



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

June 2011

ADMINISTRATION (ALAN)

1. Provided information to the CMR and industry concerning the First Judicial Court decision that the additional mining claim fee was found to be unconstitutional and distributed information concerning the refund process for the money paid for the additional mining claim fee to industry.
2. Provided John Dobra of UNR with mineral production totals for 2010.
3. Responded to Tom Dunkelman of the EPA concerning the AML hazard loggings completed at the McDermitt mercury site.
4. Meet by phone with CA AML staff concerning the NAAML P meeting this fall and continued screening abstracts for the technical sessions for the NAAML P meeting.
5. Traveled to Walker Lake area in Mineral County with three eagle scouts and one scout father to recon the AML sites to be fenced on July 16.
6. Traveled to Elko for the Elko Mine Expo.
7. Traveled to Elko for the Corporate Guarantee Review Panel and toured the Newmont Phoenix mine.
8. Confirmed two speakers for the public lands session at the IOGCC mid-year meeting in Bismarck, ND.
9. Coordinated the transition of the Plum Mining bond with Doug.
10. Completed the underground mine refresher course from State Mine Inspector's Office.
11. Attended a meeting of the State Environmental Commission in Reno.
12. Processed a justification to fill request for the Administrative Assistant IV position.
13. Gave "Stay Out and Stay Alive" to five 4th grade classes at Sutro Elementary in Dayton (5 presentations – 125 students).
14. Gave "Stay Out and Stay Alive" and "Minerals and their Uses" to two 4th grade classes at Jerry Whitehead Elementary in Sparks with Lowell Price (4 presentations – 50 students).

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for La Quinta Nevada, Inc. and Rye Patch Gold US Inc.
2. Processed releases for 2 Rye Patch Gold US bonds and a Golden Odyssey bond.
3. Responded to an audit request from Harvest Gold about their bond.
4. Participated in a conference call regarding Plum Mining Company's pursuit of a commercial surety.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Spent one week in the field with summer Interns.
2. Traveled to Elko for the Mine Expo.
3. Approved 1 oil sundry, 5 geothermal sundries, and 3 geothermal permits.
4. Sent gold reserve information to John Dobra.
5. Toured Nevada Copper's Pumpkin Hollow property.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Staff and interns gutted the two agency storage sheds, built newly purchased storage shelves, discarded trash and re-organized contents.
2. Conducted additional training of interns and contractor with regards to land status and claim/property ownership research.
3. The summer interns completed their 4th week with 17 securings, 26 hazards and 166 non-hazards inventoried, and 8 revisits in Esmeralda and Nye counties.
4. The summer interns completed their 5th week with 3 securings, 34 hazards and 191 non-hazards logged, and revisits/repairs to 40 sites in Churchill, Lander and Nye Co.
5. The summer interns completed their 7th week with 5 securings, 6 hazards and 372 non-hazards logged, and revisits/repairs to 70 sites in Douglas, Lyon and Mineral counties.
6. Communicated with archaeologist Stephanie Livingston (GBI) regarding various hazards in Mineral and Esmeralda counties which she'll be investigating for the BLM. Additional pictures and ID sheets were emailed to her at her request.
7. Conducted safety meeting with interns to discuss three minor truck incidents which occurred the prior week.
8. Field checked a suspicious wooden box reported by the interns in an adit in Churchill County. Fortunately, no explosives were found, only a surprised Kangaroo rat. Logged one hazard and 13 non-hazards in the vicinity.
9. Arranged and attended an MSHA underground refresher course, provided by Bill Collins and Ben Viljoen (Mine Safety and Training), for two FS geologists, and four NDOW biologists. The focus was on hazards specific to abandoned mine evaluation.
10. Trained contractor Paul Malone on dataset creation and management in Excel for use in reviewing and extracting useful information from old AML data covering Walker River Paiute Tribal lands.
11. Incorporated into AML database and photo archive nine new loggings in White Pine County inventoried by Jason Williams (NDOW-Ely).
12. Chris Ross (BLM-NSO) requested ownership updates for 110 AML sites in Humboldt, Lander, and Pershing counties planned for some form of hard closure under ARRA funding.
13. Received an updated quote from Jeff Hoffer (GeoVision) regarding the downhole camera package. Forwarded vendor registration forms to him for completion.
14. Trained and supervised two interns on data entry and ownership research protocol.
15. Arranged for property tour of Nevada Copper's Pumpkin Hollow site for interns and staff. Tim Dyhr, Hank Ohlin, and Jackie Holmgren of Nevada Copper provided and excellent on-site tour and explanation.
16. Coordinate with three scouts regarding their fencing projects, status and plans.
17. Conducted field reconnaissance with scout Tyrone Davis, and father David Davis, of five AML site in Washoe County for his Eagle Service Project.
18. Supervised Ian McBryde's Eagle Project, securing six sites in Washoe County. Completed post-securing paperwork and database entry associated with scout Ian McBryde's Eagle Project.
19. Met with REI Reno store manager about corporate sponsorship opportunities at the NAAMLPLP conference at Squaw Creek.
20. Updated geothermal outreach poster to reflect 2010 data and for use at Elko Mine Expo.
21. Worked on 2010 AML Report.

AML / GIS (RACHEL)

1. Compiled maps, photos and datasets for use in the field with the Summer Interns.
2. Accompanied the Summer Interns to the Wonder Mountain area east of Fallon for training in logging, revisit and securing work. Several revisits and repairs were completed in the area along with 9 securings and numerous new loggings.
3. Printed maps for the week in Austin for the Summer Interns. Helped the two interns who remained in the office with planning and logistics for the upcoming week.
4. Planned and printed maps for the interns for week 6 which will be spent in and around Yerington conducting revisits and completing securings. Time will also be spent logging new hazards and non-hazards. Also spent time planning week 9 which will be spent in the Battle Mountain Area.
5. Planned and printed maps for the interns for week 7 which will be spent west of Tonopah. The majority of the time will be spent logging and securing hazards around the Las Vegas to Reno Race route as well as conducting revisits. Time will also be spent logging new hazards and non-hazards in surrounding areas.
6. Planned and printed maps for the interns for week 8 which will be spent in the Winnemucca area. There are several unsecured orphans in the area that can be secured and some new loggings.
7. Assisted the interns with office work including land research and data entry.
8. Spoke with Jim Carver at the Marigold Mine regarding a mine tour for the Summer Interns. The interns will have the opportunity to visit the Marigold Mine when they are working in the Winnemucca area in early July.
9. Uploaded the interns GPS units with hazard information for the field.
10. Updated the database with new hazard and non-hazard information from previous weeks.
11. Responded to several phone calls from claimants requesting additional information on securing abandoned mine hazards. Sorted out land status issues with some claimants and updated our database to reflect the new ownership information. Received additional information regarding securing work completed from one claimant
12. Spoke with several claimants regarding securing hazards on claims controlled by them. Received additional information including securing photos and updated the database to reflect these changes.
13. Began sorting through and filing letters received from claimants stating that they will secure hazards – cross referenced this information with the database to ensure that it had been updated.
14. Added the AML photos from May to the archives and backed up the data.
15. Uploaded the non-hazard data collected by the summer interns earlier to the non-hazard database. Uploaded new data for the following week on their individual GPS units.
16. Installed the latest service pack of ArcGIS version 10.
17. Spoke with Adapx customer service and public relations regarding the potential for a presentation at the upcoming NAAMLMP conference in October. They are very interested in presenting their digital pen technology and are also interested in conducting a case study on the Division of Minerals and our experience and use with the digital pen.
18. Traveled with Mike Visher, Doug Driesner and the Summer Interns to Yerington to tour the Pumpkin Hollow property.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Conducted AML claim research – Esmeralda County.

2. Attended MSHA underground mine safety refresher course – Carson City.
3. Met with the son of a property owner in Mineral County to show him the location of an AML hazard they were notified about (MI-916).
4. Received documentation from BOR of six new permanent AML closures in Clark County completed in late May.
5. Field investigations with Charles and Anthony Christian regarding unsecured AML hazards on their patented claims near Pioche in Lincoln County. Provided information on securing methods.
6. Continuing updating records and the AML database with Pete Herrera's AML site re-visit work in Clark County.
7. Logging in securing information and photographs received from claimants.
8. Meeting held with David Carlson from the Clark County Real Property Management Division regarding the Arden gypsum mine located on Gypsum Ridge in west Vas Vegas. There are over 30 unsecured AML hazards in the area and there is a recreational trail system proposed by Clark County for Gypsum Ridge. One of the proposed trail branches is along the existing mine access road. A discussion was held on the nature and scope of the hazardous conditions, possible securing scenarios, NEPA requirements for permanent closures and cost. (NOTE: These AML hazards are on active lode and placer claims but the surface is owned by Clark County following a 2002 land exchange between Clark County and BLM).
9. Logging in securing information and photographs received from claimants.
10. Met James Reeder and Carlyle Eubank, owners of the Iron Gold patented mining claim near Goodsprings. They came from California to secure one hazard on the claim per our notification letter and found hazards on an adjacent claim recently backfilled and access roads scarified to prevent entry. They were concerned that some of their workings might have been backfilled. We discovered brass caps marking the corners of the Iron Gold claim that had been placed in 2010 by the BLM as part of a major land survey on-going in the Goodsprings/Sandy Valley area. The Iron gold workings are still intact and the one hazard will be re-secured by a contractor; hazards on other claims in the area owned by Reeder and Eubank will be checked and re-secured, as needed. All other hazards on the Iron Gold are well secured.
11. BLM is going forward with NEPA studies for seven AML hazards located on Gypsum Ridge that are on BLM lands – closure plans are being developed and claimants will be notified of the proposed closure actions.
12. Met Chris Ross to visit CL-1016, a foam and rock-plugged adit that was found opened up and the foam plug burned by our re-visit contractor Pete Herrera. We found the adit plugged with PUF and rock – discovered that the BOR crew re-secured the opening.
13. Visited eight AML hazards with Chris Ross located on Gypsum Ridge (Arden Gypsum Mine) located on BLM surface estate – closure plans are being developed and claimants will be notified of the proposed closure actions.
14. Selected Kelly August for the part-time AML data entry position for the Las Vegas office. Four candidates were interviewed. Kelly will begin work on Monday, June 27.
15. Assisted several claimants and property owners with questions regarding securing of AML hazards.
16. Prepared GIS maps, hazard ID sheets, photos and a spreadsheet of AML hazards for BLM-NSO for the 31 hazards identified at the Arden Mine (Gypsum Ridge) area in west Las Vegas.

17. Presented 6 sessions of “What a Geologist Does”, Minerals and Commodities and AML to students in grade levels 2 through 6 and 8 at Innovations International Charter School of Las Vegas Annual Career Day – total of 420 students.
18. Set up and manned display at the Henderson Library Summer Reading Program kickoff event in downtown Henderson. Provided information and “Stay Out and Stay Alive” handout materials to approximately 400 visitors.
19. Attended a McCaw School of Mines Foundation board meeting. The grand total income for the 2011 Gala/Golf Tournament fund-raiser was \$63,764.78. This is an increase of 25.2% over 2010.
20. Presented minerals and commodities, “Birdseed Mining” and AML to 18 K-2nd graders at Hollingsworth Elementary School – Las Vegas – Summer School Program (one presentation – 18 people).

GEOHERMAL (LOWELL)

1. Reviewed sundry notice for Jersey Valley from Ormat. Alan approved.
2. Reviewed sundry notice for Salt Wells from Enel North America. Alan approved.
3. Reviewed sundry notice for Blue Mountain from Nevada Geothermal. Waiting for approval notifications from Russ Land, UIC, and John Menghini, BLM.
4. Reviewed sundry notice for Jersey Valley from Ormat Nevada. Waiting for approval notifications from Russ Land, UIC, and John Menghini, BLM.
5. Wells drilling: Gradient Resources Patua 88(18-20)-29 production well; Gradient Resources Patua 24-29 production well; Ormat Nevada Tungsten Mountain TG 86-22; TGP Dixie Valley 58-22 observation well (rigging up).
6. Reviewed Ormat Nevada’s permit applications and drilling programs for the Tungsten Mountain TG 65-22 and TG 45-22. Proposed total coring depth is 1,000 feet for both holes. Alan approved.
7. Reviewed Ormat Nevada’s permit applications and drilling programs for the Edwards Creek TG 31-18, TG 76-24, and TG 52-25. Proposed total coring depth is 1,000 feet for the three holes. Alan approved.
8. Reviewed sundry notice from Presco Energy for Rye Patch. Well is located on Federal lease. Received BLM notification of approval. Alan approved.
9. Wells drilling: Gradient Resources Patua 88(18-20)-29 production well; Gradient Resources Patua 24-29 production well; Ormat Nevada Tungsten Mountain TG 86-22 (rigged down and moving to and rigging up on Tungsten Mountain TG 75-22); TGP Dixie Valley 58-22 observation well (continue to rig up).
10. Reviewed Homestretch Geothermal’s permit application and drilling program for their proposed PW-4 production well. The proposed total depth is 700 feet. Doug approved.
11. Reviewed sundry notice from Magma Energy for Soda. Coordinated approval through Russ Land’s, UIC. Doug approved.
12. Reviewed sundry notice from Gradient Resources for Patua. Doug approved.
13. Reviewed Ormat Nevada’s permit application and drilling program for the Dead Horse 54-11 observation well. Proposed total depth is 4,000 feet. Received notification of approval from the BLM. Doug approved.
14. Wells drilling: Gradient Resources Patua 88(18-20)-29 production well (rigging down); Gradient Resources Patua 24-29 production well; Ormat Nevada Tungsten Mountain TG 75-22; TGP Dixie Valley 58-22 observation well.

15. Reviewed Gradient Resources Patua 88A-19 production well permit application and drilling program. The proposed total depth is 10,000 feet. Doug approved.
16. Reviewed sundry notice from Gradient Resources for Patua. Received BLM notification of approval. Doug approved.
17. Reviewed sundry notice from Nevada Geothermal Power for Blue Mountain. Received Russ Land's, UIC, letter of approval. Doug approved.
18. Wells drilling: Gradient Resources Patua 21-19 production well (work-over, rigging down); Gradient Resources Patua 24-29 production well; Ormat Nevada Tungsten Mountain TG 75-22 (rigged down, moving to Edwards Creek TG 31-18); TGP Dixie Valley 58-22 observation well.

OIL AND GAS (LOWELL)

1. Drilling: Emergent Value FLT 1.
2. Reviewed sundry notice from Emergent Value. Alan approved.
3. Reviewed Emergent Value Group's request and supporting documents for a name change of the company. The company is to be called Grant Alliance LLC. Doug approved.
4. Reviewed sundry notice from Grant Alliance's for the FLT 1 well east-southeast of Eureka. Forwarded sundry notice to Russ Land, UIC for his input. Discussed procedure with John Menghini, BLM.
5. Reviewed documentation of transfer of ownership of interests from Empire Petroleum LLC to Desert Discoveries LLC. Doug approved.
6. Reviewed sundry notice from Desert Discoveries for the Paradise 2-12 well. This well is located west-northwest of Gabbs in Nye County. Discussed with John Menghini, BLM. Doug approved.
7. Traveled to the Desert Discoveries Paradise 2-12 well near Gabbs with Darrell Carter, PET with BLM, to inspect tank facilities that will be utilized when the well is completed. Darrell and I found an empty pad, other than wellhead and an old Baker style water tank. Tank battery was supposed to be in place. Upon inspection it looks as if the Baker style water tank was utilized for the testing of the well when drilled, for we found evidence of oil having been in tank. We did not see anything that would be considered oil storage tanks/battery.
8. Reviewed revised sundry notice from Grant Alliance for the FLT 1 well near Eureka. Received BLM notification of approval. Doug approved.
9. Drilling: Emergent Value FLT 1.

OTHER (LOWELL)

1. Alan and I met with two fourth grade classes at the Jerry Whitehead Elementary School in Sparks. I instructed the students on "Stay Out, Stay Alive" for abandoned mines, as well as showing the students various minerals mined in Nevada and what the minerals are used for.
2. Attended the Oil and Gas Lease Sale at the BLM State Office on Tuesday, June 14th. The results of the sale are as follows:

Nevada Competitive Sale Results June 2011

1. Parcels offered: 81
2. Acres offered: 156,513.615
3. Parcels sold: 25
4. Acres sold: 44,959.370

5. Total Bonus Bid: \$591,888.00
6. Highest bid/parcel: \$133,400.00
7. Highest bid/acre: \$145.00
8. All monies due were received.
9. Number of sale parcels subject to presale offers: 0
10. Number of acres subject to presale offers: 0
11. Number of presale offers sold 0
12. Number of acres in presale offers sold 0
13. Total receipts: \$662,962.00