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STATE OF NEVADA
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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS

August 2010

ADMINISTRATION (ALAN)

1. Led a field trip to the ORMAT Steamboat Geothermal Power Plant for the 4th grade classes from Brown Elementary School in Virginia Foothills.
2. Responded to an inquiry from John Bosta of Armagosa Valley concerning the Honey Wagon oil spill.
3. Responded with comments to Scott Bassett of the UNR Geography Dept. concerning the work products from the land withdrawal study.
4. Met with Jason King, state water engineer, and representatives of Vulcan Power to discuss consumptive use of geothermal fluids for cooling in power plants.
5. Met with Tim Crowley, NvMA, to discuss the additional mining claim fee.
6. Answered many inquiries concerning the additional claim fee.
7. Arranged speakers for the Area Reports session of the 2010 NWMA annual meeting.
8. Received the Claremont Nevada Mines lawsuit concerning the additional mining claim fee and forwarded copies to the CMR, NDOM staff, and the DAG.
9. Contacted the Nevada Excellence in Mine Reclamation Committee and finalized the decisions concerning the 2010 awards.
10. Attended the annual meeting of the Nevada Bureau of Mines and Geology Advisory Board and approved the Statemap Request to the USGS for next year.
11. Met with Melanie Barber and Ken Greene of CH2M Hill to plan a fall meeting of NAMLET (Nevada Abandoned Mine Lands Environmental Task Force).
12. Conducted field revisits on AML sites near Poker Brown in Pershing County.
13. Attended the GSN Summer Series meeting.
14. Requested a letter from UNR COS concerning the prepayment of the FY12 mining claim fee payment in FY11.
15. Withdrew the request for a BDR concerning the statutory cap on the mining claim fee collected by NDOM.
16. Worked with Linda Wells and Debbie Selig on the biennial budget for the Division and completed the budget and submitted it to the Budget Division.
17. Processed two NPD-19 personnel forms concerning Linda Wells and Wanda Martin in conjunction with the request by Wanda Martin for extended leave due to a medical condition.
18. All Division personnel took the required furlough day in August resulting in a loss of 80 working hours and no savings to the State General Fund.

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for Western Energy Development Corporation, Laurion Mineral Exploration USA LLC, Ironwood Gold Corporation.
2. Initiated 3 notice level bond refunds, 3 total bond releases and one partial release.
3. Initiated the bond pool budget for FY-11.

4. Continued with some deposit and premium reconciliation for Eric Sheetz at the Controller's Office.
5. Spoke with Dennis Lance about transferring a bond.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Spoke with Brent Cook of the Northern Miner about gold exploration.
2. Worked on Major Mines booklet.
3. Sent production data to Rob Sabo of Nevada Business Weekly.
4. Answered more questions about the additional claim fee and filing requirements.
5. Sent out the request for proposal for a Clark County AML re-visit contract.
6. Completed a draft of the exploration survey and sent it to Alan and Jon Price for review.
7. Approved 4 geothermal permits, 2 geothermal sundries and one oil sundry.
8. Sent my estimate of industrial production value to David Davis at NBMG.
9. Did a work program for the partial carry forward of reserve from FY10 to FY11.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Communicated with Joel Hartman (BLM-CC) regarding proposed gating work at Divide Mine in Douglas County. The categorical exclusion (CX) was received from the BLM and culvert gate construction at sites DO-130 and 135 were completed by the end of the week. NDOM and/or NDOW staff supervised the construction performed by Environmental Protection Services (EPS). NDOW money from a BLM grant paid for the closures. Five similar closures are planned for Washoe County after receiving CX's where needed.
2. While at the Divide Mine site, one additional hazard and seven non-hazards were logged, plus three re-visits.
3. Organizers of the Best in the Desert Vegas to Reno (OHV) Race agreed to distribute "Stay Out, Stay Alive" material to all participants if they were pre-bundled. 200 bundled sets, containing brochure, sticker, bumper sticker, and tattoo, were sent to their office for the August 20th – 21st race.
4. Attended gating closure prioritization meeting at BLM-NSO, along with personnel from NDOW and BLM. The BLM will track all gating efforts on BLM-managed lands and has agreed to fund necessary archaeological clearance efforts required at hazards already identified as significant bat habitat; these were sites noted on the old Q1 gate list. Rachel created and provided a CD containing the latest snapshot of our AML database to each agency.
5. The summer interns completed their eleventh week with 45 securings, 40 hazards and nine non-hazards, plus one re-visit in White Pine County.
6. Contractor Kyle Cahill continues with efforts to update ownership information, and general work on AML database issues and renaming of scanned slides.
7. Communicated with James Carver (Goldcorp – Marigold Mine) and Rory Howell (Barrick – Turquoise Ridge Mine) to finalize tour arrangements for interns and staff.
8. Communicated with Nycole Burton and Whitney Wirthlin (BLM) regarding questions over Contact and Tuscarora AML sites.
9. The 2007 Dodge encountered transmission problems en route to Treasure Hill (White Pine County) and was escorted to the Dodge dealership in Ely for inspection. The eight interns completed the remainder of the week in three trucks, securing 30 hazards, logging seven hazards and 31 non-hazards in White Pine County.

10. The State Mine Inspector, Ed Tomany, called to report a hazardous condition at the old Gold Bar mine in Eureka County. Apparently the old open pit on private property, near the mill by 3 Bars Road, is now readily accessible to the public. A site visit to investigate the feature is planned for the week the 2007 Dodge is repaired and ready for pick up.
11. Pictures from the CMR tour at the Phoenix Mine were prepared and posted to a website for review by Newmont.
12. Contractor Kyle Cahill completed data entry work on prior field work and began work on assimilating all AML imagery into one database. QA/QC is being done on all files for accuracy and consistency.
13. Traveled to Fallon with Rachel to work with Jenni Jeffers (NDOW) on acquisition of AML data related to sites previously investigated for bat use.
14. A concerned citizen called to report vandalism to the fence securing hazard CC-54 on Prison Hill in Carson City. Contractor Brian Breiter repaired the fence two days later. It was found vandalized yet again just one week later and additional repairs were made.
15. Updates to the BLM's closure lists were forwarded to Nicole Weingart (BLM-NSO) to reflect knowledge gained from last week's work with NDOW.
16. Provided additional photos and AML data related to sites at Treasure Hill to Nicholas Connelly (FS).
17. The interns, Rachel Wearne and contractor Kyle Cahill attended a tour at Marigold provided by James Carver and staff.
18. Traveled to Winnemucca and accompanied four of the interns on an underground mine tour at Turquoise Ridge. Rory Howell, Rory Upshaw and Noah Millett (TR JV) provided a well-rounded tour of their operations.
19. The interns, Rachel, and contractor Kyle Cahill assisted with the (PUF) foam closure of a hazard at the Burrus Mine (owned by UNR) in Washoe County. The remaining hazards at Burrus are planned for gating by NDOW later this year.
20. This was the last week for the interns and some chose to take part of it off to get ready for school next week. As a result, and because there was considerable end-of-employment clean-up, paperwork and accounting, there was less time spent in the field; seven sites were secured and 11 non-hazards logged in Humboldt County.
21. During their 13 weeks of employment the interns safely visited over 2,100 mine features in 14 counties, resulting in 243 securings, 305 new hazards identified, and 1,765 non-hazards investigated, and performed 53 re-visits.
22. Mary Holmes (Claimstakers, LV) called to discuss aspects of the Clark County revisit program contract in order to complete their bid.
23. Met with contractor Brian Breiter to review previous week's work in Mineral County. They logged 33 new hazards and 87 non-hazards. Updated database with his work and added logging photos to photo archive.
24. Property owner, John Bernt, called to discuss questionable information related to unsecured AML hazards which may or may not reside on his patented mining claims in Elko County. The sites were first logged in 1989 and a new field visit will be required to definitively resolve the ownership status. At his request, a letter stating this was sent to Mr. Bernt.
25. Dan Dyer, Dyer Engineering, called to discuss AML remediation work in Nevada and in particular on tribal lands. He is interested in attending future NAMLET meetings.
26. Met with Jenni Jeffers (NDOW) and John King and Matt Emerson (KFC Building Concepts, Reno) to conduct site visits to three adits in Washoe County planned for

gating. Once approval is provided by the BLM, NDOW will supervise and pay for the bat gate construction. NDOM will assist as needed.

27. Location, ownership information and photos of nine hazards in Elko County were provided to Katie Miller (NDOW) for consideration of gating.
28. Outreach material was provided to Tinker Evans (Round Mountain Gold) for her distribution at the Nevada State Fair.
29. One Rocks/Minerals/AML presentation was provided to 26 4th graders at Caughlin Ranch Elementary School. (1 presentation – 28 people)
30. Received requests for school presentations at Ester Bennett and Miguel Sepulveda elementary schools in Reno and Sparks, respectively.
31. Contractor Kyle Cahill completed the assimilation of all AML imagery having originated out of the NDOM offices into one photo archive. Currently at over 27 GB of data, the archive contains over 22,000 images, all of which are now named consistently, indexed and readily searchable. The next step will be to scan images provided to NDOM by claimants and property owners, and integrate them into the archive.

AML / GIS (RACHEL)

1. Compiled information on how to complete different projects in ArcGIS and using Garmin software.
2. Completed maps for Interns and helped with planning.
3. Restored maps from 2009 made by Paul Buffington dealing with ARRA Clusters in western Nevada.
4. Made CDs for the BLM containing the most recent data in the NDOM AML database.
5. Began researching regions for potential securings by EPS on the Downeyville and Ellsworth quadrangles.
6. Accompanied Mike Visher to the Divide Mine area in Douglas County to meet with contractors working on closures and to complete some additional logging.
7. Attended a meeting at the BLM in Reno with Mike Visher.
8. Sent thank you letters to claimants regarding secured hazards.
9. Entered photos of secured hazards into photo database and updated the database with current information
10. Re – sent letters to claimants who have not secured hazards since last year.
11. Worked on planning the final week of field work for the summer interns and made maps of regions that need to be visited.
12. Accompanied Mike Visher to help put bat netting over a shaft for securing the following week.
13. Accompanied Mike Visher to Fallon for a meeting with NDOW in order to discuss the organization of hazards for securing west of Winnemucca.
14. Resent letters to claimants who have not secured hazards since last year.
15. Accompanied remaining summer interns and Geotemps contractor Kyle Cahill to the Marigold Mine for a tour.
16. Accompanied Mike Visher and remaining summer interns to secure a shaft at the Burrus Mine north of Spanish Springs.
17. Attended the Geologic Mapping Subcommittee meeting at the DRI campus.
18. Spoke with several claimants regarding unsecured mine features. Received documentation of securing from two claimants and intent to secure letters from another.
19. Spoke with Ted Erdman at Round Mountain regarding unsecured mine features and worked with him to line out hazards that needed to be secured.

20. Worked on getting the Capturx software up and running in order to start field testing. Resolved printing issues from the previous weeks and tested the pen and interface.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Re-researched the claim status for the 108 AML sites proposed for SNPLMA Round 7 closure in Lincoln County.
2. Updated hazard inventory sheets with new Clark County AML closure information received from BOR. From November 8, 2009 through July 27, 2010, 106 Clark County hazards have been permanently closed using federal stimulus funding.
3. Conducted site visits with BOR staff to AML sites proposed for permanent closure in Lincoln County.
4. Documented 12 AML site re-visits in Lincoln County.
5. Conducted land ownership research for all unsecured Lincoln County AML hazards at the Lincoln County courthouse – updating hazard inventory sheets with new information.
6. Investigated and ranked 4 hazards and logged 3 non-hazards in Clark County.
7. Participated via conference call in a meeting with BLM, NDOW and Carson City NDOM staff to discuss planning for future AML closure projects.
8. Updating Lincoln County AML hazard inventory sheets with new land research information and White Pine County hazard inventory sheets with recent securing and re-visit information from interns.
9. Investigated and ranked 4 hazards and logged 3 non-hazards in Esmeralda County and investigated and ranked 1 hazard in Nye County.
10. Added 4 new hazards to the Lincoln County AML inventory submitted for permanent closure by the Caliente and Ely Field offices. Follow-up field investigations to be conducted.
11. Participated in post-closure site visits to the Cuprite Hills area in Esmeralda County with Chris Ross and Nicole Weingart (BLM-NSO) – inspection of permanent closures.
12. Conducted field “ground-truthing” and re-visits to 5 sites in Esmeralda County south of Gold Point and in the Tonopah Divide area.
13. Conducted AML claim research at Esmeralda County Recorder’s office.
14. Presentation made for three Boy Scouts in Las Vegas Troop 949 on mineral and rock identification, geologic maps, minerals and commodities and AML. The boys are working on earning their geology merit badges.
15. Conducted a reconnaissance visit to Matthew Popp’s Eagle project area southwest of Nelson, Clark County (Scout #138).
16. Presented minerals and commodities and AML to an assembly of 80 3rd graders at Lillian Hickey Elementary School – Las Vegas (one presentation – 80 people).
17. Manned agency display featuring AML and the uses of minerals in recreational activities at the annual Festival in the Pines outdoor recreation event – Kyle Canyon Ski and Snowboard Resort. An estimated 100 people visited the display.
18. Attended a Nevada Mining Association Education Committee meeting – Reno. Reviewed evaluations and comments from the July Reno workshop and began planning the 2011 Las Vegas workshop to be held April 20-22 at Faith Lutheran School.
19. Inventoried Las Vegas storage unit for education materials and supplies for 2011 Las Vegas teacher workshop.
20. Met with McCaw School of Mines Foundation Board chairman and Mine staff to review items that need to be done or completed prior to the 2010-2011 school year tour cycle.

21. McCaw School of Mines Foundation Board Personnel Committee met to discuss proposed staff changes.

GEOHERMAL (LOWELL)

1. Reviewed Nevada Geothermal Power's sundry notice to extend time period for the Blue Mountain 42-43 production well permit. Alan approved.
2. Reviewed Nevada Geothermal Power's sundry notice to extend time period for the Blue Mountain 84-22 injection well permit. Alan approved.
3. Reviewed Nevada Geothermal Power's sundry notice to extend time period for the Blue Mountain 53-15 injection well permit. Alan approved.
4. Reviewed Magma Energy's sundry notice to allow the deepening of the 25A-33 production well from 4,500 feet to 5,000 feet. Alan approved.
5. Reviewed Ormat Nevada's sundry notice to allow the flow testing of the McGinness Hills 58B (P)-22 production well. Fluids would be transported via pipeline to the McGinness Hills 61-22 production well and injected. Alan approved.
6. Reviewed Nevada Geothermal Power's sundry notice for the Blue Mountain 44-14 production well, where NGP proposes to cleanout well, run 9.625 inch liner, and flow test. Waiting on BLM approval.
7. Wells drilling: Ormat McGinness Hills 28A-10 (3,214', running 9.625" liner); Ormat Tuscarora 66A-5 (2,205', drilling); Vulcan Power Patua 77A-19 (2,873', drilling); Vulcan Power Patua 36A-15 (9,003', drilling), Vulcan Power Patua 78-36 (4,286', coring); Magma Energy Soda Lake 25A-33 (4,558', coring).
8. Reviewed Magma Energy's sundry notice to re-enter the Soda Lake 45A-33 production well for pump repair or replacement. Alan approved.
9. Reviewed Magma Energy's sundry notice to allow drilling in the Soda Lake 25A-33 production well from previously approved 5,000 feet to a new proposed total depth of 6,000 feet. Alan approved.
10. Reviewed Nevada Geothermal Power's sundry notice to re-enter the Blue Mountain 44-14 production well, clean it out, and run 9.625 inch liner. BLM has approved the operation. Alan approved.
11. Reviewed the McGinness Hills 67-15 production well permit application and drilling program. Proposed total depth is 4,000 feet. Received notification of BLM approval from William Coyle. Alan approved.
12. Reviewed revised permit application and drilling program for the Dead Horse 68-1 production well. This permit application was originally submitted as an observation well with smaller hole and casing strings involved. Brad Peters, Ormat, notified me of the change after my initial review. However, John Menghini, BLM, was not notified of the change from observation to production.
13. Wells drilling: Ormat McGinness Hills 28A-10 (3,214', ran 9.625" liner; rigging down for rig move to Jersey Valley); Ormat Tuscarora 66A-5 (3,016', drilling); Vulcan Power Patua 77A-19 (4,465', drilling); Vulcan Power Patua 36A-15 (9,747', running 9.625" liner), Vulcan Power Patua 78-36 (5,365', coring); Magma Energy Soda Lake 25A-33 (6,000', circulating prior to testing).
14. Reviewed Ormat Nevada's Dead Horse 68-1 permit application and drilling program. Proposed total depth is 3,500 feet.
15. Reviewed Nevada Geothermal Power's sundry notice, permit application, and associated drilling program in moving the 61A-22 injection well location to the 86-22 location. Proposed total depth is 6,000 feet. Alan approved.

16. Reviewed Magma Energy's TG hole applications for holes to be drilled north of the current Soda Lake field, near Upsal Ridge.
17. Reviewed the McGinness Hills 67-15 production well permit application and drilling program. Proposed total depth is 4,000 feet. Received notification of BLM approval from William Coyle. Alan approved.
18. Reviewed Churchill County's Bill 2010-C, Ordinance 32. This Bill has direct impacts on the geothermal industry, primarily spacing issues and the possibility of additional technical studies.
19. Provided input on geothermal drilling activity for 2009 to Lisa Shevenell. Lisa is authoring the geothermal portion of the MI 2009 report being generated by NBMG.
20. Reviewed Nevada Geothermal Power's request to deepen the Blue Mountain 44-14 production well by 100 feet, to provide 100 feet of rat hole for fill prior to running 9.625 inch liner. Alan approved.
21. Attended the Nevada Geothermal Council meeting in Reno on August 19th. Brad Goetsch, Churchill County Manager, was the guest speaker. Brad discussed Churchill County's need for money.
22. Wells drilling: Ormat Tuscarora 66A-5 (4,002', drilling); Vulcan Power Patua 77A-19 (5,020', drilling); Vulcan Power Patua 36A-15 (9,747', rigging down), Vulcan Power Patua 78-36 (5,536', rigging down); Magma Energy Soda Lake 25A-33 (6,000', rigged down, mobed rig out).
23. Reviewed Vulcan Power Company's sundry notice to deepen the Patua 21-19 production well from 9,310 feet to 10,700 feet. Doug approved.
24. Reviewed Patua Project LLC permit application for the 27-29 observation well. Proposed total depth is 7,000 feet. Doug approved.
25. Reviewed Nevada Geothermal Power's sundry notice to deepen the Blue Mountain 44-14 production well from 3,600 feet to 3,700 feet, in order to provide some rat hole for 9.625" liner. Received BLM notification of approval. Doug approved.
26. Reviewed Magma Energy's sundry notice to perform a PT Survey and run capillary tubing in the Soda Lake 25A-33 production well. Alan approved.
27. Reviewed Ormat Nevada's Jersey Valley 46(57)-28 production well permit application and drilling program. Proposed total depth is 5,000 feet (TVD). Received BLM notification of approval. Doug approved.
28. Reviewed Ormat Nevada's Dead Horse 68-1 production well permit application and drilling program. Proposed total depth is 3,500 feet. Received BLM notification of approval. Doug approved.
29. Reviewed TGP Dixie Valley Development LLC's Coyote Canyon 76-14 observation well permit application and drilling program. Proposed total depth is 10,000 feet. Received BLM notification of approval. Doug approved.
30. Attended the Salt Wells Geothermal EIS meeting at Carson BLM office on August 24th.
31. Attended the BLM – Geothermal Industry meeting at the Nugget on September 25th.
32. Met with Ron Harris, Jordan Hastings, and David Davis at the Nevada Bureau of Mines and Geology on August 12th. Discussed copying of existing well information, including possible upcoming DOE funded project that would incorporate the copying of all well files that are deemed in the public domain.
33. Met with Daren Daters and John Allen, Enel North America, and Russ Land, UIC, at Enel's office in Reno on August 12th. Discussed leaking well not located on Enel's Stillwater leases. Enel is willing to look into the cause of the leak, possibly repair the well, or P&A the well.

34. Wells drilling: Ormat Tuscarora 66A-5 production well (5,280', drilling); Ormat Jersey Valley 46-28 production well (rigging up); Vulcan Power Patua 77A-19 (7,115', drilling).

OIL AND GAS (LOWELL)

1. Reviewed Grant Canyon's sundry notice for shutting in the Grant Canyon #10 until a workover rig is available to perform proposed tubing repair. Alan approved.
2. Discussed Berry Petroleum's request for verbal approval for hole in casing isolation through an upper and lower packer in the Eagle Springs 84-35 injection well. BLM and Russ Land approved of the workover work. Alan approved.
3. Wells Drilling: Fasken Oil and Ranch Papoose Canyon 1-14 (8,894', fishing for wireline in sidetrack hole); Empire Petroleum Paradise 2-12 (2,602', drilling).
4. Reviewed Fasken Oil and Ranch Papoose Canyon 1-14 plug and abandonment sundry notice. Alan approved.
5. Contacted Joe Brevetti at Charter Oak Production Company, and requested second copies of all logs run in the Ruby Valley Federal 1-11.
6. Wells Drilling: Fasken Oil and Ranch Papoose Canyon 1-14 (8,894', plugged and abandoned); Empire Petroleum Paradise 2-12 (3,786', tripping out for DST #2).
7. Reviewed Emergent Value Group oil and gas permit application and drilling program for their proposed FLT -1 well. The well name will have to change to a Kettleman number for the BLM. The well will be located in White Pine County. The proposed total depth of the well is 7,500 feet.
8. Wells Drilling: Empire Petroleum Paradise 2-12 (4,250', reaming cement and sand from bottom of hole).
9. Reviewed Empire Petroleum's sundry notice to run and cement 7 inch casing to 4,220 feet in the Paradise 2-12 well near Gabbs. Doug approved. Met John Menghini at the drill location on September 28th while this operation was being performed.
10. Met with John Menghini on August 12th to go over oil revenues the State has received from the BLM over the previous ten years.
11. Wells Drilling: Empire Petroleum Paradise 2-12 (4,250', preparing to run 7 inch casing on 2010-8-27).