



BRIAN SANDOVAL
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 REPORT FEBRUARY, 2011

ADMINISTRATION (ALAN)

1. Meet with Kristen Geddes, Deputy Attorney General and met her replacement, Matt Deal, who will stand in for CMR and NDOM while Kristen is on maternity leave.
2. Met with Tony Selig concerning the reactivation of the White Caps mine near Manhattan and the bonding of the Manhattan mill site.
3. Made logistic arrangements for the CMR tour of the Molycorp Mountain Pass mine schedule for Tuesday, February 8.
4. Participated in a call concerning the NAAML P annual meeting at Squaw Creek.
5. Facilitated the CMR meeting in Las Vegas.
6. Participated in the monthly IOGCC conference call.
7. Provided a letter to the BLM concerning the current balance in the Reclamation Bond Pool and consideration of potential future sweeps by the Legislature.
8. Prepared and mailed annual AML notification letters to the 17 counties.
9. Met with Jon Brown of Telesto, and Doug Driesner and Dick Davis, concerning the reactivation of the Nevada Miners and Prospectors.
10. Presented the agency budget to the money committee of the legislature. Commissioners DeLong, Snow, and Bryan also presented testimony.
11. Participated in the Geothermal Day at the legislature.
12. Gave a presentation on geothermal activity in Nevada to the Reno chapter of the Association of Engineering Geologists.
13. Attended the monthly meeting of the Geological Society of Nevada.
14. Participated in a conference call concerning BLM Leasing reform.
15. Met with NDEP representatives concerning the Caselton tailings at Pioche.
16. Reviewed the draft legislation concerning the consolidation of the Division into the Department of Conservation and Natural Resources.
17. Obtained the current levels of financial assurance for mine reclamation from NDEP.
18. Organized the letters from individuals and industry concerning the proposed consolidation of NDOM into DCNR and sent them to the CMR.

RECLAMATION BOND POOL (DOUG)

1. Plum Mining has a new auditor. They requested information on the process of making electronic premium payments.
2. Spoke with Eliot Christ of Rio Fortuna about a notice level bond.
3. Responded to an audit request regarding a notice level bond of WK Mining.
4. Issued a notice level bond for Rio Fortuna.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Discuss future AML contracts with Mike and Alan.
2. Met with Alan, Kristen Geddes and her temporary replacement, Matt.

3. Approved 3 geothermal sundries.
4. Helped George move agency pickups to a secure yard to deter vandalism.
5. Attended the Commission on Mineral Resources meeting in Las Vegas and toured Molycorp's rare earth mine.
6. Interviewed Summer Intern candidates with Mike and Rachel at UNR. (2 days)
7. Approved 2 geothermal sundries.
8. Ranked Summer Intern candidates and compared with the rankings by Mike and Rachel.
9. Met with Jon Brown of Telesto, Alan, and Dick Davis about reactivating the Nevada Miners & Prospectors Association. Jon has agreed to become the President.
10. Sent some mineral production information to Jan Kelly at the Dept. of Taxation.
11. Listened in on the legislative hearing about the Division's budget and Governor's proposed absorption of the Division into DCNR.
12. Checked references for the summer intern candidates. Discussed candidates with Mike and Rachel. Made offers to the preferred 8 candidates.
13. Worked on amendment #3 to Environmental Protection Services' contract for AML re-visitation work.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Communicate with Chris Ross (BLM-NSO) regarding desire for, potential cost of and uses for downhole camera system. Spoke with Lloyd Moiola (New Mexico – AML) regarding their experiences and opinion of Geovision camera system. Jeff Hoffer, vendor for Geovision borehole system, submitted several price quotes and specifications for consideration and presentation to the Commission next week.
2. Write up tour descriptions for planned technical tours during NAAML P Conference this October. Spoke with Janet Jones (V&T RR) regarding cost estimate for train ride as part of NAAML P tour of Virginia City.
3. AML field work near Silver City. Logged 1 new hazard, nine non-hazards, and three revisits in Lyon and Storey counties.
4. Worked with Katie Miller (NDOW) to resolve several AML issues at the Ruby Hill mine.
5. Communicated with Joe Wehrman (Alaska AML) to serve as Nevada's proxy at upcoming NAAML P Winter Business Meeting in Alabama.
6. Traveled to Las Vegas to attend CMR quarterly meeting and tour Molycorp's Mountain Pass mine.
7. Conducted summer intern interviews at UNR campus. 31 students were interviewed by Doug, Rachel and I in two days.
8. Resolved software issues with Photoshop Elements Organizer, which is our main entry and search tool for our AML photos. A new catalog had to be created from over 15,000 photographs.
9. The Reno Gem and Mineral Society requested a presentation on abandoned mines at their March membership meeting.
10. George Bishop completed the annual school mail-out. Nearly 82,000 AML brochures, plus 1,595 4th-grade and 717 8th-grade mini-units were mailed to public and private schools throughout the state.
11. Made three Rocks/Minerals/AML presentations at Bernice Matthews Elementary School, Sparks. (3 presentations – 63 people)
12. Completed ranking and prioritization of summer intern candidates with Doug and Rachel following the close of the job announcement. While 32 applicants were interviewed,

- only 25 successfully completed the online application process and were deemed eligible. Checking references for our top tier of 12 candidates will begin next week.
13. Began work on the 2010 AML Report. Querying and analysis of pertinent AML statistics has been completed.
 14. Submitted abstract on AML issues to the Western Bat Working Group for a planned presentation at their annual conference in April.
 15. Completed data entry for logging and securing work completed by EPS in January.
 16. Continued work on 2010 AML report and QA/QC on AML database.
 17. Attended NAAMLPLP business meeting via conference call.
 18. Assisted Barbara Farber (Esther Bennett ES) with field trip arrangements to Grimes Point and nearby rock collecting locales.
 19. Began notifying summer intern applicants which were not offered positions.
 20. Emailed requests of driver history from students who accepted our offers.
 21. Spoke with Kal Boni (NDOT-Tonopah) regarding our continued request to store fencing supplies in their maintenance yard. This was granted.

AML / GIS (RACHEL)

1. Discussed the upcoming NAAMLPLP conference and information that needs to be put together for the various tours that will be provided during the conference.
2. Sorted through newly acquired data from Ron Hess at the Bureau of Mines and Geology and updated our data sets with this new data.
3. Continued work on summer internship planning.
4. Updated the photo archive and backed up the information. Compiled a new hazard rank monthly and reviewed any discrepancies.
5. Compiled maps for the Lida, Gold Point and Gold Point SW topo quads for EPS who will be traveling to these locations to complete contract work for us.
6. Phoned into a teleconference to discuss the details of the NAAMLPLP conference. Reviewed information sent out by Sarah Reeves with the California Department of Conservation regarding documents for the conference.
7. Traveled to Las Vegas for the quarterly meeting with the CMR.
8. Spent two days at UNR conducting interviews for the summer internship program with Mike Visher and Doug Driesner. 31 potential candidates were interviewed, with many strong applicants. E-mail notifications were sent out to those who applied for the position reminding them to fill out the online application.
9. Spoke with Debbie regarding database input and organization of the owner information.
10. Conducted one last interview with Mike Visher and Doug Driesner for the summer internship program. Reviewed all of the potential candidates with Mike Visher and Doug Driesner to determine which of the 32 applicants would best be suited for the position. A list was compiled of the top applicants.
11. Reviewed AML features in the database that appeared to plot outside county lines. Found three points that were recorded and logged in the wrong counties. These points were reviewed and updated with accurate information. Eliminated features in the database that were orphaned and unsecured with no UTM data recorded. The hazard ID numbers were added back into the weekly mines for re use.
12. Downloaded and installed ArcMap on GIS II computer along with DNR Garmin software and Google Earth. Installed Google Earth Pro for use on my computer. Performed routine backups of the networked hard drives and AML data storage hard drives.

13. Attended the February education meeting at the Nevada Mining Association where the upcoming Las Vegas Teachers Workshop was discussed.
14. Spoke with Debbie Selig about hazards in the data base that were reported as being currently secured when the revisit showed that the feature was not secured. Discussed potential solutions for eliminating this error. As a result, the revisit form was redesigned to make inputting data from these forms easier and faster for the person entering data.
15. Queried all high ranked hazards in ArcGIS to determine distribution in order to make a decision as to what should be done about securing these features, and to assess higher priority areas.
16. Received paper copies of hazard ID forms from Las Vegas and updated our records to reflect these changes
17. Removed non secured hazards that were missing UTM's from both the paper copies and the photo archive. The paper copies will be held onto for future reference, and the photos were removed from the archive and placed in a separate folder on the network drive.
18. Completed the 2010 work done map for the 2010 AML Report
19. Assembled supplies for a classroom presentation at Donner Springs Elementary that will be rescheduled for next week due to snow.
20. Responded to an e-mail from a graduate student at the University of Indiana regarding mine claims and private land in the Humboldt River Basin. E-mailed her several links and information regarding mining claims and activity where she may be able to find data of interest.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Prepared a PowerPoint presentation on unexploded ordnance disposal activities in Nye and Clark Counties for the CMR meeting.
2. Received invoice and re-visit documentation from Pete Herrera for work performed in Clark County.
3. Provided maps and hazard inventory sheets to BOR crew for a new round of AML permanent closures in Clark County funded by ARRA. The crew is scheduled to begin work on February 8.
4. Work in progress in compiling and recording Pete Herrera's Clark County AML re-visit work completed in December, 2010 and January, 2011.
5. Conducted Brendan Villhardt's Eagle project reconnaissance site visit. Repairs will be made at 8 previously secured hazards west of Jean, Clark County.
6. Call from Eagle Scout candidate Cameron Rose requesting an AML securing project. Five repairs will be made to previous securings at the Accident Mine south of Goodsprings, Clark County. Cameron is the 141st Scout to request a project.
7. Attended the CMR meeting in LV and field trip to the Molycorp Mountain Pass Mine.
8. Presented 6 sessions of rocks and minerals, "Birdseed Mining" and AML to 3rd grade classes at Elise Wolff Elementary School – Henderson (6 presentations - 162 students).
9. Attended a McCaw School of Mines Foundation strategic planning retreat.
10. Debbie Selig worked with McCaw School of Mines staff to assess computer capabilities and needs for the Visitor's Center office.
11. Received an alert (with pictures) from a local citizen regarding two AML hazards with destroyed fences at Christmas Tree Pass, Clark County.
12. Prepared an Eagle Scout project package for new candidate Dustin Marshall (#142). Two vandalized hazards will be re-secured at Christmas Tree Pass.
13. Purchased materials for Dylan Wallace's Eagle Project, scheduled for Monday, Feb. 21.

14. Attended a Nevada Mining Association Education Committee meeting in Reno.
15. Finalized Frehner-Bardon and McCaw School of Mines tours for the Las Vegas teacher workshop.
16. The Las Vegas office received a surprise visit from long-time mining and education colleagues Larry and Karen Turner.
17. Work on 2010 AML report.
18. Completed Dylan Wallace's Eagle Service Project. Two large-collared shafts were fenced in the Johnnie District north of Pahrump in Nye County. Dylan's project is the 117th completed and Dylan is our youngest Eagle candidate to-date at age 13.
19. Presented minerals and commodities, "Birdseed Mining" and AML for two classes of 2nd graders at Robert Lunt Elementary School (1 presentation - 38 students).
20. Attended personnel meeting at McCaw School of Mines.

GEOHERMAL (LOWELL)

1. Reviewed TGP Dixie Valley sundry notice and plugback procedure for the Coyote Canyon 76-14 ST1 observation well, where three plugs are to be set within sidetrack. Upper portion of well will be left open for monitoring purposes. Doug approved.
2. Reviewed Nevada Geothermal Power's sundry notice to reclassify the 89(82-14)-11 observation well to an injection well. Coordinated NDOM's approval with Russ Land, UIC, and John Menghini, BLM. This well was originally permitted as an injection well. Doug approved.
3. Reviewed Nevada Geothermal Power sundry notice to deflagrate intervals in the 44-14 production well in order to enhance production. Doug approved.
4. Wells drilling: Gradient Resources Patua 44-19 (6961', drilling); TGP Coyote Canyon 76-14 ST1 observation well (7,887', preparing to plug back sidetrack); Ormat Nevada Jersey Valley 86(87)-28 production well (532', nipping up 20" BOP stack); Ormat Nevada Dead Horse 85-11 production well (1,352', drilling).
5. Reviewed Magma Energy's sundry notice to perform pressure tests in the Soda Lake 45A-33 production well. Alan approved.
6. Reviewed TGP Dixie Valley's sundry notice to not plug back sidetrack hole and leave hole open for monitoring. Alan approved.
7. Reviewed Nevada Geothermal Power's sundry notice to perform a 30 day or less injection test on the Blue Mountain 89(82-14)-11 injection well. Coordinated NDOM's approval with Russ Land, UIC, and John Menghini, BLM. Alan approved.
8. Reviewed Beowawe Power's sundry notice to repair the surface casing in the Batz 1 production well. Beowawe Power will tie back the hanging 9.625" casing to surface, approximately 420' of new casing, rather than trying to repair corroded 13.375" surface casing. Alan approved.
9. Reviewed Gradient Resources permit application and drilling program for the Patua 77B-19 production well. The proposed total depth is 11,000 feet. Alan approved.
10. Wells drilling: Gradient Resources Patua 44-19 (9,172', drilling); Ormat Nevada Jersey Valley 86(87)-28 production well (1,732', reaming & surveying hole); Ormat Nevada Dead Horse 85-11 production well (1,280', running temp logs).
11. Reviewed Magma Energy's sundry notice to install pressure chamber/transducer, hung on 1/4" capillary tubing, below water level in the Soda Lake 45A-33 production well. Alan approved.

12. Reviewed Nevada Geothermal Power's sundry notice to perform a 30 day or less injection tests on the Blue Mountain 86(25-23)-22 injection well. Coordinated NDOM's approval with Russ Land, UIC, and John Menghini, BLM. Alan approved.
13. Reviewed Ormat Nevada's Dead Horse 26-6 production well permit application and associated drilling program. Proposed total depth is 3,500 feet.
14. Reviewed Ormat Nevada's sundry request for a change in drilling program for Dead Horse 12-12, reduced hole size.
15. Wells drilling: Gradient Resources Patua 44-19 (9,657', drilling); Ormat Nevada Jersey Valley 86(87)-28 production well (2,399', drilling); Ormat Nevada Dead Horse 85-11 production well (1,715', drilling).
16. Reviewed Magma Energy's sundry notice to continue hanging pressure chamber, or transducer, hung on ¼" capillary tubing below water level, in the Soda Lake 45A-33 production well without fluid injection. Alan approved.
17. Reviewed Magma Energy's sundry notice and procedure to repair the 13.375" casing in the 87-29 injection well. The leak is near surface. Alan approved.
18. Reviewed Gradient Resources sundry notice to allow deepening of the Patua 44-19 production well from 10,000 to 11,000 feet TVD. Alan approved.
19. Reviewed Nevada Geothermal Power's sundry request to allow 30 day injection tests in the Blue Mountain 89-11, 39-14, and 34-23 wells. Coordinated approvals with Russ Land. Alan approved.
20. Received report from DWR that the Newcore Energy Marshall #1 well head was leaking. This well is located north of Reno off the Pyramid Highway. Drove to well site and inspected well head. The top valve on the well head was leaking very slightly, no more than a few gallons per hour at best. Contacted land owner. Valve is to be repaired in the very near future.
21. Wells drilling: Gradient Resources Patua 44-19 (10,885', drilling); Ormat Nevada Jersey Valley 86(87)-28 production well (3,540', preparing to log); Ormat Nevada Dead Horse 85-11 production well (1,900', preparing to run 9.625" liner).

OIL AND GAS (LOWELL)

1. Drilling began on the Emergent Value FLT 1 oil well in White Pine County. However, company has failed to report their drilling activity to NDOM and BLM. Last verbal report was drilling below 400. Well spudded on 1/30/2011.
2. Drilling: Emergent Value FLT 1 (1,739', attempt to plug a lost circulation zone with LCM.
3. Drilling: Emergent Value FLT 1 (1,739', drill line broke with blocks falling to drill floor; spoke with Jarred Collum with Emergent Value, jarred reported there was one minor injury related to activities occurring in the aftermath of the blocks falling, individual was treated [foot injury] and released from hospital; all rig activity has ceased until rig is inspected; John Menghini and Darrell Carter [BLM] visited site on the 17th – blocks and drill line still on drill floor, blocks cracked)
4. Drilling: Emergent Value FLT 1 (1,739', rig passed inspection by the insurance company's inspector; mast and substructure are in good shape; Emergent Value intends on addressing the lost circulation encountered and will possibly set more cement plugs prior to any more drilling)

OTHER (LOWELL)

1. Met with Russ Land, UIC, and John Menghini, BLM, to discuss injection issues and various other topics.
2. Participated in the 'Task Force' meeting related to BLM leasing reforms (IM 2010-117) for oil and gas. Participated via teleconference. Problems with quarterly leasing schedules and lease nomination review practices were discussed.