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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS

September 2010

ADMINISTRATION (ALAN)

1. Reviewed Jon Price's powerpoint on exploration in Nevada to be presented at the NvMA Annual Convention.
2. Attended the NvMA annual convention in South Lake Tahoe and presented the Nevada Excellence in Mine Reclamation awards with the help of Vice Chairman Parratt.
3. Contacted key individuals concerning a proposed meeting of the Nevada Abandoned Mine Lands Environmental Task Force (NAMLET). Set the annual meeting for NAMLET for Wednesday, November 3, 2010 at the BLM office in Reno.
4. Completed the three day MSHA surface mine safety training.
5. Participated in a focus group for UNR Mackay School.
6. Met with the Nevada Landman's Association to discuss the new additional mining claim fee and the lawsuit filed by Claremont Nevada Mines.
7. Reviewed the proposed ordinance of Churchill County concerning geothermal permitting and development.
8. Responded to a Fallon resident concerning noise levels near the ENEL Stillwater geothermal power plant.
9. Responded to a call from a concerned citizen concerning hot water emanating from the ground near the Enel geothermal plant in Stillwater. Engaged Lowell, Commissioner Snow, and representatives from Enel to determine the cause and discuss possible solutions. Discussed the situation with Churchill County manager Brad Goetsch.
10. Attended a conference call of the Steering Committee of IOGCC.
11. Secured two speakers for the IOGCC annual meeting public lands session.
12. Met with the Dept. of Administration Budget Division and representatives from LCB to discuss the agency request version of the NDOM budget for FY12 and FY13.
13. Responded to an inquiry from the Budget Office concerning revenue from the new additional mining claim fee.
14. Completed the closing documents for the controller's office for the Division's budget accounts for FY10.
15. Met with the Department of Personnel concerning the reclassification of the program manager position to administrative assistant.

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for WK Mining, Nevada Gold Holdings, Animas Resources US Inc., Rye Patch Gold US Inc., Challenger Deep Capital, NV Gold Inc., MAX Resources, and Miranda Gold.
2. Issued total refunds for 3 notice level bonds of BH Minerals USA.
3. Issued partial refunds for notice level bonds of Golden Odyssey, Cougar Gold, TGC Holdings, David C. Mathewson, and Nevada Gold Holdings.
4. Spoke with Mark Reese of AuEx about their desire to change their bonds from AuEx, Inc. to Renaissance Exploration Inc.

5. Received a returned check from the Treasurer's office for a bond refund. The company due the refund had a vendor number, but had moved and not left a forwarding address. The address was tracked down and a new vendor form was sent.
6. Spoke with Stan Levers regarding his reclamation progress at the Gooseberry Mine.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Ordered and picked up plaques for the reclamation awards.
2. E-mailed the global gold production rankings to Arloa Woolford.
3. Sent net proceeds of mines information to Nye County Commissioner Gary Hollis.
4. Approved 7 geothermal permits and 4 sundries.
5. Attended the IFC meeting where our work program for an additional \$60K for the MacKay payment and \$250K for AML enhancement was approved.
6. Spoke with Jon Brown of Telesto about net proceeds of minerals tax.
7. Tabulated the claim filings by county in FY-09 and 10.
8. Worked on Major Mines.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Albert Morrison, Great Basin Gold, called requesting location information for AML features on their Esmeralda Mill property in Mineral County. A spreadsheet of all the logged AML features (with UTM's converted to NAD83) was emailed to him. Image files for the features were burned to CD and mailed to him along with a map, created by Rachel, showing the locations of all the features.
2. The Reno Gazette-Journal reported on September 3rd that approximately 50 pounds of dynamite and 15 pounds of detonation cord were found at an abandoned mine site west of Smith, Nevada and detonated in place by members of the Joint Explosives Ordnance Disposal Team, on August 30th. A site visit is planned to verify the actual location, as no AML hazards are known in the vicinity. Conducted a field visit to site of detonated explosives near Smith Valley. The site turned out to be a make-shift campsite, possibly related to nearby 1970's - 80's era exploration cuts and drill pads on the hillside. There were no abandoned mine features found. The drill pads and cuts were inventoried and added to the non-hazard database.
3. Minot Maser, attorney with Moriarity, Badaruddin, and Booke in Missoula, Montana called inquiring about any former NDOM employee who might be willing to testify as an expert witness regarding abandoned mines. He is working on the Arizona case where two young girls drove their ATV into a mine shaft near Chloride in 2007. Spoke with Walt Lombardo who expressed interest and forwarded contact info to both parties.
4. Property owner Jerry Skjegstad called to request assistance in securing five hazards on their patented claim in White Pine County.
5. Submitted two binders of historic unsolicited securing information to State Archives for scanning. Approximately 400 pages with photographs will be scanned for addition to our AML image archive.
6. Contractor EPS logged 29 new hazards, 113 non-hazards and made revisits/repairs to 27 previously logged sites in Mineral County.
7. Claimant Mike Pasek called requesting assistance in the closure of several abandoned mine features on his placer claims at Hogum. There are a handful of shafts and adits near the historic Tilford home site, covered by his active placer claim, and the BLM is apparently restricting his ability to "work" the region and/or close these openings. A site visit with BLM-Ely personnel will be planned for October.

8. Mike Derby, with JBR, called requesting abandoned mine information near Midas. He provided bounding coordinates and Rachel provided him with data on hazards, non-hazards, and as yet uninvestigated mine features within that boundary.
9. Amber Fortner, URS Corp., emailed a request for information on the historic Midas Mill in Lincoln County. Research yielded minimal information other than what was found on NBMG's website. This was forwarded to her along with a link to the online Mining District Database files.
10. Met with contractor Brian Breiter to review previous week's work and make plans for the next several weeks. Several dozen orphans are planned for securing in Nye County near Gabbs, followed by inventory work in the Bull Runs of northern Elko County.
11. Called and spoke with David Davis (BLM-Ely) regarding claimant Mike Pasek's concerns over five AML hazards on a portion of his placer claim where he's currently excluded (by the BLM) from working. The hazards of concern are near the historic Tilford cabin site and ground disturbance in that area would require an expensive (for the claimant) Level 3 archaeological survey. According to Dave, the hazards are still securely fenced. One way to more permanently secure the hazards would be using PUF closures, and Dave thinks the BLM and its archaeologists would be amenable to that. However, while this would address one of the claimant's concerns, that being liability, it would not bring him closer to being able to work this region of his claim. Further discussions with Mr. Pasek are planned.
12. Researched, processed and input data for three hazards identified by Katie Miller (NDOW) in Elko County. Forwarded information related to gating potential to Nicole Weingart (BLM-NSO). Updated statewide gating list and forwarded it to Katie Miller. Received request for photographs of several AML sites in White Pine County; these were posted to NDOW's ftp site.
13. After receiving a request for information, scanned select Humboldt, Lander and Pershing county hazard ID sheets and forwarded them to BLM contractor (Steve Dibble – ACOE) and then mailed a photo CD of corresponding field photographs to their subcontractor (Terry Majewski, SRI) for their use in the field as part of an ARRA-funded project for the BLM.
14. Provided location information for two hazards in White Pine County to Jason Williams (NDOW) as part of an internal survey for bats and closure methodology.
15. Performed fence construction and repair work on two hazards in Virginia City. Made revisits to two others and logged one non-hazard.
16. State Archives completed scanning of two binders of 1980's era unsolicited securing work by Homestake at Ruby Hill. The data was provided to Geotemps contractor Kyle Cahill for file renaming for integration into our photo database. He continues working, on a part-time basis, on scanning additional unsolicited securing work. Worked with State Archives to resolve billing issues regarding past and current scanning work.
17. Sent "Thank You" letters to summer interns and included letters of recommendation for their use.
18. Sent two letters of reference to former intern Andreas Achleithner for his SME scholarship applications.
19. Alan and I spoke with Sarah Reeves (California AML) regarding design and wording of logo, slogan, and brochures for next year's NAAMLCP conference. Material needs to be printed soon for distribution at this year's conference in Scranton, PA on September 26th - 29th. Design elements were forwarded to her and her graphic artist for consideration and use in brochures.

20. George attended the annual “Dayton Valley Days” and provided information and outreach material related to our AML program to approximately 100 attendees. (1 presentation – 100 people)
21. Taught the “Paste with a Taste” activity to three classes of 2nd graders at Sepulveda Elementary School, Sparks. (2 presentations – 57 people)

AML / GIS (RACHEL)

1. Spoke with some claimants regarding unsecured mine features. Resolved issues and questions regarding features that had been secured but not documented.
2. Worked on developing Capturx software and worked on bringing data into access from excel. Ran into more printing problems, spoke with tech support in attempts to resolve printing issues.
3. Updated the database with new ownership information and securing information.
4. Went through photos on the computer left by Paul Buffington in attempts to verify that they were backed up and added to our database.
5. Put together a map of the Aurora region for a claimant in order to better assess hazardous conditions.
6. Worked on putting together maps and AML data for Brian with EPS in the Bull Run area north of Elko. Looked at the data to determine where we have and have not been in this region to determine the areas that need to be visited. Put together additional information for Brian of EPS including hazards ID sheets and photos of the area around Bull Run Reservoir in Elko County. Maps for the Downeyville and Ellsworth quadrangles in Nye County were also made for field work in the following weeks. Spreadsheets and hazard ID information was also provided.
7. Spoke with Robert Ostlund about securing work completed in the Osceola region east of Ely. Robert requested hazard ID sheets and photos for the 13 hazards that have been secured as well as several signs for posting. He will be sending photos of the features secured in the near future.
8. Began working on a way to portray hazardous features located along the V & T Railroad. This will help to develop a means to secure features that are visible from the train in order to minimize the risk of a potential incident. Continued work on hazards related to the V & T Railroad. Produced a map showing hazards in the area and hazards that need to be investigated further. There are 17 total hazards that require further investigation: some of which have no re-visit date recorded and were last visited over 15 years ago.
9. Worked on completing tour 3-D tour of the V & T Railroad in order to assess hazards that can be seen from the train.
10. Helped Geotemps contractor Kyle Cahill with entering data into the database and determining land status on new hazards.
11. Spoke with Debbie in Las Vegas about resolving some discrepancies in the data base and what can be done to minimize errors in the future.
12. Researched the benefits of using Google Earth Pro vs. Google Earth to determine relevance and if it would be beneficial to have.
13. Worked further on the Adapx digital pen software – spoke with tech support regarding start up issues and printing issues with the program. Worked on solving the problems with the Capturx software. Pinpointed a source of the potential problem and have taken steps to resolve the issue. Additional information from Capturx was sent regarding initial printing problems, will test again next week to determine if problem has been resolved.

14. Began researching information on ArcGIS 10 including information about classes, installation, reviews of the new software, and any major problems in order to determine when it would be best to make the switch from version 9.3 to version 10. Reviewed a few tutorials on using ArcGIS 10 including new and improved ways to use the software.
15. Attended a Defensive Driving class for training purposes in Carson City.
16. Accompanied Mike Visher to Miguel Sepulveda Elementary School to teach Paste with a Taste to second grade classes. Two presentations were given to a total of 40 people.
17. Accompanied Mike Visher to Miguel Sepulveda Elementary School to teach a workshop to second grade classes for the second week in a row. One presentation was given to a class of 18 students, 1 teacher and 1 assistant on Thursday morning. A second presentation was given to a combined class of 33 students, 2 teachers and 2 assistants during the afternoon.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. The office was contacted by a Clark County Deputy District Attorney regarding the Arden Mine AML hazards located on the Mountain Vista mining claim group on the west side of Las Vegas. The claimants wish to “give” the mining claims to the county which now owns the surface estate. The DDA posed a number of questions and requested information on the scope and nature of the hazardous conditions, possible securing methods, assistance by NDOM from the “medallion fund” and who conducts mining claim validity examinations. A set of hazard inventory sheets for the 31 hazards, location map and photographs have been sent as requested.
2. Continued updating Lincoln County AML claim research.
3. Conducted field reconnaissance in Lincoln County with the BOR mine closure crew. Areas visited included Tempiute Mountain, Highland Peak west of Pioche and Delamar.
4. Investigated and ranked 5 hazards, logged 5 non-hazards and re-visited 7 hazards in Lincoln County.
5. Re-checking land status for AML hazards proposed for permanent closure in Lincoln County.
6. Participated in the monthly conference calls for SNPLMA and ARRA AML closure projects for northern Nevada and for Lincoln and White Pine Counties.
7. Attended National Association of Abandoned Mine Lands Programs (NAAMLPL) fall conference in Scranton, PA. Attended Hard Rock Committee meeting and co-presented with Steve Jenkins of California the progress to-date in planning for the 2011 fall conference which will be held at the Resort at Squaw Creek near Lake Tahoe October 9-12, 2011. California will enlist the assistance of the hosts of the Scranton, PA, Greg Conrad and staff of IMCC and the Colorado NAAMLPL contingent for additional guidance on costs and event planning. California is currently contacting private event planners to obtain additional cost data. The desire is to get the registration cost below \$300. The NAAMLPL Finance Committee approved the CA budget subject to cost-reducing measures that will be incorporated. (There is huge interest in this conference!) CA will re-visit the Squaw Creek folks to determine what additional functions they will handle under the existing cost structure, on-line registration being one item. NAAMLPL members requested at least one pre-conference tour as a part of the conference schedule and strongly supported a trip to an active Nevada gold mine. This was discussed at the McCaw Board meeting with Lou Schack of Barrick and Tony Guy of Round Mountain Gold and they are supportive. Bill Durbin was asked to join the Public Relations Committee in support of AML and Mineral Education projects.

8. Received a request for an Eagle Scout AML securing project from Brendan Villhardt (#139).
9. PowerPoint presentation on “Mineral Production in Nevada” and AML made for the Southern Nevada Chapter of SME. Attended by 20 members and spouses (one presentation – 20 people).
10. Prep materials for NAAML conference.
11. McCaw School of Mines Foundation Board Personnel Committee, with Board membership approval, has hired former board member Clyde Caldwell as executive director. Clyde is a Henderson native with a strong background in fund-raising and a host of contacts in the local community. He recently ended a successful tenure as executive director for the Henderson Boys and Girls Club, raising over \$100,000 annually for the organization. Holly Eighmy, who has held the executive director/tour coordinator position for the last two years, will retain her position as tour coordinator.
12. Attended a “Welcome Back” tour and luncheon for the McCaw School of Mines docents. The event was attended by 5 potential new volunteers.
13. Assisted with a tour of the McCaw School of Mines.
14. Attended McCaw School of Mines Foundation Board meeting.

GEOHERMAL (LOWELL)

1. Reviewed Ormat Nevada’s revised drilling program for McGinness Hills 67-15 production well. Due to proposed directional drilling, Ormat is asking the well be renamed as 67(77)-15.
2. Reviewed Magma Energy’s TG 46-20, TG 51-20, TG 84-32, TG 44-34, and TG 75-34 permit applications and drilling programs. The holes will be drilled north of the current Soda Lake production area in the Upsal Ridge area. Doug approved.
3. Reviewed Presco Energy’s sundry notice to re-enter the Rye Patch 44-28 production well with a coiled tubing rig to clean out an obstruction at the base of 7 inch casing. Alan approved.
4. 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.
5. Reviewed Churchill County’s Bill 2010-C, Ordinance 32, concerning regulations to be imposed by the county on renewable energy operators. Drafted initial comments in response to the Bill, Alan edited and revised comments.
6. Wells drilling: Ormat Tuscarora 66A-5 production well (6,059’, drilling); Ormat Jersey Valley 46-28 production well (646’, drilling); Vulcan Power Patua 77A-19 (7,500’, drilling); Vulcan Power Patua 27-29 (714’, running 7” casing).
7. Attended the public hearing on Churchill County’s Bill 2010 – C, Ordinance 32, in Fallon on September 2nd. Presented Alan’s comments to the three county commissioners, county manager, and legal counsel. The county commissioners voted to approve the new regulations after I concluded presenting Alan’s response and the short discussion afterward.
8. Met with Ken Bonin in Gradient Resources’ Fallon office after the County Commissioner’s meeting. Discussed the name change of Vulcan Power Company to Gradient Resources and its impact on bonding and paperwork trail at NDOM. Arranged a future meeting with Ken and James Bowen, Corporate Counselor, so Linda and I can discuss their reorganization and what will be needed to keep bonding and permits in place.

9. Attended Senator John Ensign's talk on renewable energy in Nevada at the Dayton Valley Country Club on September 1st. Unfortunately, Senator Ensign did not discuss anything pertaining to renewable energy, but did discuss taxes, jobs, illegal immigrants, and health care issues. His discussion was in response to questions being asked by the attendees.
10. Reviewed Magma Energy's sundry notice to perform an injection test on the Soda Lake 25A-33 production well. Alan approved.
11. Reviewed Magma Energy's sundry notice to perforate and deflagrate the Soda Lake 41B-33 production well. Alan approved.
12. Reviewed Ormat Nevada's permit application for the McGinness Hills 57C-22 production well. Informed Ormat that this well had already been permitted in February 2010 and that a sundry notice will suffice for the change in the drilling program.
13. Wells drilling: Ormat Tuscarora 66A-5 production well (6,352', reaming bridges in hole); Ormat Jersey Valley 46-28 production well (1,417', drilling); Vulcan Power Patua 77A-19 (8,683', rigging up loggers); Vulcan Power Patua 27-29 (1,779', drilling).
14. Reviewed Magma Energy's Soda Lake 44-34 production well permit application and drilling program. The proposed total depth of the well is 6,000 feet. Alan approved.
15. Reviewed Magma Energy's sundry notice to run a TPS survey on the Soda Lake 41B-33 production well. Alan approved.
16. Reviewed Magma Energy's sundry notice to pull failed pump in the 45A-33 production well and repair or replace. Doug approved.
17. Reviewed Magma Energy's sundry request to pull 5732 feet of 2.875 inch tubing from the 25A-33 production well. Doug approved.
18. Reviewed Ormat Nevada's sundry notice to install a down hole pump in the Jersey Valley 87-28 production well. Doug approved.
19. Reviewed Ormat Nevada's sundry notice to install a down hole pump in the Jersey Valley 77A-28 production well. Doug approved.
20. Linda and I met with Ken Bonin, James Bowen, and Lori Salveson at the Gradient Resources office in Reno. Discussed the manner in which Gradient Resources would have to register their recent name change from Vulcan Power Company on specific documents at NDOM.
21. Wells drilling: Ormat Tuscarora 66A-5 production well (6,352', rigged down, loading out); Ormat Jersey Valley 46-28 production well (2,210', running 13.375" casing); Ormat McGinness Hills 67-15 production well (rigging up); Gradient Resources Patua 77A-19 (8,686', rigging down); Gradient Resources Patua 27-29 (3,528', preparing to run 3.5" casing); Gradient Resources Patua 21-19 re-entry (9,310', rigging up to deepen well).
22. Witnessed the TGP Coyote Canyon 76-14 BOPE tests for 13.375 inch surface casing, shoe at 1,012 feet. All tests were good.
23. Reviewed Gradient Resources' sundry notice to run a cement bond log (CBL) in the Patua 44-21 production well. Alan approved.
24. Reviewed Gradient Resources' sundry notice to re-enter the Patua 21-19 production well, clean out well bore, drill rat hole, and run 9.625 inch liner. Alan approved.
25. Reviewed Gradient Resources Patua 13-36 observation well permit application and drilling program. The proposed total depth is 7,000 feet, bottom 3,500 feet to be cored. Doug approved.
26. Reviewed Gerlach Geothermal's sundry notice to re-enter the Great Boiling Springs Well 1 to clean out hole and run 9.625 inch liner in open hole. Alan approved.

27. Reviewed Magma Energy's request to increase the number of production, injection, and observation wells in their Soda Lake Project Area. Doug approved.
28. Reviewed Ormat Nevada's sundry notice for a two week flow test in the HSS II 66A-5 production well. Fluids produced will be pumped to the 65-8 production well location and injected. Doug approved.
29. Met with John Casteel in Nevada Geothermal Power's Winnemucca office on Wednesday, September 22nd. Discussed NGP's logging of the Blue Mountain production and injection wells with John. NGP wants to extend their utilizing TPS surveys and image logs (select wells) in place of running common electrical logs.
30. Wells drilling: Ormat Jersey Valley 46-28 production well (3,500', reaming); Ormat McGinness Hills 67-15 production well (470', drilling); Ormat Dead Horse 68-1 production well (mobs in rig and equipment); Gradient Resources Patua 27-29 (3,528', nipping up to 3.5" casing); Gradient Resources Patua 21-19 re-entry (9,315', cleaning out/reaming well bore); TGP Coyote Canyon 76-14 observation well (4,432', drilling).

OIL AND GAS (LOWELL)

1. Cabot Oil and Gas notified me that they intend on spudding their Lake Valley 10-29 well on Monday, September 6th.
2. Wells Drilling: Empire Petroleum Paradise 2-12 (4,250', rigging down).
3. Cabot Oil and Gas spudded the Lake Valley 10-29 well on Monday, September 6th.
4. Requested and received copy of BLM bond for the Emergent Valley FLT-1 permit application. The well is proposed to be drilled ~ 15.75 miles southeast of Eureka in White Pine County. Informed Emergent Value a Kettleman number would have to be established through the BLM for the NDOM permit application.
5. Wells Drilling: Cabot Oil & Gas Lake Valley 10-29 (1,524', cementing 9.625" casing).
6. Attended the BLM oil and gas lease sale on September 14th. Twenty one of seventy two parcels were sold, totaling 42,762.7 acres, generating \$280, 123.50 in revenue.
7. Wells Drilling: Cabot Oil & Gas Lake Valley 10-29 (4,518', drilling).
8. Met John Menghini and Darrell Carter (P.E.T.), BLM, at the Winnemucca BLM office on Wednesday, September 22nd. Drove to Ely. John, Darrell, and I met numerous members of the BLM Ely staff on Thursday morning, where the group went to the Cabot Oil & Gas Lake Valley 10-29 oil well. Met with Jim Leonard, Company Man, and toured the site. Darrell Carter requested Cabot replace a portion of the pipe and a valve coming out of the choke manifold to the pit, as well as placing extensions on manual valves on the BOP. Drove back to Reno/Carson.
9. Wells Drilling: Cabot Oil & Gas Lake Valley 10-29 (6,975', drilling).