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EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS
JUNE 2014

EXECUTIVE SUMMARY

Statutory Programs:

- **Industry and Public Relations** – The interim Legislative Committee on Public Lands was given an update on NDOM activities and the hydraulic fracturing regulations by the Administrator in Elko on June 12th. This Committee is comprised of eight members of the Nevada Assembly and Senate, and one County Commissioner. 2013 minerals production data were presented. Committee members had numerous questions on the development of the hydraulic fracturing regulations. Division staff manned a booth at the Elko Mining Expo on June 5-6 and distributed 500 copies of the NBMG 2014 Active Mines and Energy Producers map.
- **Minerals Education** – Division Staff gave 13 presentations which reached 750 members of the public in June. Planning for the northern Nevada teachers earth science workshop scheduled for July 15-16, which is jointly hosted by the Nevada Mining Association and NDOM, is underway. 82 teachers were signed up as of the end of June.
- **Abandoned Mine Lands (AML)** – 8 interns completed their seventh week of AML closure work by the end of June. Most AML work has been on the west half of the State. There have been no vehicle accidents and the scope of AML work is on schedule to be completed by August 15th (week #13).
- **Reclamation Bond Pool** - Bond pool activity remains slow though three new notice-level bonds were added. The pool currently has 116 notice-level bonds and nine plan-level bonds.
- **Oil, Gas and Geothermal (OGG) Permitting and Inspections** – 4 oil drilling permits were issued to Noble Energy after BLM had approved their Mary's River area Environmental Assessment. These permits were issued with conditions of approval in the permits consistent with the new proposed regulations. NDOM personnel were present to witness two hydraulic fracturing stimulations in June: Noble Energy M10C-M10-11B in Elko County and Grant Canyon Blackburn 16 in Eureka County. These HF stimulations were carried out with no accidents, incidents or reportable spills. No geothermal permits or sundries were issued. Three geothermal blow-out prevention tests were witnessed, and the wells at Ormat's Steamboat field near Reno were inspected.

Financial, Personnel and Projects:

- The Division was fully staffed with 11 full-time employees and the NDOM reserve balance at the end of June was \$828,451. Plans are being made for an NDOM end of summer picnic to be held on Saturday, September 13.
- **Bill draft for the CMR-approved changes to NRS 522:** The Governor's staff requested an outreach effort to stakeholders who might be affected by the proposed legislation. This was done in the last week of June by phone and conference calls. The 7 oil producers understand the reason for the legislation and were supportive.
- **Development of regulations for hydraulic fracturing** – The second revised draft of the hydraulic fracturing regulations is under legal review by the Legislative Council Bureau. Once returned by LCB, the draft regulations will be posted on the NDOM web site. The Commission hearing to consider adoption is tentatively scheduled for August 28, 2014, in Elko from 10 am to 12 noon, followed by the regular CMR meeting from 1 pm – 4 pm.
- **The new NDOM web site went live to the public on June 27th,** two months ahead of schedule. The old site address redirects to the new site: <http://minerals.nv.gov/>

MONTHLY ACTIVITY REPORTS

Reclamation Bond Pool

Mike Visher

- Bond pool activity continued to be slow in June with three new notice-level bonds, three notice-level reductions, and four notice-level bond releases.
- End-of-June financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to:		6/30/2014					
Plan-level Bonds -Company	Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole	
Custom Details	Bowie-Lew	11/17/2006	\$25,364.00	0.86%		\$ 12,217.11	\$17,710.10	118.0%	
Art Wilson	Silverpeak	9/5/1991	\$124,017.00	4.23%		\$ 18,602.55	\$125,681.80	116.3%	
Nevada Rae	Black Rock Canyon	4/15/2005	\$369,255.00	12.59%		\$ 197,937.54	\$212,421.42	111.1%	
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	13.49%		\$ 213,055.61	\$210,754.58	107.2%	
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	7.16%		\$ 31,485.00	\$174,104.44	97.9%	
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.56%	terminated	\$ -			
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.43%	terminated	\$ -			
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.90%	terminated	\$ -			
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	2.07%		\$ 30,664.40	\$27,173.54	95.3%	
Statewide Notice-Level	Various	various	\$1,486,911.00	50.71%	116 Notice-level bonds				
Total Bond Amount			\$2,932,286.16	100.00					
Cash in Pool's Account (From BSR -6/30/14)			\$3,908,131.13						
Unfunded Amount			-\$975,844.97						
Percent funded				133.3%					

Mining, Land and Other

- Attended the 29th Annual Elko Mining Expo with Rich and George.
- Continued working with hydraulic fracturing regulation team to review public comments for applicability and potential integration into proposed regulations.
- Continued working on master reference list of chemicals commonly used in hydraulic fracture stimulation events; cross-referenced with information from GWPC, EPA, and OSHA and others. The current working version was posted to the Division's new website.
- Researched and provided answers to the BLM Tonopah Field Office relating to Clayton Valley lithium brine resources and publications.
- Provided requested information on 2013 Nevada gold production to the Las Vegas Review Journal and 2013 barite production to the Northern Nevada Business Weekly for upcoming articles.
- Worked with NBMG and Department of Taxation to resolve missing or inconsistent 2013 mine production information.
- Completed the required three-day Certified Contract Managers training class.

Major Activities – Chief, Abandoned Mine Lands Program

Robert Ghiglieri

- Finished the 2013 Abandoned Mine Lands Report, 800 copies were printed with over 300 copies sent to different organizations.
- Sent support letters for the Army Corps of Engineers Restoration of Abandoned Mine Sites (Rams) to Congressman Amodei, Senator Heller, and Senator Reid to continue appropriations into FY-15.
- Presented the AML program to over 30 citizens during the Virginia City Muckfest.
- Planned week 6 intern field work, prioritizing work around the Austin area due to a concerned citizen phone call.
- Week 3 intern field work consisted of 32 securing's, 23 loggings, 19 revisits, and 74 non-hazards in Lincoln County with Bill, Rachel and Erik.

6. Week 4 intern field work consisted of 21 securing's, 65 loggings, 25 revisits, and 815 non-hazards in Mineral County with Rob.
7. Week 5 intern field work consisted of 16 securing's, 67 loggings, 10 revisits, and 493 non-hazards in Douglas, Mineral, and Nye counties.
8. Week 6 intern field work consisted of 22 securing's, 8 loggings, 52 revisits, and 132 non-hazards in Lander County with Bill and Rob.
9. EPS filed work consisted of 15 securing's, 63 loggings, 10 revisits, and 523 non-hazards in Esmeralda County.
10. Responded to claimant's securing's from the December notification mail out.
11. Discussed and prioritized 2014, 2015, and 2016 hard closure projects with the BLM.
12. Reviewed the updates to the AML database that Debbie has been working on.
13. With Mike, submitted necessary paperwork to the BLM grants office for the acquisition of \$50,000 for the Assistance Agreement with the BLM. The money will be received in early July.

AML Hazard Statistics

COUNTY	SITES DISCOVERED	SITES SECURED	% SECURED	TOTAL UNSECURED	% UNSECURED STATEWIDE
Carson	76	76	100%	0	0.00%
Churchill	707	567	80%	140	3.73%
Clark	2,153	1,678	78%	475	12.65%
Douglas	200	188	94%	12	0.32%
Elko	708	542	77%	166	4.42%
Esmeralda	2,719	2,331	86%	388	10.33%
Eureka	775	706	91%	69	1.84%
Humboldt	797	700	88%	97	2.58%
Lander	580	497	86%	83	2.21%
Lincoln	711	566	80%	145	3.86%
Lyon	1,025	868	85%	157	4.18%
Mineral	1,615	1,344	83%	271	7.22%
Nye	2,586	1,918	74%	668	17.79%
Pershing	1,584	1,073	68%	511	13.61%
Storey	197	171	87%	26	0.69%
Washoe	428	394	92%	34	0.91%
White Pine	1,425	912	64%	513	13.66%
TOTAL (Since 1987)	18,286	14,531	79%	3755	100.00%
2014 Year to Date	411	307	75%		

Data as of 7/01/2014

AML / GIS

Rachel Wearne

1. Completed routine back-up and archiving of the AML photo database.
2. Traveled to Caliente with the summer interns and Erik in order to meet Bill for AML field work and training. Worked with the interns on planning work, driving and navigating dirt roads, securing and logging hazards, logging non-hazards, and revisiting existing hazards. Showed them best ways to secure sites and plot points on topographic maps. Assisted with training in off-road driving and navigation skills.

3. Added non-hazards and hazards to the database after checking them for errors. Found those with errors and corrected any issues or noted the problems and gave them to the interns to fix.
4. Trained several of the interns in office work. Showed them how to enter new loggings and re-visits into the database. Worked with them on database and photo QA/QC and fixing errors.
5. Trained the interns on planning for field weeks. Gave them a weeks' worth of work and trained them on sufficiently planning out the week for 6 or 8 people. Conducted land research for these areas so that they would be able to determine which sites should be secured and which sites were on claims or private land.
6. Worked on planning week 7 to Yerington and local work for week 9 during the teacher workshop for the interns.
7. Together with Patti McClelland (NvMA education committee) presented at a STEM event at Kate Smith Elementary School in Sparks. Presented the importance of rocks and minerals and "Stay Out and Stay Alive" to a total of 110 students. There were a total of 5 presentations made – a separate one to second, third, fourth, fifth, and sixth grades.
8. Provided maps, photos, hazard ID sheets, and directions to the Desert Queen mine for Jenni Jeffers (NDOW) who will be conducting bat surveys in that area for future bat gate and closure work.
9. Inventoried all rocks and minerals needed for the upcoming teacher workshop. Took two of the interns to the shed to assist with breaking and prepping rocks needed.
10. Attended the Education Committee meeting at the Nevada Mining Association. Discussed the upcoming workshop and work that needs to be done to prep for it.
11. Continued work updating the new, non-live website. Worked with Debbie on structure and discussed where remaining documents should be placed. Reviewed the site and prepped it for launch. Contacted StateWeb and had them launch the new website and redirect our old site address to the new address. Debbie and I are happy to report that the new website is now live!
12. Continued work with Debbie on re-vamping the AML database.
13. Worked with NDOW on matching up hazards logged by NDOM that will be investigated in the near future and assessed for bat habitat. Sent Jason Williams (NDOW) information on all hazards within a 10 mile radius of Ely. He will begin working towards revisiting and closing them.
14. Received an inquiry from BLM regarding several sites in the Elko district that had duplicate NDOM numbers. Worked on determining which numbers were correct and assigning new numbers to those that were incorrect.

AML/Public Awareness – Southern Nevada

Bill Durbin

1. Worked with the summer intern crew, Rachel and Erik – AML field investigations, securing's and re-visits in Lincoln County (June 2-5, 2014).
2. Preparation of mineral and rock samples for kits for the 2014 Reno teacher workshop. Completed prep work on minerals: barite, feldspar, calcite, copper ore, quartz and bagged and tagged silver ore samples; rocks: rhyolite, basalt, quartz diorite, conglomerate, schist, quartzite, gneiss and marble.
3. Attended and spoke at an Eagle Scout Court of Honor ceremony for Jacob and Rheuben Trotter who completed AML securing projects in 2008 and 2013.
4. Sent copies of the 2013 AML report to the Eagle Scouts whose photos appear in it.
5. Attended NvMA Education Committee meeting in Reno. Final planning meeting before the 2014 Reno teacher workshop (set-up July 14, workshop July 15-17). 55 teachers signed up as of June 16.
6. Attended NDOM staff meeting via Skype.
7. Prepared and sent out three Eagle Scout AML securing project packets to new Scouts Spencer Pullan, Kyle Lutes and Chase Horlacher (Scouts #184 through 186). All are in Clark County. Site visits and projects will commence after October 1, 2014.
8. Participated in BLM conference call – updates on status of cultural and biological surveys for proposed AML closure projects, northern Nevada. Looking at updates to Clark County closure list for proposed BOR work in fall/winter 2014.

9. Updating land status research for AML sites logged in Lincoln County by interns and staff the week of June 2-6.
10. Work with Rob and summer intern crew in the Austin area of Lander County including new hazards logged, securing's, re-visits/repairs and non-hazards logged.
11. Collected calcite samples for teacher workshop mineral kits from Atlas Gold Bar Mine in Eureka County.

Geothermal, Oil and Gas Other

Lowell Price

1. Erik Langenfeld and I witnessed the surface casing BOPE tests for the McGinness Hills 66C-22 injection well on June 7th. All tests were good. I returned to the McGinness Hills 66C-22 injection well and witnessed the intermediate casing BOPE tests. All tests were good. Erik witnessed the San Emidio 63-21 observation well surface casing BOPE tests on June 30th. All tests were good. I met with the HF Regulations Working Group on June 5th and 11th to review final revisions to the proposed regulations. I witnessed the hydraulic fracturing stimulation of the Noble Energy M10C-M10-11B well on June 3rd, and witnessed the Grant Canyon Blackburn 16 hydraulic fracturing stimulation on June 4th. I reviewed the Noble Energy Marys River MR S25G-S25-33A, MR S25G-S25-22B, MR S12J-S12-23A, and MR S12J-S12-33B permit applications and associated drilling/completion programs. Rich approved all four permits, and issued 35 Conditions of Approval for each permit. No geothermal wells were permitted in June. Two oil related sundries were approved in June, whereas, no geothermal sundries were approved in June.