



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
June 2010

ADMINISTRATION (ALAN)

1. Met by teleconference with Jeff Thompson, UNR College of Science Dean, to discuss possible assistance from NDOM for the Economic Geology endowed chair at Mackay.
2. Provided the agenda for the CMR Budget Committee meeting on June 9.
3. Prepared financial information for the CMR Budget Committee meeting.
4. Met with Lance Taylor of Geotemps to discuss possible long term AML contracts.
5. Attended the CMR Budget Committee Meeting in Reno by telephone.
6. Spoke with Atanda Clark, BLM concerning the recent sweep of the bond pool by the Legislature during the special session and the financial stability of the pool.
7. Attended the SEC meeting in Reno.
8. Met with Commissioner Bryan and members of the UNR Mackay Geography Department to discuss the land withdrawal project.
9. Reviewed the budget proposal for the 2011 NAAML P annual meeting to be held in conjunction with the California AML program at Squaw Creek Resort.
10. Traveled to Winnemucca to meet with the Corporate Guarantee Review Panel and toured the Barrick Cortez Hills mine.
11. Met with Julie Strandberg, the new budget analyst for NDOM.
12. Distributed the letter and award history for the 2010 Nevada Excellence in Mine Reclamation awards to all interested parties.
13. All required furlough days were taken by NDOM employees for the month of June resulting in 72 hours of lost productivity and no savings to the State General Fund.

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for Black Hawk Exploration, Bravo Alaska, Almaden Minerals LTD, Ashburton Ventures, Queensgate and Western Energy Development.
2. Plum Mining's new President and CEO wants to be the signer on their reclamation bond. Copies of the bond and indemnity agreement were sent to Kristen Geddes to see whether a new bond should be issued or some sort of rider attached to the existing one.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Spent the week in the field with the Summer Interns.
2. Was able to draw down NDOM's \$50,000 from the BLM's ASAP system.
3. Approved a sundry notice for Magma and three sundries for NGP.
4. Made up 2 certificates for Eagle Scouts.
5. The Board of Examiners approved the 2 contracts for Geotemps, Inc., and Environmental Protection Services.
6. Attended the CMR Budget Committee meeting in Reno.

7. Set up and manned the agency booth with George at the Elko Mine Expo. This was the 25th anniversary of the Expo. NDOM was one of eleven who received an award for perfect attendance (a five ounce silver round).
8. Approved sundry notices for Vulcan, Faskin Oil & Ranch, Ormat, and Eagle springs.
9. Approved a permit for Vulcan.
10. Worked on exploration survey.
11. Worked on biennial internal control report.
12. Suspected that Barrick had double counted production from Meikle and Storm. Barrick verified this was the case.
13. Met with Julie Strandberg, the new budget analyst, along with Alan, Wanda, and Kristen Kolbe, the previous budget analyst.

AML / PUBLIC AWARENESS – NORTH (MIKE)

1. Spent the week in the field with seven interns (and Doug) conducting AML logging and securing work in Churchill County. This was their first dedicated fence building effort and a record 25 hazards were secured in two and half days. In addition to the securings, 21 hazards and 210 non-hazards were inventoried. Field AML and safety procedures were reviewed numerous times by staff.
2. Rob Smalley, the eighth intern, remained in the office healing a dislocated hip (acquired the week before employment) and performed data entry.
3. Contractor Rachel Wearne working part-time completed composite orthophoto and topographic maps with AML information for use next week near Beatty. She also attended a Nevada GIS Users Group meeting on our behalf.
4. Lindsay Gilbertson (Barrick intern) requested GIS shapefiles of known AML hazards for their use in preparing 3- and 5-year AML mitigation plans for land owned or leased by Barrick.
5. Ken Maas (FS) supplied information on 25 hard closures at AML hazards completed between 5/17 and 5/22. Several features were not previously logged by NDOM and will be assigned numbers after the fact. Closure information will be added to our database.
6. Boy Scout Houston Mitchell (Elko) expressed continued interest, via email with Paul, in an AML fencing project for his Eagle Service Award. I replied to him, letting him know that Paul was no longer at the Division but that we would work with him to complete his project. Another Elko scout, Kelepi Ita, is also interested and I have identified one property that can accommodate both projects and minimize the logistical challenge of two Eagle Projects based out of Elko.
7. Lined out interns for AML work in the Beatty area with Bill. Discussed safety concerns from previous week; snakes, heat, tire changing.
8. Reviewed and numbered input data from Katie Miller (NDOW) for AML hazards in Elko and emailed additional information back to her.
9. Created orthophoto field maps for intern use next week in the field incorporating all previously inventoried mine features. Exported hazard location info, converted data for input to handheld Garmin GPS units for each intern.
10. Communicated with Dan Erbes, John Wilson and Pilar Ziegler (BLM-CC) regarding planned gating efforts at four AML sites east of Washoe City. Environmental Protection Spoke with scout Kelepi Ita (Elko) regarding plans for an Eagle Scout fencing project later this summer. Will try to coordinate with scout Houston Mitchell to accomplish both projects at same time.
11. Services began work on culvert modifications for these closures and will complete the work next week.

12. Requested off-road race route GIS shapefile from Tom Seley (BLM-Tonopah) for use in prioritizing inventory work.
13. Attended conference call to discuss plans for NAAML 2011 Conference.
14. Spoke with scout Ian McBride (Carson City) regarding interest in fencing work for his Eagle Project.
15. Summer interns completed their third week with a record 44 securings, 9 hazards and 45 non-hazards in Nye County.
16. Lined out field interns for week's work in and around Tonopah and imported nearby known hazards as waypoints for use in the field. Trained two interns in procedures for QA/QC and data input. Assisted with planning and map creation for next week's work in Pershing and Humboldt counties.
17. Plotted, processed and input data recently received for nine hard closures conducted by USFS in Nye and Lander counties.
18. Contractor for the state, Environmental Protection Services, completed bat compatible hard closures at four interconnected abandoned mine hazards in Washoe County under the supervision of biologist Jenni Jeffers (NDOW) and NDOM. EPS also began fencing work on 20 orphan hazards near Lida in Esmeralda County.
19. Geotemps contractor Rachel Wearne worked three days preparing custom orthophoto field maps for the interns for the next two weeks and extracting coordinate data for later GPS import.
20. Created Certificate of Accomplishment for scout Evan Pearson's work on his AML fencing project, presented at his Eagle Court of Honor ceremony.
21. The summer interns completed their fourth week with 12 securings, 49 loggings and 322 non-hazards in Esmeralda County.

AML / PUBLIC AWARENESS – SOUTH (BILL)

1. Presentation at Spring Mountain Ranch State Park on the geology of Red Rock National Conservation Area and AML. Presentation included a walking geology and nature field trip into Sandstone Canyon (1 presentation - 20 persons).
2. Planning for Beatty area field work with summer intern crew.
3. Attended McCaw School of Mines annual volunteer appreciation dinner.
4. Worked with summer intern field crew in the Beatty area. 44 hazards were secured plus hazard and non-hazard loggings.
5. Display set-up at Henderson Libraries Summer Reading Program Kick-Off at the Paseo Verde Library, Henderson Pavilion. AML handout materials distributed. (1 presentation - 200 people).
6. Participated in monthly conference calls for SNPLMA/ARRA AML closure project in Clark County and SNPLMA AML closure projects in Lincoln and White Pine Counties. Since November 8, 2009, 81 AML sites have been permanently closed in Clark County using ARRA (Federal stimulus) funding.
7. Presentation made at Cody Echler's Eagle Scout Court of Honor ceremony in Boulder City. Cody completed his AML fencing project on February 20, 2010 (project #109); and at Ricardo Milan's Eagle Scout Court of Honor ceremony in Las Vegas. Ricardo completed his AML fencing project on October 17, 2009 (project #108).
8. Conducted site visit to AML sites CL-444 and 445 with BLM Law Enforcement and the BOR crew. The two adits are located across US Highway 95 from the Railroad Pass Hotel/Casino and were occupied by transients. The transients have moved on but left a lot of trash and debris at CL-444 which is being cleaned up by BLM. CL-445 was closed with a PUF plug on June 15, 2010. CL-444 is scheduled for a PUF plug closure next week.

9. Attended McCaw School of Mines Foundation Board meeting. The final proceeds from the 2010 Gala fundraiser totaled \$47,505.81.
10. AML field investigations, securing, re-visits and non-hazard logging with the intern crew in the Gilbert, Tonopah and Paymaster Canyon areas of Esmeralda County. Investigated and ranked one hazard and logged 19 non-hazards.
11. Information received from Heather Ingalls, tour guide for the Tonopah Historic Mining Park, resulted in logging and fencing of a very dangerous shaft located one mile west of downtown (ES-2086).
12. Attended NvMA Education Committee meeting in Reno. Final planning for the 2010 Reno teacher workshop.
13. Collected calcite from the Daisy-Crowell Mine near Beatty for teacher workshop mineral kits.
14. Collected diorite from the General Thomas Hills at AML site ES-1689 for future teacher workshop rock kits.
15. Presentations included: 2 sessions of minerals and commodities, AML and “Birdseed Mining” to 3 classes of 3rd graders at Sue Morrow Elementary School – Henderson (2 presentations - 52 students); 3 sessions of minerals and commodities, “Birdseed Mining” and AML for 2 classes of 3rd graders and 4 classes of 2nd graders at Halle Hewetson Elementary School – Las Vegas (3 presentations – 91 students); 2 sessions of minerals and commodities and AML for 5 classes of 3rd graders at Aggie Roberts Elementary School – Henderson (2 presentations - 90 students); 3 sessions of minerals and commodities, “Birdseed Mining” and AML for 6 classes of 2nd graders at Halle Hewetson Elementary School – Las Vegas (six presentations - 75 students).

GEOHERMAL (LOWELL)

1. Reviewed Project Areas for TGP Development Company, LLC. Area is located in the New York Canyon area along the west side of the Stillwater Range; and area located in the Coyote Canyon area along the east side of the Stillwater Range and adjacent Dixie Valley. Alan approved.
2. Reviewed Magma Energy’s permit application for the Soda Lake 25A-33 production well. Alan approved; TGP 14-13 observation well permit application and drilling program. Proposed total depth is 10,000 feet, and well will be designed as full scale production well. Location of well is in the recently created Coyote Canyon Project Area in Dixie Valley – Stillwater Range; TGP 14-22 observation well permit application and drilling program. Proposed total depth is 10,000 feet, and well will be designed as full scale production well. Location of well is in the recently created Coyote Canyon Project Area in Dixie Valley – Stillwater Range; TGP 51-22 observation well permit application and drilling program. Proposed total depth is 10,000 feet, and well will be designed as full scale production well. Location of well is in the recently created Coyote Canyon Project Area in Dixie Valley – Stillwater Range; Vulcan Power Company’s permit application and drilling program for the Patua 36A-15 production well. Proposed total depth is 10,000 feet. Doug approved; Ormat Nevada’s permit application and drilling program for the McGinness Hills 28A-10 production well. Proposed total depth is 3,600 feet and Ormat Nevada’s permit application and drilling program for the Dead Horse 68-1 observation well. Proposed total depth is 3,600 feet; Ormat Nevada’s Tuscarora 65A-8 production well permit application and drilling program. Drill location is on a private lease. Proposed total depth for the well is 5030 feet. Doug approved.
3. Attended the Salt Wells monthly EIS meeting. Alternative transmission line routes were rehashed again. EIS is approximately four months behind schedule.

4. Provided Lisa Shevenell reported nameplate capacities from geothermal operators to the Division of Minerals for all geothermal electrical generation plants in Nevada.
5. Reviewed sundries for: Magma Energy's permit application for the Soda Lake 25A-33 production well. Alan approved; Enel North America's sundry notice to replace down hole pump in the Stillwater 31A-30 production well. Alan approved; US Geothermal's sundry notice to flow test the San Emidio 75-16 production well. Temporary discharge permit approved by NDEP. Water is to be discharged into small basin down slope from wellhead. Alan approved; Magma Energy's sundry notice to run TPS survey and VSP seismic profile in the Soda Lake 41B-33 production well during the current twenty-eight day injection test. Doug approved; Nevada Geothermal Power's sundry notice to reclaim the 15-14 drilling pad. Coordinated approval with BLM. Doug approved; Nevada Geothermal Power's sundry notice to reclaim the 38-14 drilling pad. Coordinated approval with BLM. Doug approved; Ormat Nevada's sundry notice to perforate a 100' section in the McGinness Hills 27-16 production well and flow test well. Coordinating approval with BLM; Vulcan Power Company's sundry notice to re-enter the Patua 45-9 observation well, clean out the drill hole, and run 2 7/8" pipe to bottom of hole. Doug approved; Magma Energy's sundry notice to increase injection pressure during the approved 28 day test program in the 41B-33 injection well. Russ Land, UIC, has deferred approval for increase in injection pressure to NDOM and the BLM. Coordinating review of the request with the BLM; Nevada Geothermal Power's sundry notice to reclassify the Blue Mountain 91-15 production well to an injection well. Waiting on Russ Land's approval; Ormat Nevada's sundry request to allow the flow testing of Tuscarora 57-8 and 65-8. The wells will be tested individually, where produced fluids will be injected into the 66-5 production well. Doug approved; Ormat Nevada's sundry request to allow the flow testing of Jersey Valley 87-28RD and 81-28 production wells. The wells will be tested individually, where produced fluids will be injected into the 81A-28 production well. Waiting on reply from Scott Kessler as to where all of the produced fluids would be stored or injected. Waiting on BLM approval.
6. Wells drilling (as of 6/24/2010):
Ormat: McGinness Hills 27-16 production well; 61-22 production well; Desert Peak 11-27 sidetrack production well; Tuscarora 57-8 production well; McGinness Hills 66B-22 production well; McGinness Hills 28A-10 and Tuscarora 65A-8.
Vulcan Power: Patua 45-27 observation well; Patua 44-21; and Patua 36A-15.

OIL AND GAS (LOWELL)

1. Coordinated the scheduling of MIT testing of all oil injection wells for Russ Land, UIC. The testing is to occur the week of June 21st through 25th. Some tracer testing will be carried out the following week.
2. Attended BLM oil and gas lease sale on June 8, 2010. There were 101 parcels offered, of which 23 parcels were leased with a total acreage of 34,827.705 acres. Bids and bonus bids totaled \$123,360.50.
3. Reviewed Berry Petroleum's sundry notice to re-enter the Eagle Springs 81-35 well to repair/replace down hole packer. Doug approved.
4. Reviewed Fasken Oil and Ranch sundry notice to allow drill hole to be deepened from the 7627' permitted depth to 10,000'. Coordinated approval with the BLM. Doug approved.
5. Reviewed Empire Petroleum's sundry notice to set forty feet of conductor pipe rather than seventy feet at the Paradise 2-12 drill location. Waiting on response from John Menghini at the BLM.

6. Reviewed Grant Canyon's sundry notice (informational) informing NDOM of the perforation work performed on the Grant Canyon #10 well. New production tubing and packer were run into the hole as well.
7. Reviewed Berry Petroleum's sundry notice to repair a casing leak in the 81-35 production well through cement squeeze job and subsequent cleanout.
8. Wells Drilling (as of 6/24/2010): Fasken Oil and Ranch Papoose Canyon 1-14 (8,040', replacing top drive).