



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

RICHARD PERRY
Administrator

EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS FEBRUARY 2014

EXECUTIVE SUMMARY

Statutory Programs:

- Industry Relations – The Administrator gave a presentation to the Nevada Landmen’s Association and attended monthly meetings with the Governor’s Chief of Staff, Sagebrush Ecosystem Council, Mackay Advisory Committee, Geological Society of Nevada, and Nevada Mining Association Education Committee.
- Public Relations and Minerals Education – 16 presentation or educational classes were given by staff which reached 370 students. Each staff member is required to give 12 presentations per year.
- Abandoned Mine Lands (AML) – YTD for 2014, 22 AML sites were logged and 23 sites were secured. 79.8% of all AML hazards logged to date have been secured. Updating of the AML database continued and constructive planning meetings were held with the BLM and USFS. Posting for summer internship positions continued to attract applications. The posting closes February 21st and interviews will follow the first week of March.
- Reclamation Bond Pool – Activity and total bonding in the Pool continues to decline. Five termination letters will be generated in March for non-payment of the annual administrative fee. There are 122 notice-level bonds totaling \$1.53M. There are ten plan-level bond pool participants, with \$1.44M in bonds. The bond pool has a reserve of \$947K.
- Oil & Gas Permitting and Inspections – One new geothermal well and no new oil wells were permitted. Eight geothermal sundries and five oil sundries were approved. With regards to annual inspections, 122 of 123 permitted oil-related wells have been inspected and 359 of 426 geothermal wells have been inspected. This effort to inspect all permitted OGG wells began in July, 2013. To date, our inspections have found 15 signage and 10 housekeeping items that have been documented and sent to operators for corrective action. Field inspections of blow-out prevention (BOPE) equipment were witnessed by staff at Ormat’s McGuinness Hills geothermal field. Noble Energy has an approved sundry to hydraulically fracture well # M2C-M2-21B, which they plan to do the week of March 17th, 2014.

Financial, Personnel and Projects:

- At the end of February the Division was staffed with 10 full-time employees with one budgeted vacancy. The budgeted vacancy was posted for a “Field Specialist – Oil, Gas, Geothermal and AML”. We received 31 applications for the position and have made an offer to a candidate.
- Development of regulations for hydraulic fracturing – Legal review of the proposed hydraulic fracturing regulation changes to NAC 522 were completed by the Legislative Council Bureau in February. Public workshops are scheduled for the week of March 17-21 in Carson City, Elko and Las Vegas. The public workshops are an interagency effort with NDEP. We anticipate numerous comments from both industry and the public on the regulation changes. Our best estimate of when the final regulations could be presented to the CMR at public hearing for possible adoption is August, 2014.
- Construction of the new NDOM web site continued. The site is being built on a staging platform provided by State Enterprise Services at no additional cost.

MONTHLY ACTIVITY REPORTS

Reclamation Bond Pool

Mike Visher

1. Processed one bond reduction.
2. End-of-January financial summary of bond pool:

Reclamation Bond Pool Status Report		As of: 2/28/2014							
Plan-level Bonds - Compar	Project	Entry Dat	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole	
Custom Details	Bovie-Lew	11/17/2006	\$25,364.00	0.83%		\$ 12,217.11	\$17,329.64	116.5%	
Art Wilson	Silverpeak	9/5/1991	\$124,017.00	4.08%		\$ 18,602.55	\$123,821.54	114.8%	
Nevada Rae	Black Canyon	4/15/2005	\$369,255.00	12.15%		\$ 197,937.54	\$209,652.01	110.4%	
So. NV Lite weight	Money Pit	5/21/2004	\$395,514.00	13.01%		\$ 213,055.61	\$204,821.86	105.7%	
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	6.91%		\$ 31,485.00	\$168,856.94	95.4%	
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.51%	terminated	\$ -			
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.30%	terminated	\$ -			
Western Mine Dev.	Manhattan Mil	5/24/2000	\$114,288.77	3.76%	terminated	\$ -			
Escape Gold	Red Rock	7/17/2008	\$1,000.00	0.03%		\$ 1,000.00	\$28.60	102.9%	
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	2.00%		\$ 30,664.40	\$24,163.74	90.3%	
Statewide Notice-Level	Various	various	\$1,593,055.00	52.41%	122 bonds				
Total Bond Amount			\$3,039,430.16	100.00					
Cash in Pool's Account (From BSR - 2/28/14)			\$3,987,377.46						
Unfunded Amount			-\$947,947.30						
Percent funded				131.2%					

3. Of the nine bond pool participants who were sent 30-day notice of termination letters in February, three paid the required premium and late fees and one was issued a reclamation obligation release by the BLM and will be issued a refund. The remaining five participants will be issued termination letters in March.
4. Prepared 30-day notice letters for five additional bond pool participants, with a total of nine bonds, who have not paid their required annual premium payments which were due December 31, 2013.

Mining, Land and Other

Mike Visher

1. Participated in meeting with industry representatives to assess impacts under proposed changes to NAC522.
2. Prepared for and attended quarterly CMR meeting in Las Vegas.
3. Conducted geothermal related well inspections with Lowell at 19 sites near Gerlach. Worked with Lowell on development of risk assessment parameters and methodology for future inspections.
4. Completed and submitted IMCC Education Award nomination packet for NvMA Education Committee. Completed and submitted IMCC Reclamation Award nomination for Newmont's Twin Creeks Mine – Piñon Tailings Facility.
5. Continued working on master reference list of chemicals commonly used in hydraulic fracture stimulation events; cross-referenced with information from GWPC, EPA, and OSHA.

Major Activities – Chief, Abandoned Mine Lands Program

Robert Ghiglieri

1. Requested \$50,000 from the BML as continuation of funding to the already intact assistance agreement that will help fund NDOM's AML program.
2. Performed a cost analysis of NDOM's contractors work to determine the total cost per closure equivalent for inventory work in Nevada.
3. Compiled a closure report for ST-0067 (Sutro Air Shaft #4) and provided it to the BLM Sierra Front Field Office.
4. Revisited 11 hazards in Mineral County to confirm hard closure methods and cost estimates with Jenni Jeffers (NDOW) and Brian Breiter (EPS) for the Kaiser Mine closure Project.

5. Compiled all data for a Categorical Exclusion (CX) on the Kaiser Mine closure project (11 total hazards) and sent the request to the BLM Stillwater Field Office.
6. Started to compile a list of hard closure projects in local urban areas.
7. Attended a NvMA Education Committee meeting. Discussed the future southern Nevada and northern Nevada workshops.
8. Attended the UNR Mackay School of Earth Sciences and Engineering career fair to promote the 2014 NDOM AML summer internship.
9. Attended the 2014 February Commission Meeting in Las Vegas Nevada, and the field trips to Tule Springs and the Great Unconformity.
10. George performed the yearly “mini-units” and AML brochures mail out to 4th and 7th grade teachers and students. A total of 2,686 mini-units and 80,283 AML brochures were mailed.
11. Performed a downhole camera survey on NY-0434 (Mizpah Shaft) at the Tonopah Historic Mining Park with Bill Durbin, Don Southwick, Douglas Baker, James Sason, and Bill Wahl. The park requested the survey to inspect the upper 75’ for structural integrity. We were able to get the camera to the 500’ level.
12. Logged and secured two new hazards in Esmeralda County with Bill. Revisited 14 sites for a possible hard closure project.
13. Reviewed all 34 summer internship applications and sent an invitation to 25 applicants (3 UNLV, 22 UNR) for interviews in the first week of March. Made contact with Steve Rowland a UNLV geology professor and reserved an interview room at the UNLV campus.
14. Compiled a short presentation reviewing the NDOM AML program for the NAMLET March 4th meeting.
15. With Rachel and Jenni Jeffers, revisited nine Lyon County Hazards to determine hard closure methods. Performed three down-hole camera surveys.
16. With Rachel, revisited seven Washoe County hazards to inquire about a possible Eagle Scout project. Coordinated with the scout to plan a recon mission in March.
17. With Rich, Mike, and Rachel discussed the future and possibilities for the AML database.
18. Reached out to the Washoe Tribe and BIA for the ability to PUF CC-68.
19. Sent EPS to the Sulphur Quad in Humboldt and Pershing counties to preform logging work. EPS logged 41 new hazards, 111 non-hazards, and secured 2 hazards.
20. Responded to claimants from the 12/13/2013 mail out. Created maps and provided photos.

AML Hazard Statistics

Data as of: 2/28/2014

COUNTY	SITES DISCOVERED	SITES SECURED	% SECURED	TOTAL UNSECURED	% UNSECURED STATEWIDE
Carson	76	76	100.0%	0	0.0%
Churchill	667	549	82.3%	118	3.3%
Clark	2,145	1,657	77.2%	488	13.7%
Douglas	199	186	93.5%	13	0.4%
Elko	681	542	79.6%	139	3.9%
Esmeralda	2,653	2,310	87.1%	343	9.6%
Eureka	775	706	91.1%	69	1.9%
Humboldt	797	700	87.8%	97	2.7%
Lander	575	474	82.4%	101	2.8%
Lincoln	686	545	79.4%	141	4.0%
Lyon	1,025	867	84.6%	158	4.4%
Mineral	1,540	1,314	85.3%	226	6.3%
Nye	2,522	1,861	73.8%	661	18.5%
Pershing	1,476	1,043	70.7%	433	12.1%
Storey	193	162	83.9%	31	0.9%

Washoe	428	394	92.1%	34	1.0%
White Pine	1,423	910	63.9%	513	14.4%
TOTAL (Since 1987)	17,861	14,296	80.0%	3565	20.0%
2014 Year to Date	26	62	238.5%		

AML / GIS

Rachel Wearne

1. Completed routine back-up and archiving of the AML photo database.
2. Continued working on planning for the summer interns. Outlined several of the 13 weeks for field work and will determine what needs to be done in those areas.
3. Met with staff at Library and Archives and discussed building the new website. With Debbie, had a brief crash course in using the Ektron software to build websites.
4. Worked with Debbie on determining how we can re-structure the AML database so that we are able to capture all information required by the LCB audit.
5. Assisted in setting up new computers in the Carson City office. Set up user profiles and installed all software needed on specific computers.
6. Attended the February meeting of the Commission in Las Vegas.
7. Attended the Education Committee meeting at the Nevada Mining Association in order to discuss the upcoming Las Vegas Teachers Workshop.
8. Attended a career fair at UNR in order to reach out to students and make them aware of our summer internship.
9. Received several applications for the summer internship. Reviewed all applications with Valerie and Rob and determined how many students we would like to interview for the position.
10. Received several new hazards logged by BLM in Elko County. Assigned new numbers to those sites not logged by NDOM and cross-referenced all sites with our AML database to determine which ones had already been logged. Added the new hazards to the AML database and added all photos to the archive.
11. Traveled to the Olinghouse area with Rob to conduct revisits and determine if any sites could be secured for a Boy Scout project.
12. With Rob, met Jenni Jeffers and surveyed several openings in the Fort Churchill area. Conducted three down hole camera surveys and determined which sites can be closed and how.
13. Conducted a rock and mineral session for Head Start at Bernice Mathews Elementary in Sparks. 20 3, 4, and 5 year-olds were shown different rocks and minerals and given bags and AML swag to take home.
14. Traveled to Juniper Elementary in Sparks in order to teach the Paste with a Taste activity during their science fair. A total of 10 presentations were given to 100+ parents and teachers. AML swag was given out at this activity.

AML/Public Awareness – Southern Nevada

Bill Durbin

1. Completed Colton Myhre's Eagle Scout project. Three hazards were secured in the Sandy Valley area of Clark County. This is the 144th completed Scout project. To-date, Scouts have secured 655 hazards and made repairs to 133 previously existing securings.
2. AML presentation to the Gold Searchers of Southern Nevada prospector's club – Henderson for 60 members and guests.
3. Prep and set up materials for the Southern Nevada Science Teachers Association conference at Advanced Technologies Academy High School – Las Vegas.
4. Debbie in Carson City this week – installing new computers and working with AML staff on database.
5. Meeting with Barrick personnel Russ Jones, Tim Buchanan and Kevin Hamatake at the Barrick Bullfrog Mine near Beatty. Dry run for the teacher workshop field trip scheduled for April 16. Met also with Richard Stephens at the Goldwell Museum in Rhyolite who will open the museum for the tour.

6. Manned display at the Southern Nevada Science Teachers Association conference at Advanced Technologies Academy High School – Las Vegas attended by 200 teachers. Presented “Paste with a Taste” for 36 teachers during a conference workshop session.
7. Attended an NvMA Education Committee meeting in Reno. Final preparations completed for the 2014 Las Vegas teacher workshop.
8. Attended the February 13 Commission on Mineral Resources meeting in Las Vegas. Reported on Southern Nevada AML and Education/Outreach activities. Participated in CMR field trip to the Tule Springs Fossil Site and Frenchman Mountain Great Unconformity.
9. Assisted Rob Ghiglieri with downhole video of the Mizpah Shaft (NY-434) at the Tonopah Historic Mining Park.
10. Conducted AML hazard loggings, securings and re-visits with Rob in Esmeralda County southwest of Tonopah for sites proposed for permanent closure.
11. Investigated and ranked one AML hazard north of Pahrump in Nye County, follow-up to a “shaft call” made to the Las Vegas office by a private citizen.
12. Attended McCaw School of Mines Foundation Board meeting. Discussed improving accounting procedures and final planning for the April 25-26, 2014 Golf Tournament and Gala.
13. Logged in 9 AML closures completed by the BOR crew during late January and early February, 2014 in Clark County.
14. Received calls from three new Eagle Scout candidates. They will all be securing portions of the Arden Mine workings on Gypsum Ridge west of Las Vegas. Project packets sent out.
15. Prepping materials for the 30th Annual Clark County Science Olympiad – scheduled for Saturday, March 8 at Rancho High School. Bill is in charge of designing the Olympiad test and judging the mineral and rock identification competition.
16. Prepped materials for Jacob Eckersley’s Eagle Scout AML securing project scheduled for Saturday, March 1.
17. Presented four sessions of “Minerals and Commodities”, “What a Geologist Does” and AML for 105 5th grade students at Twin Lakes Elementary School, Las Vegas.

Geothermal, Oil and Gas Other

Lowell Price

1. Presented and proposed Hydraulic Fracking regulations to Nevada Petroleum and Geothermal Society. McGinness Hills geothermal production well 57A-11 was permitted. Eight geothermal sundries and five oil sundries were reviewed and approved. All sundries were approved by Rich or Mike. Three additional geothermal sundries and one oil sundry were reviewed, but are still pending BLM approval. Inspected remaining twenty three wells (out of a total of twenty seven wells) at Gradient Resources Patua Field. Inspected the two wells at Gradient Resources Fallon 1 Project Area. Inspected all seven wells at Gradient Resources Carson Lake Project Area. Inspected all six wells at Gradient Resources Salt Wells Project Area. Mike and I inspected fourteen wells at US Geothermal’s San Emidio Field. A return trip to San Emidio will be needed to rectify wells that are listed, but could not be found. Rich, Mike, and I met with Jerry Walker and Bill Ehni to discuss the proposed regulations for hydraulic fracturing. Met with Rich, Mike, Art, Tom, and JoAnne to discuss the upcoming workshops for NAC 522 changes.