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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS

December 2009

ADMINISTRATION (ALAN)

1. Attended the Northwest Mining Association annual meeting at the Nugget in Sparks, chaired two sessions (area reports and geothermal), and manned the NDOM booth.
2. Toured the American Flats millsite with two representatives from CH2M Hill.
3. Responded to the Churchill County Recorder's office concerning late filings of the Notice of Intent to Hold form.
4. Responded to an inquiry from the Silver Institute concerning the total historical production of silver in Nevada.
5. Responded to Tim Wiebe of Calgary, Alberta concerning reported mining claims in Nevada for barium to be used in batteries.
6. Discussed the Earthworks vs. DOI lawsuit concerning millsite claims with the AG's office and the Governor's office.
7. Obtained copies of proposed "rules" for geothermal development in Churchill County from the Churchill County manager's office.
8. Responded to request from ProPublica concerning oil and gas exploration regulation and enforcement in Nevada.
9. Toured the Noble Technologies black sand refinery in Patrick.
10. Participated in the State Environmental Commission meeting in Reno.
11. Attended the monthly conference call of the IOGCC steering committee.
12. Attended the monthly meeting of the GSN Symposium Committee in Reno.
13. Attended, with Commissioners Parratt and DeLong, the AIPG Nevada Section annual meeting in Reno.
14. Attended, with Commissioners Parratt, DeLong, and Bryan, the GSN monthly meeting in Reno and the SME local chapter monthly meeting in Reno.
15. All employees took one furlough day in December as required.

RECLAMATION BOND POOL (DOUG)

1. Invoices for participants on a December premium schedule were sent out.
2. Issued notice level bonds for JKR Gold Resources (USA), Inc. and GeoXplor.
3. Processed a bond reduction for Electrum USA Ltd.
4. Processed 2 total refunds for bond releases for Ammex and Jipangu.
5. Processed 2 partial refunds for Golden Odyssey and Paradise Peak.
6. Responded to an audit request for Jipangu.
7. Met with Will Randall of Rodina Minerals about getting a bond in the future.
8. Responded to an audit request regarding one of Cordex's bonds.
9. Worked with Cantex and Kinbauri on bond increases for issuance in the future.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Approved a permit for Ormat.

2. Attended the Northwest Mining Association's convention in Sparks and helped man the State of Nevada booth.
3. Prepared and submitted a contract amendment for Geotemps, Inc. to conduct additional AML claim research.
4. Proof read story panels for the 4th Ward School modern mining interactive exhibit.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Reviewed contractor Pete Herrera's Elko County AML ownership research work, updated BLM Contact region spreadsheet and distributed to BLM and NDOW.
2. Updated Master Gate list and fact checked gated status for approximately 100 sites. Worked with Paul to generate statewide maps showing bat gates to date and AML awaiting gates based on current NDOM database.
3. Attended NWMA annual conference and assisted at NDOM exhibit booth answering questions from interested public and private sector groups. Approximately 2,400 people attended the three day event.
4. Heather Gula, reporter for Humboldt Sun newspaper requested additional information related to the 2008 AML Report as part of an upcoming article. Four pictures depicting NDOM AML inventory and securing work in Lander, Humboldt and Pershing counties were provided along with descriptions to accompany her article.
5. Eureka County Sheriff Ken Jones requested ownership information for an abandoned mine where the Battle Mountain BLM and Navy EOD personnel exploded six bags of ANFO on October 21st. Neither the State Mine Inspector's office nor NDOM were notified of the incident. The bags were apparently discovered on October 14th by a BLM employee and reported to BLM HazMat who then coordinated with Fallon EOD for their safe disposal. We were able to determine the site number based on general location information from the BLM and exchange of photos with Sheriff Jones. As it turned out, the unsecured adit (EU-698) was inventoried by NDOM summer interns in July of this year. No reference of the bags (reportedly located 15' from portal) is mentioned in the description of the hazard. The hazard is located on an active lode claim and the sheriff has requested the ownership information in order to contact them directly and request securing be performed promptly. The information will be generated next week during ownership research and forwarded the Sheriff Jones.
6. Sent notification letter to claimant Sarah McClay alerting her of three unsecured hazards on her claims in Eureka County and informing her of the discovery and subsequent disposal of six bags of ANFO, found inside adit EU-698. Her contact information was also sent to Eureka County Sheriff Kenneth Jones.
7. Jesse Ruzika (Kleinfelder) called to discuss the AML program and inquire how they may be able to assist with the program.
8. Contractor Brian Breiter reviewed his previous month's efforts as part of the revisit program. 107 sites were investigated during 16 man-days. There's approximately \$2,200 remaining on this contract and, as weather allows, the emphasis will be on low elevation sites within easy access of the public. He also provided a spreadsheet detailing expenditures (of time and materials) at each site.
9. Attended the annual Nevada Bat Working Group meeting and AML sub-committee meeting. Representatives from NDOW, NDOM, USFS, BLM, FWS, and DOE provided updates on bat and bat habitat related work in Nevada and plans for the coming year. Information from NDOM's database regarding securings, habitat, and potential hard closures was distributed to interested parties.

10. Continued with data entry of securing and ownership information from Contact region in Elko County and revisit results from Douglas and Lyon counties.
11. Katie Miller (NDOW-Elko) submitted AML inventory information for five dangerous conditions in the Kinsley Mountains, on the border between Elko and White Pine counties. Ownership research results were forwarded back to her.
12. Reviewed and approved TerraSpectra's monthly work progress and invoice to ACOE for November work.
13. Scanning of all AML inventory and securing slides for Pershing County was completed by State Archives. Esmeralda, Humboldt and Nye counties remain to be scanned.
14. Exchanged another binder of archived AML slides with State Archives for scanning. Esmeralda, Nye and part of Clark County remain to be scanned.
15. Updated the Master Bat Gate List with information provided from BLM and NDOW. This list assists planning efforts and status tracking by state and federal agencies in the gating efforts of AML hazards. Currently several hundred sites are being tracked or considered with approximately 41 sites planned for closure in 2010.
16. Updated the ownership information for the planned BLM closures at Contact and forwarded the spreadsheet to BLM and NDOW.
17. Received information, via BLM-NSO, from concerned citizen Steve Ricketts, regarding dangerous conditions at abandoned mine near Grantsville, south of Berlin State Park. Apparently he has routinely explored this particular adit over the years, but on a recent visit found that conditions within the mine have deteriorated to the point he thinks it should be permanently closed. The hazard was researched and found to be NY-1122 on private property. This hazard, along with several others, is located on a collection of 14 patents owned, according to Nye County Assessor records, by four individuals in California. This information was shared with BLM, FS, and NDOW. A notification letter was sent to the owners.
18. Met with contractor Brian Breiter to discuss revisit plans for Washoe County; approximately \$2,200 left on the revisit contract. Also discussed securing opportunities in Clark County for January 2010. Bill created a spreadsheet listing 34 unsecured orphans that can be fenced by Brian. A map showing the locations was created by Paul and provided to Brian along with localized maps for his remaining revisit effort.
19. Performed ownership research on Kinsley Mountain hazards in Elko and White Pine counties and 31 others in the southern Snake Range to assist BLM and NDOW.
20. Created spreadsheets of work on FS lands from 7/7 to 9/30 for cost estimation and belated FFY09 invoicing; reviewed with Ken Maas.
21. Geotemps contractor Pete Herrera completed research on 269 unsecured hazards in Humboldt, Eureka and Lander counties during the first 11 days on December. The data was shipped to the Carson City office where contractor Jason Henderson began temporary work entering this updated AML ownership information.
22. Alan, Paul and I met with Noble Studios and Barbara Mackey to review their work to date on the interactive mining exhibit for the Fourth Ward School. The project is nearly complete and looks quite good. Text for the entire exhibit was later proofed by Doug and resubmitted to Noble for updating. They requested new video and audio of a mine blast to incorporate into the exhibit. Liz Ball forwarded my request to Dana Pray (Barrick) who will be providing something soon. Noble Studios' goal is to have the project completed by the end of the year.
23. Attended the GSN Christmas Party and assisted with the GSN Foundation fundraiser/raffle prize efforts.

AML / GIS (PAUL)

1. Met with Geotemp contractor Pete Herrera in the Carson City NDOM office to review ownership research done in Elko County. Collected all of the paperwork and maps from Pete for research completed and gave the spreadsheets and maps for Lander and Eureka Counties to Pete to do ownership research on.
2. Worked with Liz Lane from the Lake Mead Recreation Area to access their FTP site and download their AML geodatabase for AML work done within their boundaries.
3. Assisted George Bishop with transporting and setting up the NDOM booth and supplies to Sparks, NV in preparation for the Northwest Mining Association Annual Meeting.
4. Helped man the booth at the NWMA Exposition in Sparks. Fielded questions pertaining to NDOM AML and passed out NDOM materials to attendees.
5. Mike Visher and I met with contractor Brian Breiter in the Carson City NDOM office to collect field data on work done by him in November. Discussed monies left on the contract and areas left to be visited by Brian for revisit work.
6. Used ArcGIS to construct maps for the annual meeting of the Nevada Bat Working Group meeting showing locations of existing bat gates/cupolas, potential sites for bate gates, and clusters of hazards for potential backfill projects by the BLM.
7. Participated in the Nevada Bat Working Group annual meeting via phone conference.
8. Used Arc GIS to construct maps of three mining clusters in the northwest corner of the Pinto Summit quadrangle and emailed the pdf version of those maps to contractor Pete Herrera to assist him in his ownership research.
9. Attended the annual Bats and AML meeting at the Nevada Department of Wildlife office in Reno. The meeting was attended by Mike Visher with NDOM, Ken Maas with the Forest Service, Chris Ross and Nycole Burton with the BLM, and Jason Williams and Katie Miller with NDOW. Bill Durbin with NDOM, Tracy Kipke and Christy Klinger with NDOW attended by phone.
10. Filled out NDOM hazard ID sheets for hazards logged and sent in by Katie Miller with NDOW.
11. Reviewed time sheet and expense report for Geotemp contractor Pete Herrera and faxed into the Reno Geotemp office.
12. Received a request from Katie Miller with NDOW for an email with NDOM hazard ID sheets, Secured Hazard Information Form, and hazard ranking criteria form attached.
13. Sat in on phone call from Mike Visher and Bill Durbin discussing potential securing work in the Las Vegas area for contractor Brian Breiter to do during the winter months.
14. Completed personal task distribution spreadsheet and sent to Mike Visher for his work on AML flow chart.
15. Received a phone call from Ken Maas with the USFS requesting information on hazards proposed for bat gating in the Lida, NV area. Used ArcGIS to create maps of the proposed sites and sent the maps along with the hazard ID sheets and photos to Ken.
16. Used ArcGIS to create maps for contractor Brian Breiter to use in finishing up the revisit pilot program.
17. Used ArcGIS to import and plot a spreadsheet of hazards selected by Bill Durbin for potential securing work in Clark County.
18. Received a call from Joe Chavez with Barrick Goldstrike's underground training department requesting some of our paper danger signs and AML Stay Out Stay Alive DVDs. Joe is incorporating abandoned mine safety discussions into the annual refresher training for Barrick employees in Elko. Sent signs and DVDs to Joe.

19. Accompanied Mike Visher, Alan Coyner, and Barbra Mackay to Noble to preview the interactive video project for the Fourth Ward School.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Attended the Northwest Mining Association Convention in Sparks.
2. Worked on Clark County AML land research.
3. Conference call participant on an NDOW planning meeting for future bat surveys for AML closure projects.
4. Received report of BOR work completed in Clark County through 11-18-09: Three hazards backfilled (CL-85, 87, 411); three hazards secured with bat gates (CL-84, 86-culvert gate, 89-culvert gate); and three bat gates at Arden Quarries SW of Las Vegas were repaired (CL-669, 670 and 674).
5. Prepared spreadsheet, ID sheets and photographs for unsecured Clark County orphans - securing targets for Brian Breiter.
6. Continued Clark and Nye County AML claim research.
7. Logged in photographs of closure work completed by the USFS in the Spring Mountains, Clark and Nye Counties.
8. Scanning slides for AML loggings and securings in Clark, Nye and Esmeralda Counties.
9. Participated in monthly AML closure project conference calls for SNPLMA Rounds 6, 7 and 8.
10. Debbie Selig attended Requisitions and Receivers training class and worked on computer systems in the Carson City office.
11. Conducted "Mineral Greeting Card" activity with 9 K-6th graders at Innovations International Charter School of Nevada – "After School" program.
12. Presented 5 assembly sessions of minerals and commodities and AML for 450 7th grade earth science students at Lied Middle School – LV (5 presentations – 450 students).
13. Presented "Paper Dinosaurs" to 4 students in grade levels K-4 at Innovations International Charter School of Las Vegas "After School" program.

GEOHERMAL (LOWELL)

1. Reviewed Peppermill #9 production well permit application and drilling program. Russ Land, UIC, concurred with drilling program, due to the potential the proposed well may be converted to an injection well. Alan approved.
2. Reviewed Ormat Nevada's Jersey Valley 81A-28 production well permit application and drilling program. Discussed drilling program with John Menghini, BLM, due to the extended run of the 13.375" intermediate casing, as compared to previous holes drilled at Jersey Valley. Doug approved.
3. Wells drilling: Ormat Nevada McGinness Hills 86-16 production well (5,920', rigging down); Ormat Nevada McGinness Hills 27-16 (92'; setting conductor pipe); Ormat Nevada Jersey Valley 81A-28 production well (499', drilling); Ormat Nevada Jersey Valley 87-28RD production well (2059', setting cement plug to kick off of); Nevada Geothermal Blue Mountain 55-15 injection well (3,454', drilling); Nevada Geothermal Blue Mountain 58-11 injection well (90', conductor pipe set, rigging up); Sierra Geothermal Power Alum 25-29 observation well (3,314', rigging down); Sierra Geothermal Reese River 54-35 TGH (1000', rigged down, program complete).
4. Alan reviewed and approved the Ormat Gabbs Valley and Dead Horse project areas.

5. Reviewed Peppermill Casino's sundry notice to swab and acidize their well #7 production well. Discussed sundry specifics with Russ Land at UIC. Russ did not have any problems with the proposed procedure. Alan approved.
6. Discussed upcoming workover on the Terra-Gen Dixie Valley 37-33 production well with Jesse McCulloch. Intermediate casing has collapsed at ~325'. Jesse wanted to clarify Terra-Gen's procedure to fix/replace this section of casing and tie new casing back to the surface prior to submitting procedure to NDOM.
7. Discussed potential electric logs that may be needed for the Peppermill #4 injection well with Jim Combs. Logs are to illustrate the integrity of the casing. Jim is working as a consultant with the Peppermill Casino.
8. Wells drilling: Ormat McGinness Hills 58-22 (P) production well (rigging up); Ormat Nevada McGinness Hills 27-16 (442'; drilling); Ormat Nevada Jersey Valley 81A-28 production well (515', nipples up to BOP on 20" casing); Ormat Nevada Jersey Valley 87-28RD production well (1710', dressing off cement plug prior to kick off and directionally drill new hole); Nevada Geothermal Blue Mountain 55-15 injection well (5,206', drilling); Nevada Geothermal Blue Mountain 58-11 injection well (1,420', drilling); Sierra Geothermal Reese River 65-8 TGH (620', running 1" pipe).
9. Reviewed Enel North America's sundry notice to remove and replace the down hole pump in the Stillwater 62A-30 production well. Alan approved.
10. Reviewed Magma Energy's sundry notice to re-enter the 41-33 production well and remove 800' of 9.625" liner along with down hole pump and install flow "t" test assembly and shut in valves. Alan approved.
11. Reviewed Nevada Geothermal Power sundry notice to withdraw previous sundry notice that would allow the sumps on the Blue Mountain 15-14 and 44-14 to remain open. Alan approved.
12. Reviewed Nevada Geothermal Power sundry notice to enlarge (40'x40'x15') and maintain the sumps at the Blue Mountain 14-14, 17-14, 23-14, 25-14, 26A-14, 38-14, and 61-22 drilling pads. Alan approved.
13. The Ormat GeoDrill #3 Super Single tipped over while rigging up in McGinness Hills (~20 miles northeast of Austin). Here is the description from the company man on site: *While raising sub, seal on driller's side raising ram failed releasing hydraulic oil and pressure on that ram causing sub and derrick to lean on that side. Attempting to lower opposite ram to level derrick was not possible due to a pressure equalizing valve installed in system. A 300 ton crane was in route when derrick and sub collapsed falling over on mud pits. Investigation is underway. There were no injuries to personnel.*
14. Reviewed report for Homestretch Geothermal's Wabuska operation, prepared by McGinley and Associates. Report is a general history with accompanying public data. Discussed the possibility of NDOM requiring a short term production test with Alan. Contacted Tom Gallagher, Division of Water Resources, as to the status of their review of Homestretch Wabuska report. DWR's review is ongoing.
15. Wells drilling: Ormat McGinness Hills 58-22 (P) production well (dismantling rig that tipped over while rigging up); Ormat Nevada McGinness Hills 27-16 (507'; ran 502' of 20" surface casing, rigged down, moved to 38-10 location; shut down rig for the holidays); Ormat Nevada Jersey Valley 81A-28 production well (1,969', drilling); Ormat Nevada Jersey Valley 87-28RD production well (1,987', directionally drilling new hole); Nevada Geothermal Blue Mountain 55-15 injection well (6,157', drilling); Nevada Geothermal Blue Mountain 58-11 injection well (2,640', drilling); Sierra Geothermal

Reese River TGH Project (rigged down for winter, moved drilling equipment to Winnemucca due to access issues).

OIL AND GAS (LOWELL)

1. Responded to survey request from World Oil for production in Nevada.
2. Wells drilling: True Oil DY Federal 43-36 in Railroad Valley, Nye County (spudded on 12/1/2009; currently drilling at 715'.
3. Wells drilling: True Oil DY Federal 43-36 in Railroad Valley, Nye County (1,490'; well flowing water, building mud weight).
4. Wells drilling: True Oil DY Federal 43-36 in Railroad Valley, Nye County (2,798'; drilling).