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Governor

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**ALAN R. COYNER**  
Administrator

## ACTIVITY AND ACHIEVEMENTS MAY 2012

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### ADMINISTRATION (ALAN)

1. Facilitated the CMR field trip and meeting.
2. Provided NBMG with a letter concerning using CMR money as match for a grant proposal to the National Geological Geophysical Data Preservation Program.
3. Attended the Mackay EAB with Commissioners Mudge, Snow, and Bryan.
4. Attended the Mackay Scholarship Awards banquet.
5. Provided the Budget Office with the specific amounts swept from the Bond Pool and the Oil, Gas, and Geothermal well closure bonds during the Special Session in 2009.
6. Met with Andy Hart of Nevada Outdoor concerning the AML sites at the Arden quarries near Las Vegas.
7. Reviewed the draft proposal from the UNR Office of Sponsored Projects concerning the NBMG concerning the exploration survey and other projects.
8. Attended a meeting of the Sage Grouse Advisory Committee.
9. Participated in a conference call of the IOGCC Steering Committee.
10. Attended the monthly meeting of the Geological Society of Nevada and informed the membership concerning the expanded 2012 Exploration Survey.
11. Received reconciliation data from Newmont and Barrick concerning 2010 production reported to NDOM and Department of Taxation.
12. Issued a revised letter to Homestretch Geothermal concerning the waiver from reinjection request for the Wabuska Geothermal power plant.
13. Received a response from Justin Abernathy of the BLM State Office concerning the availability of oil and gas leases in the core area of Railroad Valley.
14. Received an inquiry from James Bailey concerning the availability of placer concentrates in Nevada.
15. Reviewed the proposed BLM well stimulation (fracking) regulations.
16. Responded to a request from Leo Drozdoff, DCNR, concerning the Lippo Group and possible mining investments in Nevada.

### RECLAMATION BOND POOL (MIKE)

1. Processed bond increase for TAG Mining's Silver Goose project.
2. Prepped notice-level bond increase for American Vanadium.
3. Met with, and processed bond increase for, Ron Espell (American Vanadium) and Jake Margolis (Redstar Gold).
4. Processed full release of Nevada Cement's Relief Canyon bond.
5. Processed bond transfer between Mohawk Drilling and Direct Detection Services for the DDS Exploration project.
6. Provided bond calculations to Comstock for possible increase.

7. Received signed and notarized bond agreements from new President of Specialty Clays. Forwarded copies of completed documents to Carolyn Kramer (Specialty Clays) and Lacy Trapp (BLM-NSO).
8. Spoke with Nazila Hummer (BLM-Tonopah) regarding reclamation obligation status at Nevada Moray's Davis project. She plans to conduct site visit later in the week and will update status.
9. Provided answers to questions from BLM Solicitor regarding operation of bond pool.
10. Assist Administrator with responses to budget analyst regarding potential return of swept funds from Budget Account 4220 (Reclamation Performance Bond Pool) and Budget Account 6201 (deposits for P&A costs related to oil, gas and geothermal well drilling).
11. Worked on bond reconciliation for month of April; zero variance.

#### **MINING, LAND AND OTHER ISSUES (MIKE)**

1. Attended and successfully completed four required Advantage/Financial classes taught by the Controller's Office.
2. Attended CMR tour of Comstock Mining's operations and overview presentation.
3. Attended quarterly CMR meeting and subsequent Mackay awards banquet.
4. Provided information to Renaissance Gold on historic mine info and accessibility on NBMG's Mining District File Database.
5. Worked with Jill Jakobiak (Geotemps-Ely) to complete process for Jeff Herrera (Hergon Mine Securing) to continue with planned AML work in southern Nevada as a contractor for Geotemps.
6. Continued work on Annual Status and Production reports.

#### **AML / PUBLIC AWARENESS - NORTH (MIKE)**

7. Met with Scott Jolcover and Randy Harris (Comstock Mining) to review sites for downhole camera surveys. Visited four sites and conducted survey of the New York shaft. Survey replicated as part of CMR tour later in the week. Copy of downhole survey video provided to Comstock Mining.
8. Peter and I met with Rick Darby (City of Sparks, Parks and Open Space) and conducted a site visit at their proposed Wedekind Regional Park. Provided closure guidance on three previously identified hazards and logged three additional hazards and 13 non-hazards.
9. Provided Debbie Struhsacker (Pershing Gold) with clip of AML database pertaining to their property positions east of Lovelock.
10. Provided Chris Ross (BLM-NSO) with current snapshot of AML database.
11. Revisit Burrus site and find headframe, all timbers, and 2 year-old PUF closure burned. Rachel, Pete and I fenced the now open shaft. EPS estimate for grate to cover the shaft and the unstable ground now covering the shaft is \$12,000. Combination of hard closure, PUF, and vents to be considered. Russ Fields (UNR-Mackay) will file report with Washoe County Sheriff's office.
12. Assemble and scan CRAC forms documenting securing work on BLM-managed lands during 2009, 2010, and 2011. Contractor Kate Schnoor collected additional data and assembled sets in binders for submission to the BLM.
13. Attended RAMS conference call with Pete, regarding potential money (up to \$1M) for AML closure projects throughout the west in FFY13.

14. Set up field reconnaissance of proposed bat gate site in Lyon County with Rachel Crews (archaeologist, BLM-CC).
15. Spoke with homeowner, Dan Bowers (Gold Hill), regarding using large shaft on his property as exercise for interns' logging and fencing class. He graciously agreed and allowed us to use his garage as a classroom when snowy weather arrived. Portions of the existing fence around the Alta shaft were repaired, while others sections were replaced.
16. Start of summer interns. Discuss AML program, policies, procedures, safety, etc. Mandatory classes on defensive driving, sexual harassment, archaeological resource recognition and safety were presented to and attended by the eight interns; Abijah Bauer, Eric Dougherty, Kelly Elloyan, Drew Jones, Orgil Norov, Kate Schnoor, Murya Dube (returnee) and Joey Winkler (returnee).
17. Conducted field reconnaissance visit with Eagle Scout candidate, Zac Newman, in Sparks.

#### **AML / PUBLIC AWARENESS - NORTH (PETE)**

1. Investigated a report of dynamite in an abandoned mine adit (LY-366) with a representative of the Mine Inspector's Office. Result was a false report.
2. Drove to Las Vegas and switched field vehicles with Bill Durbin. Drove back to Reno and investigated unsecured mines south of Tonopah on Lone Mountain.
3. Attended a field trip to Virginia City and toured the Comstock Mining Company's mine and exploration sites. Meeting was attended by representatives from the Commission on Mineral Resources and NDOM staff.
4. Attended the Commission on Mineral Resources quarterly meeting in Reno.
5. Attended the University of Nevada Reno's award ceremony for students, staff and mining professionals.
6. Met with Mike Visher and City of Sparks rep for a field visit to identify AML hazards in the Wedekind mining district and to discuss closure options and long-term plans.
7. V&T revisits, logging, and securing continued in the Virginia City area.
8. Sent out letter of request and follow-up with Steve Saylor of Comstock Mining about their AMLs, which were revisited by NDOM personnel.
9. Made a field trip to the Burrus Mine and found new vandalism (field visit with Mike and Rachel).
10. Met with JBR, NDOW, EPS, and Cindi Burns with Comstock Development on the evaluation and subsequent installation of bat-friendly enclosures in and around the Virginia City area.
11. Met with the owners (Hearst Family) of the Green Monster Mine complex in Clark County and discussed procedures for completing a PUF closure at 10 AML hazard sites.
12. Met with EPS personnel to fence the Vulcano mine (LY-994) due west of Silver City.
13. Called Mr. Allen Carter the owner of the Cherokee Mine in Lincoln County (LI-170-LI-173) to discuss the securing of hazards located on his patented property.
14. With the interns, I completed revisits and repair work at several AML hazard sites near Sand Mountain just east of Fallon.
15. Attended a conference call for RAMS discussing allocation of a small amount of Federal money designated for AML closures in western states (primarily in New Mexico).
16. Worked with Mike, Rachel, and the interns repairing a fence enclosure at the Alta Mine in Virginia City.

17. Met with the new group of eight UNR summer interns. Began training in field procedures, state regulations, vehicle inspection and maintenance, AML program summary, and various safety issues. Assisted Mike and Rachel with teaching the interns about the use and completion of all required forms with proper field documentation and the distribution of field equipment. Helped with GPS training and topographic location.
18. Completed the Archeological Site Recognition and Avoidance Course with a field visit to the Como mining district for field applications with Rachel of the BLM and the interns.
19. Completed first half of the State's Drivers' Education Course and the Sexual Harassment class along with the new summer interns. The remaining portion of the driver's education class will be completed online as required to obtain the proper certification.
20. Conducted a presentation with Rachel at the 2<sup>nd</sup> grade class of Mrs. Woodhead at Florence-Drake elementary school. Thirty eight students and two teachers in attendance.

#### **AML / GIS (RACHEL)**

1. Spoke with several claimants regarding securing abandoned mine land hazards and how best to secure the sites. Sent additional information including maps and photos to claimants so that they may begin securing work.
2. Spoke with personnel at Newmont regarding unsecured sites on BLM land and sent additional information. They will begin working towards securing sites on claims in the coming months.
3. Received securing information from claimants and updated our database to reflect changes.
4. Updated the database with work received from Brian completed during the week of April 30<sup>th</sup>. Murya Dube added non hazards and revisit information to the database.
5. Traveled to the Burrus Mine with Mike Visser and Peter Herrera to check on the status of the securing work completed during the first week of May. Found that some of the sites had fallen victim to vandalism and were no longer secured. Secured WA-88 with a t-post and barbed wire fence.
6. Prepared and finished printing maps for the summer interns. The first week will be spent in the office and at nearby field locations while the second and third weeks will be spent in Lovelock and northwest of Beatty respectively with NDOM staff.
7. Traveled to areas east of Fallon to check on the status of secured hazards in the area with Peter Herrera. Several sites were found that will need securing. These locations east of Sand Mountain will be used in training exercises with the Summer Interns during the week of May 21. Collected several buckets of granite for the upcoming Reno Teachers workshop from the Project Shoal Site.
8. Received some questions from Newmont regarding NDOM logged hazards on Newmont claims. Researched the information and sent Newmont the existing NDOM ID numbers.
9. Received closure information for securing work that had been completed by the BOR in Northern Nevada. Began updating our database with the new securing information.
10. Prepared the maps for the week of May 29<sup>th</sup> for the interns. This will be the second training week and first full week in the field for the interns.
11. Spent the week training and going over job duties with the new group of Summer Interns. Traveled to the Como area with the interns to go over archeological training with Rachel Cruz from the Carson City BLM office.

12. Traveled to the Sand Mountain area with the summer interns and conducted several revisits. Time was spent teaching the interns the proper way to fill out revisit, new logging and non-hazard forms. Time was also spent learning the best ways to repair fences and secure hazards. The best and safest practices for driving large vehicles off road were also discussed.
13. Secured a large, unlogged shaft in the Gold Hill area with the Summer Interns. Logging and securing procedures were discussed during this time.
14. Attended Farm Days with Linda Carrion-Wells, Valerie Kneefel and George Bishop. Presentations were made to ~800 students the first day and ~900 students on the second day for a total of 1700 students. They ranged in age from 3 (preschool) to 13 (middle school students). Several homeschooled children were in attendance as well as students from the Reno area and Lake Tahoe area. A total of approximately 114 presentations were made to 15 students each (114 presentations – 1700 people).
15. Traveled to Florence Drake Elementary School with Peter Herrera to present rocks and minerals along with AML to second grade students. A total of 2 presentations were made to 24 students each (2 presentations – 48 people).

#### **AML / PUBLIC AWARENESS - SOUTH (BILL)**

1. E-mail and phone responses from recipients of recent AML notification letters.
2. Conducted AML claim research – Clark County.
3. Participated in pre-CMR field trip to Comstock Mining operation and various AML locations, Virginia City, Gold Hill and Silver City areas.
4. Attended Commission on Mineral Resources quarterly meeting in Reno.
5. Attended the annual Mackay School of Earth Sciences and Engineering awards ceremony and banquet - Reno.
6. AML reconnaissance visit to the Searchlight area with Chris Ross and Las Vegas BLM staffers Shonna Dooman and Suzanne Rowe to locate and evaluate AML sites proposed for future permanent closure. Prepared and sent an AML notification letter to Nevada Outdoor School/Andy Hart for the Arden Mine hazards.
7. AML field investigations of a room and pillar gypsum mine near Logandale with Chris Ross and BLM staff from the Las Vegas Field Office. The sites have been logged by NDOM – securing options appear to include only fencing as there is little available dump material and dozer access is minimal. There are over 30 mine openings – several potential Eagle Scout securing projects.
8. Logged one Clark County non-hazard.
9. Received notification from Ely BLM about a mine shaft that has opened up and partly engulfed the access road to the Ward Mine. The site is WP-569. It was logged in 2007 as a 3' by 5' by 10' deep shaft ranked moderate. It was re-visited by NDOM in 2009. The collar stayed about the same dimensions but was observed at 40-50' deep – hazard ranking upped to high. The shaft was posted with signs during both visits. The shaft is on patented land and the owner has been notified. BLM has put up posts with flagging.
10. Conducted AML claim research for Clark, Esmeralda and Nye County hazards.
11. Phone conversation with John Hayes, managing partner of the Coyote and Red Bird mines north of Searchlight regarding mine hazard closure plans. The Las Vegas office has provided him with a GIS map showing the locations of NDOM-logged hazards.

12. Met with Krynn Williams and Temple Mullen of Clark County Real Property Management, Leslie Nielsen of the Clark County District Attorney's office and Mike Shannon of Clark County Administrative Services regarding the mining claim situation and other issues relating to closure of the Arden Mine AML hazards – follow-up to discussions held at the last CMR meeting.
13. Investigation and completion of incident report following discovery of a “hit and run” on the Las Vegas agency vehicle while parked in the office complex parking lot. Damage was sustained to the two passenger side doors and rocker panel below. Obtained three repair estimates from local body shops – paperwork submitted to AGs office and Risk Management.
14. Prepped materials for and completed Eric Wilson's Eagle Scout service project. Four hazards were secured on USFS lands south of Mount Potosi. This is the 129<sup>th</sup> completed Scout project.
15. Prepped materials for and completed Anthony Hartley's Eagle Scout service project. One existing fence was repaired three partly secured sites were re-fenced on BLM lands north and east of Searchlight, Clark County. This is the 130<sup>th</sup> completed Scout project
16. Presented 7 sessions of minerals and commodities, “Birdseed Mining”, what a geologist does and AML for 3<sup>rd</sup> graders at Wolff Elementary School – Henderson (7 presentations - 175 students).
17. Presented 2 sessions of minerals and commodities, “Birdseed Mining”, what a geologist does and AML for 3 classes of 3<sup>rd</sup> graders at Sue Morrow Elementary School – Henderson. (2 presentations - 75 students).
18. Presented 3 sessions of minerals and commodities, “Birdseed Mining”, what a geologist does and AML for 6 classes of 3<sup>rd</sup> graders at Aggie Roberts Elementary School – Henderson (3 presentations - 150 students).
19. Presented 2 sessions of minerals and commodities, “Birdseed Mining”, what a geologist does and AML for 3 classes of 3<sup>rd</sup> graders at Sue Morrow Elementary School – Henderson (2 presentations - 51 students).
20. Presented 5 sessions of “What a Geologist Does” and AML for 4-4<sup>th</sup> grade classes and 1-5<sup>th</sup> grade class at Lewis Rowe Elementary School's Career Fair – Las Vegas (5 presentations - 145 students).
21. Assisted with a tour of the McCaw School of Mines by the Nye Gold Seekers prospectors club from Pahrump – total of 16 visitors.
22. Prepped “goodie bags” with “Stay Out and Stay Alive” materials and teacher workshop information for upcoming classroom presentations in southern Nevada.

#### **GEOHERMAL (LOWELL)**

1. Reviewed Enel North America's Salt Wells 61-2 observation well permit application and drilling program. The proposed total depth of the well is 1,000 feet. Received BLM notification of approval. Alan approved.
2. Reviewed Enel North America's Salt Wells 44-35 observation well permit application and drilling program. The proposed total depth of the well is 1,000 feet. Received BLM notification of approval. Alan approved.
3. Reviewed Enel North America's Salt Wells 68-35 observation well permit application and drilling program. The proposed total depth of the well is 1,000 feet. Received BLM notification of approval. Alan approved.

4. Reviewed Enel North America's Salt Wells 16-36 observation well permit application and drilling program. The proposed total depth of the well is 1,000 feet. Received BLM notification of approval. Alan approved.
5. Reviewed Enel North America's sundry notices for Stillwater 13A-6, 21A-6, and 62A-30. All sundries dealt with pump repair or replacement. Alan approved.
6. Reviewed Magma Energy's sundry notice to log the Soda Lake 41-33 production well. Alan approved.
7. Reviewed Nevada Geothermal Power's sundry notice to perform injection tests for up to two weeks in the Blue Mountain 86(16-23)-22 injection well. Alan approved.
8. Reviewed Enel North America's sundry notices for drilling program changes in the Salt Wells 61-2, 44-35, 68-35, and 16-36 permitted observation wells. Alan approved.
9. Reviewed Enel North America's sundry notice to change permitted total depth of the Stillwater 23A-29 production well from 7,000 to 7,500 feet. Alan approved.
10. Reviewed Enel North America's sundry notice to pull the production pump in the 67-19 production well for repair or replacement. Alan approved.
11. Reviewed ORNI 32 LLC's (Ormat Nevada) Dixie Hope Project Area. The area covers sections in T22N R35E, T22N R36E, T23N R35E, and T22N R36E. This area is approximately 36 miles (six townships) north of Highway 50 in Dixie Valley. Alan approved.
12. Reviewed the ORNI 15 Jersey Valley 46(57)-28 work-over sundry. Alan approved.
13. Reviewed Ormat Nevada's sundry notices to convert the 58B-22 and 68B-22 production wells to injection wells. Waiting for notification from Russ Land at UIC he approves and that the wells have been added to the McGinness Hills UIC permit.
14. Reviewed ORNI 39 LLC's (Ormat Nevada) sundry notice to reclassify the McGinness Hills 58B-22 production well to an injection well. Russ Land approved the reclassification in the UIC permit for McGinness Hills. Mike approved.
15. Reviewed ORNI 39 LLC's (Ormat Nevada) sundry notice to reclassify the McGinness Hills 66B-22 production well to an injection well. Russ Land approved the reclassification in the UIC permit for McGinness Hills. Mike approved.
16. Reviewed US Geothermal's sundry notice to allow the San Emidio 45-21 observation well to be drilled to 3,500 feet rather than the 3,000 foot permitted depth. Received BLM notification of approval. Mike approved.
17. Reviewed US Geothermal's sundry notice to suspend drilling in the San Emidio 45-21 observation well. Received BLM notification of approval. Mike approved.
18. Reviewed the Enel North America's sundry notice to repair or replace down hole pump in the 62A-30 production well. Mike approved.
19. Reviewed Ormat Nevada's work-over sundry notice for the Steamboat Hills 21-5 production well. Mike approved.
20. Wells drilling: Gradient Resources Patua 21-19 ST1 production well; Enel Stillwater 23A-29 production well; HSS II Tuscarora 65C-8 production well; US Geothermal San Emidio 45-21 observation well; Ormat Nevada Steamboat Hills 41-5 production well; Ormat Nevada Carson Lake 18-5 observation well; ORNI 43 (Ormat Nevada) Tungsten Mountain 67-22 observation well.

## **OIL AND GAS (LOWELL)**

1. Reviewed Major Oil International LLC's Eblana No. 1 permit application and drilling program. The well is proposed to be drilled to 8,000 feet in Hot Creek Valley north of Highway 6 (near Mores Station), Nye County T7N R50E NE4 NE4 Section 25. Alan approved.
2. Reviewed Winn Exploration's Ragged Ridge No. 1 permit application and drilling program. The proposed well is to be drilled to 7,500 feet, and is located in Railroad Valley north of the Eagle Springs and Trap Spring Fields, Nye County T10N R56E NE/4 SW/4 Section 13.
3. Reviewed V.F. Neuhaus' permit application and drilling program for the Apex 26-1 exploratory well. The well is to be located in northern Railroad Valley, T10N R56E Section 26, west of Currant. The proposed total depth of the well is 2,050 feet. Waiting for BLM notification of approval.
4. Reviewed Major Oil International's sundry notice to allow the well to be drilled to 9,000 feet rather than the permitted 8,000 feet in total depth. Discussed with John Menghini, BLM, where we decided to move in 500 foot increments. Discussed with Mike, where Mike gave verbal approval for the well to be drilled to 8,500 feet. Informed Major Oil of Mike's approval.
5. Drilling/Completion: G&H Energy/Makoil Federal 33-44; Major Oil Eblana No. 1.

## **OTHER (LOWELL)**

1. Participated in the Commission on Mineral Resources tour of the Comstock Mining Project near Gold Hill and Silver City on Thursday, May 3<sup>rd</sup>.
2. Participated in the Commission on Mineral Resources quarterly meeting on Friday, May 4th. The meeting was held at Joe Crowley Student Union Building at UNR. Afterwards, attended the Mackay School of Earth Sciences and Engineering banquet. NDOM received the Special Friend of Mackay Award.
3. Met with Jeff Schwarz (Business Manager), Jon Ekstrom (Public Relations), of Noble Energy, and Trent Sizemore of Lone Wolf.
4. Attended Sage Grouse Committee meeting. The committee was formed by Governor Sandoval to study the economic impacts the regulations related to sage grouse habitat will have on rural counties, as well as ways to work with this issue. Bob Budd, appointed by Wyoming Governor Jim Geringer in 2000 to lead their state's sage grouse task force, spoke to the committee as to how Wyoming has handled the sage grouse habitat situation. Wyoming and the BLM have utilized a plan where activity in sage grouse lek core areas is limited to 5% disturbance. The Wyoming 'plan' also includes enhancing habitat areas near where disturbance is to occur, where the impact to the core area is compensated by enhanced habitat in a nearby area.
5. Attended the Nevada Geothermal Council meeting. Jack McGinley, from NV Energy, spoke about electrical transmission issues, as well as power purchase agreements (NV Energy does not necessarily need any more green PPA's for the next three to five years).