volunteers to finish Eli's Eagle Scout project at Painted Rock. The group consisted of 7 Boy Scouts and 3 adults. We fenced 3 hazards (one shaft, one inclined shaft, and one adit ), barricaded 1 hazard ( an adit ), and posted 1 hazard ( a 10 ft deep shaft).
18. Updated photo database with Eagle Scout project photos.

#### **AML / PUBLIC AWARENESS - SOUTH (BILL)**

1. Worked on Clark County AML claim research.
2. Investigated and ranked one new AML hazard in Clark County.
3. Investigated and ranked one new AML hazard in Clark County and discovered two hazards with duplicate numbers. The database was corrected to reflect this duplication.
4. Las Vegas office staff completed editing and compilation of AML inventory data for work conducted in the Nevada Death Valley National Monument "triangle" in June 2008.
5. The Bureau of Reclamation crew backfilled 31 mine openings in Clark County between December 5<sup>th</sup> and 15<sup>th</sup> under the SNPLMA Round 5 AML closure project.
6. Completed a project packet for new Eagle Scout candidate Daniel Herrera (#117).
7. Completed the project reconnaissance for Jacob Allum's (#101) Eagle project. Six hazards will be secured east of Searchlight, date to be determined.
8. Completed Doug Harris' Eagle AML securing project. One new hazard was secured and 5 previously secured hazards were re-secured in Clark County south of Searchlight. Doug is Scout #115 and his is the 93<sup>rd</sup> completed project.
9. Purchased fence stays and barbed wire for upcoming Eagle Scout AML fencing projects.
10. Confirmed 2009 Las Vegas teacher workshop tours of Cashman Equipment and Valley of Fire State Park. Contact made with Simplot Silica and PABCO Gypsum.
11. Prepped agenda for McCaw School of Mines Foundation Board meeting.
12. Chaired a McCaw School of Mines Foundation Board meeting.
13. Presented minerals/commodities, AML and "Birdseed Mining" to 13 2<sup>nd</sup> graders at the American Heritage Academy - Las Vegas (one presentation – 13 people).
14. Attended the annual McCaw School of Mines volunteer Christmas luncheon. The mine is closed through mid-January pending completion of on-going construction and renovation projects related to the new Gordon McCaw Elementary School.

#### **GEOHERMAL (LOWELL)**

1. Alan and I met with Ken Bonin, Vulcan Power Company, to discuss changes in the Patua Project 77-19 and Carson Lake Basin 24-21 drilling programs.
2. Reviewed sundry notice for Vulcan Power Patua Project 77-19, changing conductor and surface casing depths. Total depth of well changed to 10,000 feet.
3. Reviewed sundry notice for Vulcan Power Carson Lake 24-21, changing status from an observation well to production well. Total depth of well increased from 5,000 feet to 10,000 feet.
4. Met with John Menghini, BLM, to discuss status of various Federal wells.
5. Reviewed Nevada Geothermal Power sundry notice to move the Blue Mountain 55-10 (private lease) to a new 62-10 (Federal lease) location.
6. Reviewed sundry notice for Vulcan Power Patua Project 77-19, changing conductor, surface casing, and total depth of well. Alan approved.

7. Reviewed sundry notice for Vulcan Power Carson Lake 24-21, changing status from an observation well to production well and total depth of well increased from 5,000 feet to 10,000 feet. Alan approved.
8. Reviewed Terra-Gen Dixie Valley's sundry notice for 38A-32 to run 7" liner from 3711' (current TD) back to surface.
9. Participated in a conference call pertaining to the Terra-Gen Dixie Valley sundry notice for 38A-32. Other participants were Alan (NDOM), Ellen Allman (Terra-Gen), Dennis Kaspereit (Terra-Gen), and John Menghini (BLM). Approved Terra-Gen's request to run 7" liner to surface and cement with Thermoloc cement. Russ Land (NDEP) was not available for the conference call. Discussed the Terra-Gen conference call with Russ the following day due to his concerns of cementing the 7" casing to surface from ~650 feet.
10. Reviewed Nevada Geothermal Power sundry notice to change the 61-22 drilling program.
11. No geothermal wells were permitted during the week.
12. Supplied Bill Ehni with listing of geothermal wells drilled in Lyon County, primarily the Wabuska area, along with electrical production data.
13. Reviewed request from Nevada Geothermal Power to allow conductor pipe to be set for the future 58B-15 injection well. Alan approved, where conductor is to be set on existing pad used to drill the 58-15 production and 58A-15 injection wells.
14. Reviewed Nevada Geothermal Power sundry notice to set 10.75" casing at 2810' in the 57-15 injection well. Alan approved.
15. Reviewed Nevada Geothermal Power sundry notice to change the 71-22 drilling program.
16. Reviewed Vulcan Power's sundry notice for a change in drilling program, deepen approved total depth of future well, for the Carson Lake 47-11 observation well.
17. Reviewed Vulcan Power's sundry notice for a change in drilling program, deepen approved total depth of future well, for the Carson Lake 58-9 observation well.
18. Reviewed Vulcan Power's sundry notice to change the drilling program in the Patua 33-23 observation well, drill first 3500' with rotary rig. Alan approved.
19. Reviewed Nevada Geothermal Power sundry notice to suspend operations on the 89-11 injection well pending further geological investigation. Alan approved.
20. Reviewed Nevada Geothermal Power sundry notice to suspend operations on the 57-15 injection well pending further geological investigation. Alan approved.
21. Reviewed Nevada Geothermal Power sundry notice to change the 71-22 drilling program.
22. Requested additional data from Bill Rickard for Nevada Geothermal's request to shallow surface casing in four drill holes, three production wells and one injection well.
23. Reviewed history of bonding for the Soda Lake operation.
24. Provided Rich Hoops, Magma Energy, copies of previous bond documents for the Soda Lake operation. Rich is in the process of issuing a new statewide bond by Magma Energy through Wells Fargo Bank Nevada.
25. Wells drilling: Ormat Nevada Carson Lake 84-31 (5,942'; rig released on 12/5/2008); Nevada Geothermal Power Blue Mountain 89-11 (5,353'); Nevada Geothermal Power Blue Mountain 57-15 (2,642'); Vulcan Power Carson Lake 62-15 (8,266'; rig released 12/6/2008); Vulcan Power Carson Lake 35A-11 (3,102'; rigging down; Vulcan may move larger rig onto this hole and re-enter); Vulcan Power Carson Lake 51-20 (1,780'); Vulcan Power Patua 21A-19 (2,076).
26. Wells drilling: Nevada Geothermal Power Blue Mountain 89-11 (5,828'); Nevada Geothermal Power Blue Mountain 57-15 (2,900'); Vulcan Power Carson Lake Basin 51-20 (2,850'); Vulcan Power Carson Lake Basin 24-21 (rigging up); Vulcan Power Patua 21A-19 (3,035'); Vulcan Power Patua 77-19 (105').

27. Wells drilling: Nevada Geothermal Power Blue Mountain 89-11 (5,867'); Nevada Geothermal Power Blue Mountain 57-15 (3,825'); Vulcan Power Carson Lake Basin 51-20 (3,110'); Vulcan Power Carson Lake Basin 24-21 (1,035'); Vulcan Power Patua 21A-19 (3,455'); Vulcan Power Patua 77-19 (517').
28. Wells drilling: Vulcan Power Carson Lake Basin 51-20 (3,623'); Vulcan Power Carson Lake Basin 24-21 (1,490'); Vulcan Power Patua 21A-19 (3,055' – coring out cement plug, originally cored to 3,455'); Vulcan Power Patua 77-19 (1,276').
29. Other wells: Ormat Nevada used GeoDrill #2 rig to plug and abandon the Fireball Ridge 85-31 observation well.

## **OIL AND GAS (LOWELL)**

1. Arranged for Stephen Hollis to get logs for Midland Trail 1-32 through NBMG.
2. Reviewed EOG Resources sundry notice to drill with air in their Sugarloaf 1-17 well. Alan approved.
3. Reviewed EOG Resources sundry notice to P&A their Sugarloaf 1-17 well. Alan approved.
4. Spoke with Jeff Irwin, NDEP, and Steve Nadeau, Geyser Petroleum, about the expiration of Geyser Petroleum's permit to discharge water in the Pipeline Canyon #1 sump. Steve Nadeau assured me he would contact Jeff Irwin on December 5<sup>th</sup>. Jeff Irwin told me on December 8<sup>th</sup> that Steve Nadeau had not contacted him, and that he would contact Steve Nadeau to discuss reinstatement of permit.
5. Reviewed the KBE sundry notice to temporarily abandon the KBE #1 in Humboldt County. Alan approved.
6. No oil or gas well permits were issued during the week.
7. Attended the Northwest Mining Association Convention in Sparks, NV.
8. Met with James Goodrich, Goodrich Land Company, Denver Colorado. Discussed various aspects of NRS 522 and NAC 522.
9. Attended the BLM oil and gas lease sale. There were less than 10 participants. Pacer Energy Acquisitions LLC was the most active bidder.
10. Alan approved EOG Resources sundry notice to P&A their Sugarloaf 1-17 well.
11. Spoke with Jeff Erwin, NDEP, to see if Steve Nadeau, Geyser Petroleum, had contacted Jeff about renewing the permit to discharge water into the Pipeline Canyon #1 sump. Jeff told me that Steve Nadeau had not contacted him and that he would contact Mr. Nadeau concerning any future discharge. Jeff contacted Mr. Nadeau, where he was told by Mr. Nadeau that Geyser Petroleum is waiting on a permit to run a power line to the Pipeline Canyon #1 location. Steve Nadeau believes he will receive the permit for the power line in January 2009, and that he would re-permit the discharge into the Pipeline Canyon #1 sump at that time. Jeff Erwin informed Steve Nadeau that he had not fulfilled the previous temporary discharge permit by not supplying NDEP with all of the discharge figures. Steve Nadeau told Jeff that he would get those discharge figures to him.
12. Reviewed sundry notice for casing change in the Charter Oak Ruby Valley Federal 1-11 well, change from 7" to 5.5". Alan approved.
13. Reviewed Makoil Trap Spring 27-41 sundry notice, increase in hole and casing sizes. Alan approved.
14. Sent Marilyn Johns, with North Dakota Legislature, internet address links to Nevada's NRS 522 and NAC 522. North Dakota is investigating possibility of not allowing the flaring of natural gas.

15. Alan approved the Makoil Munson Ranch 13-34 well permit. This permit was previously in limbo due to waiting on Native American consultation through the BLM.
16. Reviewed sundry notice for Makoil Trap Spring 27-41, progress report. Alan approved.
17. Wells drilling: Charter Oak Ruby Valley Federal 1-11 (4,040', sidetrack around fish, original hole drilled to 3,304'); EOG Resources Sugarloaf 1-17 (3,500'; preparing to P&A); KBE #1 (6,802'; preparing to temporarily abandon).
18. Wells drilling: Charter Oak Ruby Valley Federal 1-11 (4,910', at TD, logging hole prior to completing well, sidetrack around fish, original hole drilled to 3,304'); EOG Resources Sugarloaf 1-17 (3,500'; P&A); KBE #1 (6,802'; temporarily abandoned).
19. Wells drilling: Charter Oak Ruby Valley Federal 1-11 (4,911', at TD, completed hole with 5.5" casing).
20. Wells drilling: none.