



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

ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS FEBRUARY 2009

ADMINISTRATION (ALAN)

1. Attended, with Commissioners Parratt and Mudge, the Mackay School of Mines Executive Advisory Board. Summarized the current status of the mining claim fee payment to MSESE for the board.
2. Facilitated a conference call with the CMR to discuss the stimulus bill and possible funding for AML through the BLM.
3. Facilitated the CMR meeting in Las Vegas.
4. Provided a presentation at the Gold Hill Hotel concerning Mining and Exploration Update for Nevada and the status of AML work in the Virginia City area.
5. Agreed to have NDOM booth and AML outreach materials at the 150th anniversary celebration of the founding of Virginia City in June.
6. Participated in the IOGCC Steering Committee monthly meeting, attended the State Environmental Commission meeting in Carson City, SME monthly meeting in Reno, and GSN monthly meeting in Reno.
7. Presented an update on Division activities and an update on Nevada mineral production and exploration to the Senate Natural Resources Committee and the Assembly Natural Resources, Agriculture, and Mining Committee.
8. Provided input to the Lahontan Audubon Society concerning SB108 which amends the NRS about solid claim post markers. Attended the Senate Natural Resources Committee hearing on SB108, the solid mining claim monument bill.
9. Met with President Glick and members of various advisory boards to discuss the budget issues confronting UNR.
10. Prepared a letter of commendation from Governor Gibbons for Dorothy Gallagher of Elko concerning her gold medal award from the MMSA.
11. Arranged to lead three eagle scout projects in Winnemucca in cooperation with James Carver, Chief Geologist at Goldcorp's Marigold Mine.
12. Met with representatives of the Division of Water Resources to discuss the permitting of closed loop ground source heat pumps.
13. Met with BLM-NSO representatives, including Gary Johnson, Craig Smith, John Menghini, and Noel Sturtevant, concerning oil, gas, and geothermal well inspection.

RECLAMATION BOND POOL (DOUG)

1. Issued a notice level bond for Western Energy Development Corporation.
2. Sent out 6 notices of possible forfeiture to bond pool participants who have not, as yet, paid the premiums that were due December 31, 2008.
3. Initiated 3 notice level bond reductions; 2 for AuEx, Inc, and 1 for MGC Resources.
4. Spoke with Judd Merrill, the controller at Fronteer, about the bond pool.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Interviewed Summer Intern candidates at UNR with Paul and George. Thirty two candidates were interviewed over a two day period. Met with Paul, George, Mike, and Alan to discuss the Summer Interns. Made preliminary selections pending a check of references. Began checking references. Notified the 8 Summer Intern candidates who were selected.
2. Compiled a chart showing the claim filings by county for 2007 and 2008.
3. Drew down \$110K from the federal ASAP system. \$55K is for the regular BLM support of the AML program. \$55K is from the BLM for NDOM to purchase steel for bat gates.
4. Attended the CMR meeting in Las Vegas, and toured the Hoover Dam Bridge site.
5. Spoke with David George of JP Morgan about mining scams and mining in general.
6. Initiated work programs for increasing revenue and for assistance to NBMG.
7. Spoke with Mike about developing a request for proposal for a contract to re-visit AML sites that have been secured to check on the existing condition of the securing and make repairs, if needed. Initiated the work program for a contract to re-visit abandoned mine sites and conduct repairs if necessary. Wrote up the request for proposal for the contract.
8. Reserved the booth space at the Elko Mine Expo.
9. Sat in on a CMR conference call regarding the stimulus money for AML.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Worked with Paul to review contractors work from previous work period and plan for next one. Made corrections, edit and archive photos.
2. Continue working on preparations for FS report and make corrections to AML database.
3. Researched ownership of hazards east of Winnemucca Lake (Pershing County) reported by photographer Tom Green. Adit and shaft of considerable extent not represented on USGS topo sheet. Several other prospects in area also not on topo maps. All of them are current orphans and will be added to investigation list.
4. Mark Gingrich (BLM-Winnemucca) called requesting information and assistance regarding mitigation of AML hazards on active claims at the Cassidy Mine, inside the Black Rock NCA. Scans of maps, photos, ID sheets and past correspondence with the claimant, Fred Solheim, were forwarded to Mark. The BLM intends to notify claimant of their intent to permanently close the hazards which are repeatedly visited by the public and are within site of the annual Burning Man festival with 50,000-plus attendees.
5. Barrick provided notification of its re-securing work at two vandalized adits on private property near Rhyolite.
6. Completed the 600-plus page FS report and reviewed it with Ken Maas. A copy (hard copy and digital) was kept for our records, and a digital copy was provided to Bill.
7. Pete Herrera (Geotemps contractor) had to return to LV for personal reasons but while there was able to assist Bill with ownership research on Clark County hazards. While just a temporary change from his planned field work, his residence in LV may greatly aid the backlog of needed research. Modifications to the field work schedule may allow for continued research while Ken Wilson will likely continue with inventory and minor securing work closer to urban areas.
8. Marc Springer (BLM – CA State Office) has graciously agreed to teach an UG safety training course for interested personnel from federal and state agencies in Nevada next month. The all-day course held in Reno will satisfy the annual refresher requirement for many and will serve as an AML hazard awareness course for the rest.

9. Jason Williams requested and received a spreadsheet of logged hazards and non-hazards in the Garnet Hill area between Ely and Ruth.
10. Received notification via NDEP that several unsecured hazards require our attention at the Gooseberry Mine. A site visit will be planned.
11. Conducted research at Washoe County Recorder's office for logged AML hazards requiring ownership information. ID sheets were updated and information entered into database, with several notification letters subsequently sent to claimants.
12. Analyzed our database to determine our average hazard to non-hazard field inventory ratio. At roughly 1:4, this correlates well with our oft told claim of approximately 200,000 mine features state-wide and approximately 50,000 hazards. Extrapolated last year's completed contract results with GBI/NCC (\$160,000), which produced 532 hazards and 2,307 non-hazards logged (four people working roughly eight months). Using those numbers, we estimate it would take four contractors 544 months (45 years) to log the remaining 36,194 AML hazards in Nevada at a cost of \$10.8M.
13. Austin resident, Virginia Gallegos, called to request additional AML outreach materials. Virginia, known by most as Sissy, continues to spread our "Stay Out, Stay Alive" message. She has distributed our AML brochures to all the businesses who deal with the public in Austin and Eureka, made AML presentations and given out pencils, stickers, brochures, etc. to schools in Austin, Round Mountain, and Eureka. Another box, full of outreach material, was shipped for continued distribution.
14. Communicated with Jason Williams (NDOW-Ely) and Chris Ross (BLM-NSO) regarding closure opportunities (bat gates and backfills) that may be suitable for work as part of the ARRA stimulus package.
15. Communicated with Eric Williams (BLM-Tonopah) regarding the planned Vegas to Reno (1,000 mile off-road) race in August and its currently proposed route. Eric provided NDOM with the GIS shapefiles which will facilitate and focus our inventory, securing, and re-visit efforts in the coming months.
16. Katie Miller (NDOW-Elko) submitted inventory paperwork and photos for seven AML hazards she logged on our behalf in northernmost White Pine County. ID numbers were applied, added to our maps and "weekly mines" list.
17. Lisa Desautels (Graphic Imaging Services, Inc. - LV) began a sample scanning project on our archive of AML logging and securing photographic slides. Approximately 100 slides were provided by the Las Vegas office for scanning. If the process, price and deliverables meet our requirements, the remaining slides (>15,000) may be scanned. Lisa provided a quote for performing 2,000 dpi scans of our archived AML slides. Nevada State Archives has indicated that they can meet our needs for this service as well and will provide a quote next week.
18. The summer internship announcement on the NVAPPS site was created and posted. The announcement number (#8474) was forwarded to Leslie Rumph (Mackay) for distribution to intern candidates. Reviewed summer internship candidates with staff and decided on preliminary picks for eight interns pending reference checks and compliance with the NVAPPS job application process. Several students requested assistance with the online application process. Assisted three Mackay students by phone and email with the NVAPPS application process for the summer internship. Offers for the summer internship positions were made to eight students and notification emails were sent to the other 24 applicants who were interviewed. Internet links to additional summer internship opportunities, at NDOT and BLM, were included.

19. Boy Scout Evan Pearson called to express interest in performing abandoned mine securing work as part of his Eagle Service Award project. An information packet was forwarded to him and a cluster of suitable orphan sites will be researched for his project.
20. Traveled to LV and attended the quarterly CMR meeting.
21. Attended NvMA Education Committee meeting to discuss and plan the upcoming Teachers Workshops in Las Vegas (April) and Reno (July).
22. Received a request for classroom presentations at Bernice Mathews ES, Reno.

AML / GIS (PAUL)

1. Constructed maps for presentation at CMR meeting in Las Vegas. Queried AML database and used GIS to search by location to find hazards within five miles of towns with a population of over five thousand and hazards within 15 miles of towns with a population of over five thousand. Sorted these hazards into highs, moderates, lows and minimalists creating separate layers for each. Then divided each of these layers into years since last visited by NDOM. This allows us to demonstrate how we can prioritize our revisit strategy. Traveled to Las Vegas and attended the quarterly CMR meeting and tour of the Hoover Dam bypass bridge project. Downloaded pictures from the quarterly CMR meeting tour of Hoover Dam bypass bridge project and copied them to the M drive at the Carson City office.
2. Worked with Geotemp contractor Ken Wilson to get him ready for his ten day hitch out in the field. Helped Ken stock up on fencing supplies and gear for AML field work.
3. Received an email from Mike Visher concerning a request from Jason Williams with NDOW. Jason asked if we could provide him with a list from our database of an area in White Pine County. Used ArcGIS to clip the database for the area requested by Jason and sent to Mike.
4. Assisted Mike Visher in finishing the 2008 USFS annual report. Constructed maps for each section of the report and fixed errors in the database where found.
5. Assisted Mike Visher with claims research at the Washoe County courthouse in Reno.
6. Worked on NDOM AML hazards database correcting errors found while filing CRAC forms and filled out designated BLM field office on CRAC forms for work done in 2008.
7. Proofed and totaled up work done in the field by the Geotemp contractor in the field for February 17 through February 26. In Mineral and Lyon counties, Ken logged 12 hazards, 11 revisits, did 4 securings, and logged 132 non-hazards. Geotemp contractor Pete Herrera worked out of the Las Vegas NDOM office doing courthouse claims research.
8. Finished doing QA on cultural resource avoidance certification forms from 2008 and amending the corresponding hazard ID forms.
9. Constructed a map, using ArcGis, showing the area of interest for the pilot revisit program bid forms.
10. Constructed a map showing the race route for the Vegas to Reno off road race. Used the map to coordinate and prioritize the areas for the Geotemp contractors' next hitch.
11. Doug Driesner, George Bishop, and I traveled to UNR to interview applicants for the NDOM summer intern program. There were 33 interviews scheduled over two days. In all we interviewed 32 applicants and had one no show. Doug Driesner, George Bishop, Mike Visher, Alan Coyner, and I had a meeting to discuss and finalize the list of applicants for the NDOM summer intern program.
12. Sat in on a meeting concerning stimulus package money for AML with Alan Coyner, Doug Driesner, Mike Visher, and Gary Johnson and Craig Smith with the BLM.

13. Met with Alan Coyner, Doug Driesner, and Mike Visser to discuss the best way to write up the bid for the contract for the pilot revisit program.
14. Mike Visser and I traveled to Reno to the NvMA office to attend the monthly Education Committee meeting.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Attended the CMR meeting held in Las Vegas. Reported on Southern Nevada office activities in education, public awareness and AML and went on the Hoover Dam trip.
2. Traveled to the Nelson area and Arden Quarries with Chris Ross from BLM-NSO to document vandalism to polyurethane foam and bat gate closures of AML sites. Met with BLM Law Enforcement rangers to observe vandalism to permanently closed sites near Nelson and Arden Quarries in Clark County. The expansive foam plug has been extensively damaged at hazard CL-798 near Nelson; bat gates have been damaged (bars cut by a "hot saw"), locks cut and removed, backfilled openings dug out at the Arden Quarry sites (CL-669-675). During the tour of the Nelson area, a location on BLM land formerly occupied by squatters was investigated and numerous hazards and non-hazards observed –will be logged next week. Visited the Arden Quarry vandalism sites with a staffer from the Bureau of Reclamation SNPLMA construction crew to observe and provide a cost estimate for repairing damaged bat gates.
3. Worked with Pete Herrera of Geotemps – training on Clark County AML research. Pete worked out of the Las Vegas office updating Clark County AML claim research. Pete investigated and ranked 9 hazards and logged 9 non-hazards in the Nelson area of Clark County and continued Clark County AML claim research.
4. Met with staff from Shapins, Belt and Collins, planners coordinating the feasibility study for the Yellow Pine Rail Train project and Ron Gregory, Clark County Assistant Planning Manager to discuss the AML safety aspects of the rail trail project. The proposed trail extends from Goodsprings to a terminus near the Yellow Pine/Prairie Flower mines. There are numerous abandoned mine openings in the areas surrounding the rail trail which are on patented mining claims. Las Vegas office staff is re-checking and updating ownership information on these claims so that the planning group can notify them of the project and solicit input in terms of potential liability and other concerns.
5. Las Vegas office staff continued work on updating hazard inventory sheets with land status and ownership information and prep of location maps for AML hazards researched last week in White Pine County.
6. Updated claim research for SNPLMA Round 5 sites that had questionable land status. Reported to Chris Ross (BLM) and Jennifer Grimm (USACE).
7. Completed Mark Boggess' Eagle Project (Saturday, Jan. 31). Three hazards were secured southwest of Nelson in Clark County. This is the 96th Scout project completed.
8. Completed Daniel Herrera's Eagle Project (Saturday, Feb. 7). Two hazards were secured northwest of Goodsprings in Clark County. This is the 97th Scout project completed.
9. Conducted a reconnaissance site visit to Matt Ireland's Eagle Scout AML securing project area south of Primm – Lucy Gray Mountains, Clark County.
10. Assembled materials for Jacob Allum's Eagle Scout project – scheduled for Saturday, February 28 – six hazards will be secured 5 miles east of Searchlight.
11. Prepared Power Point presentations on McCaw School of Mines and the status of AML claim research in southern Nevada counties.

12. Presented 6 sessions of minerals and commodities, “Birdseed Mining” and AML for 120 3rd graders at Elise Wolff Elementary School in Henderson (6 presentations – 120 people).
13. Met with incoming McCaw School of Mines Foundation Board Chairman Sandy Miller, to turn over files and discuss chairman duties and responsibilities.
14. Solicited help and prepared a work plan for the McCaw School of Mines clean-up and move-in project scheduled for 14-16 February. Worked February 14-16 cleaning and moving display items back into the McCaw School of Mines. A crew from Round Mountain Gold made a number of repairs and assisted with cleaning and moving. Also met with representative of Vortex Industrial Doors regarding plans for a new roll-up door for the Mine building entrance to replace the existing door damaged by construction crews. Continued to participate in the clean-up and move-in efforts at the McCaw School of Mines. Assisting in putting together new displays and hands-on activity centers. The first tour for the 2009 school year is tentatively scheduled for Monday, March 9.
15. Attended a McCaw School of Mines Foundation Board meeting.
16. Received a request from the Lied Children’s Museum in Las Vegas for rock and mineral specimens for a Nevada government display currently under construction. They are showcasing sandstone, silver ore, turquoise and Nevada black opal. Sandstone and silver ore samples are on-hand and contacts have been made for turquoise and opal samples to be loaned to the museum. Rock and mineral samples have been assembled and delivered per the request from Lied Children’s Museum.
17. Attended the Nevada Mining Association Education Committee meeting in Reno. Plans are nearly complete for the April 6-8 Las Vegas teacher workshop. The Northern Nevada workshop will be held at Bishop Manogue High School in Reno, July 14-16.
18. Manned a display at William Bailey Middle School’s Science Night event – Las Vegas. The display was visited by approximately 75 children and adults. Focus on Nevada minerals & products, modern mining and AML (one presentation – 75 people).
19. Red Rock National Conservation Area tour for the 2009 Southern Nevada teacher workshop approved by BLM.

GEOHERMAL (LOWELL)

1. Reviewed NGP sundry notice to move the 55-10 permitted injection well to a 61-22 drilling location. Sundry also included a variance to the 10 percent surface casing rule. Asked Russ Land to review sundry and give NDOM his input due to the original 55-10 permit being an injection well. Russ did not have any problems with the sundry request. Alan approved.
2. Reviewed NGP sundry notice to move the 45-14 permitted production well to a 71-22 drilling location. Sundry also included a variance to the 10 percent surface casing rule. Alan approved.
3. Reviewed NGP sundry notice for the 15-14 production well permit requesting a variance to the 10 percent surface casing rule. Alan approved.
4. Reviewed NGP well study proposal for the Blue Mountain Project Area in lieu of running electric logs. Contacted Kim Niggemann about progress of study. Kim stated it is still ongoing. I will ask for a review of all up-to-date results NGP has accumulated in May 2009.
5. Reviewed NGP sundry notice to move the 63-11 permitted injection well to a 58B(52-22)-15 drilling location with Alan. Sundry also included a variance to the 10 percent

surface casing rule. Asked Russ Land to review sundry and give NDOM his input due to the original 63-11 permit being an injection well. Russ and NDOM did not approve of Option #1 in the proposed new drilling program, hanging intermediate casing from surface casing. A COA for the sundry approval requires NGP to run 13.375" intermediate casing back to surface and cement in place. Alan approved.

6. Reviewed six observation well permits submitted by Ormat Nevada for their Gabbs Valley project in Mineral and Nye Counties. Waiting on BLM Approval.
7. Reviewed Vulcan Power's sundry notice to perforate bottom 100' of surface casing in their Salt Wells 56A-14 well in order to test a shallow geothermal zone. John Menghini and I met with Vulcan Power's Ken Bonin and Neil Peterson to review the request. It was determined that Vulcan Power could perforate a 93' interval starting 5' above the surface casing shoe. Alan approved.
8. Reviewed Noresco temperature gradient well permit application, TG LCC #1, for a well to be drilled on State Lands at the Lovelock Correction Center with Alan. Alan approved. Arranged approval of State Lands, through Rick Murray, for contractor's entry onto State Lands where the work will be performed.
9. Wells drilling: Vulcan Power Carson Lake Basin 24-21 (9,409'); Vulcan Power Patua 21A-19 (5,934', TD); Vulcan Power Patua 77-19 (5,716'); Vulcan Power Patua 33-23 (3,570'; waiting on core rig to drill out from cased hole); Vulcan Power Patua 28-13 (3,510'; waiting on core rig to drill out from cased hole); Vulcan Power Patua 23A-17 (510'; rigging up on location); Vulcan Power Patua 44-1 (3,511', ran casing, waiting on core rig to drill out from cased hole); Vulcan Power Patua 33-17 (set conductor); Nevada Geothermal Power BM 15-14 (354'); Nevada Geothermal Power BM 17-14 (3,445'); Ormat Nevada Desert Peak 11-27 (260').
10. Spoke with Lorie Bagwell and Tom Grigsby, Department of Corrections, about their contract with Noresco to drill geothermal wells on the State Lands occupied by Lovelock Correctional Center. Noresco will be drilling an initial temperature gradient hole, TG LCC #1, to determine if a geothermal resource is present. If the geothermal resource is of sufficient temperature, Noresco plans to utilize it for energy savings to the State at the Lovelock facility. This work is part of RFP 1418 which the Department of Corrections initiated and awarded to Noresco.
11. Contacted Maureen Martinez, Division of Risk Management, concerning future bonding of geothermal holes drilled at the Lovelock Correctional Center. Noresco put up the \$10,000 bond for the TG LCC #1 temperature gradient hole. However, DOC will actually be the permitted operator of future holes drilled if needed. It is currently being determined how to waive the bonding requirement for the DOC.
12. Met with Bill Ehni and Will Travers, Noresco representative, concerning the drilling of the TG LCC #1 temperature gradient hole at Lovelock Correctional Center. The well will be drilled to 700' and is expected to spud on February 17th. Welsco is the drilling contractor.
13. Coordinated approval for Welsco/Noresco to enter and operate on State Lands with Rick Murray at State Lands.
14. Reviewed the Vulcan Power 51A-20 well permit application.
15. Reviewed sundry submitted by Ormat Nevada to log, perforate intermediate casing, and to flow test potential production zones in the Carson Lake 84-31 well.
16. Replied to Teresa Conner's questions concerning the transfer of ownership of TG Power LLC's wells and interests at Hot Sulphur Springs to HSS II LLC. Teresa Conner is with

JBR Environmental in Elko. JBR Environmental is under contract with HSS II LLC to help facilitate the transfer of ownership. Provided clarification to Teresa Conner what documents are needed in order to transfer ownership.

17. Wells drilling: Vulcan Power Carson Lake Basin 24-21 (10,000'); Vulcan Power Patua 77-19 (6,942'); Vulcan Power Patua 33-23 (3,570'; core rig will drill out from cased hole on future date); Vulcan Power Patua 28-13 (3,510'; core rig will drill out from cased hole on future date); Vulcan Power Patua 23A-17 (1,626'); Vulcan Power Patua 44-1 (3,511', core rig will drill out from cased hole on future date); Vulcan Power Patua 33-17 (set conductor); Nevada Geothermal Power BM 15-14 (1,628'); Nevada Geothermal Power BM 17-14 (4,543'); Ormat Nevada Desert Peak 11-27 (356').
18. Reviewed Ormat Nevada sundry notice to flow test the Desert Peak 62-28 well. Flow test is for one week, expecting to produce 3,000,000 gallons. Water from flow test will go through the plant and approximately 2,700,000 gallons will be re-injected, 10% loss through plant processes. Asked Russ Land, UIC, for his input, which was favorable. Alan approved.
19. Attended meeting with BLM staff and representatives from Vulcan Power concerning the issuance of a discharge permit at Salt Wells. Meeting was productive, where the acting CEO of Vulcan Power Company, Robert Warburton, voiced the urgency in obtaining the discharge permits from the BLM and the State in order to complete their flow tests by the end of April. The flow tests are needed to verify MWH that can be produced. The establishment of MWH is needed to establish financing by a June 12, 2009 deadline.
20. Met with Rob Saunders at NDEP concerning Vulcan Power's need to obtain a discharge permit for Salt Wells for the above described flow tests. Rob was very cooperative and told me what he would need in order to issue a six month temporary discharge permit. I forwarded this information to Ken Bonin, Vulcan Power's Permitting Manager.
21. Reviewed Nevada Geothermal Power sundry notice to change the 89-11 well name to 89(52-22)-11 in order to have the well named the same as with the BLM. The BLM had NGP rename the 89-11 due to the bottom hole drilling into Federal lands. The sundry includes a second request to re-classify the hole from an injection hole to an observation hole. Alan approved.
22. Reviewed the Vulcan Power 51A-20 well permit application.
23. Supplied Randy Hinkel a list of permitted wells in the Beowawe area.
24. Wells drilling: Vulcan Power Carson Lake Basin 51A-20 (rigging up); Vulcan Power Patua 77-19 (7,500'); Vulcan Power Patua 33-23 (3,570'; core rig will drill out from cased hole on future date); Vulcan Power Patua 28-13 (3,510'; core rig will drill out from cased hole on future date); Vulcan Power Patua 23A-17 (2,603'); Vulcan Power Patua 44-1 (3,511', core rig will drill out from cased hole on future date); Nevada Geothermal Power BM 15-14 (2,620'); Nevada Geothermal Power BM 17-14 (5,293'); Ormat Nevada Desert Peak 11-27 (420').
25. Reviewed Vulcan Power Salt Wells 51A-20 well permit application with Doug. The production hole will be drilled to 10,000 feet. Doug approved.
26. Met with Ken Bonin of Vulcan Power to discuss the status of Vulcan's flow test permit at Salt Wells with the BLM. The BLM issued the permit mid-week (took over five months to grant approval for the flow test and probable discharge). Rob Saunders, NDEP, issued a six month temporary discharge permit to Vulcan in one day...excellent coordination and timing by Rob.

27. Reviewed HSS II LLC's UIC transfer permit for Hot Sulphur Springs (transfer from TG Power LLC to HSS II LLC).
28. Spoke with Dr. Daniel Dees, Mount Grant General Hospital in Hawthorne, about the hospital wanting to replace the old oil fired boiler system with a potential geothermal resource located under and near the hospital. Dr. Dees asked if I knew of any stimulus or grant money available for this project. Alan suggested I have Dr. Dees contact Nick Vander Poel, Deputy Director of the Nevada State Office of Energy. Mineral County may want to pursue a district project where the geothermal resource can be used for all of the nearby facilities owned by Mineral County.
29. Received sundry notice from Nevada Geothermal for BM 17-14 production well being drilled, requiring immediate action due to NGP procrastinating getting information to NDOM and the BLM. Approval was given to NGP by NDOM and the BLM to allow them to cut a window in the 13.375" intermediate casing and drill a directional hole. Russ Land, UIC, was informed of the operation and approval in the event NGP wants to turn the 17-14 production well into an injection well in the future. Alan approved. COA's were attached.
30. Wells drilling: Vulcan Power Carson Lake Basin 51A-20 (2,045'); Vulcan Power Salt Wells 35A-11 (rigging up to re-enter, previous TD 3102'); Vulcan Power Patua 77-19 (7,500', TD); Vulcan Power Patua 23A-17 (3,149'); Vulcan Power Patua 33-17 (rigging up); Nevada Geothermal Power BM 15-14 (3,016'); Nevada Geothermal Power BM 17-14 (5,850'); Ormat Nevada Desert Peak 11-27 (946').

OIL AND GAS (LOWELL)

1. Wells drilling: Makoil Trap Spring 27-41 (4,294', on standby for tests).
2. Informed Peter Lersey of Rock Investment Group that a BOP schematic was needed for their Isaiah 16-1 well permit application. Mr. Lersey quickly provided the schematic.
3. Reviewed EOG Resources final report on Sugarloaf 1-17.

OTHER (LOWELL)

1. Attended Nevada Petroleum Society meeting/dinner on February 5th. Elizabeth Crafford was the guest speaker. Elizabeth discussed her work on the Paleozoic tectonic domains of Nevada.
2. Attended Commission on Mineral Resources quarterly meeting in Las Vegas.
3. Alan and I met with Gary Johnson, John Menghini, and Nicole Sturtevant of the BLM. Discussed PET activities which would be shared by the Division of Minerals and the BLM. Nicole was concerned that if she was on a private lease she would be overstepping her authority issuing orders to the operator/drilling representative. We assured Nicole that a phone call from either her or John could easily resolve most matters, where we would give her the authority to require the operator/drilling representative to follow her instructions.
4. Alan and I met with Tom Gallagher and Sam Monteleone, and Rich Perry (via teleconference) of the Division of Water Resources, discussing permitting of closed loop/heat pump type holes and geothermal/fresh water related issues. The principal purpose of the meeting was to discuss the permitting of holes drilled for closed loop/heat pump purposes. Attendees believed closed loop/heat pump type holes should be permitted by the State so the State has a record of such activity and drilling companies involved can easily tell it is a 'sanctioned' activity. However, due to a resolution by the

Commission on Mineral Resources in 1996, NDOM is not to permit such activity. Due to the 1996 resolution by CMR, any well permit applications for closed loop/heat pump practices that are received by the Division of Minerals will be returned to the applicant, instructing the applicant to approach their local building permit authority for approval. The applicant will be told that any drilling must be done by a drilling company and driller licensed in Nevada, and follow drilling practices established by the State Engineer (NAC 534A.090 through 534A.160).

5. Met with Alan Griffith of Spirit Drilling Fluids, based in Colorado. Mr. Griffith is a native Nevadan and lives in Ely. Informed Mr. Griffith of current and potential drilling activity within the State.