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RICHARD PERRY
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EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS
JULY 2014

EXECUTIVE SUMMARY

Statutory Programs:

- **Industry and Public Relations** – The Administrator began presentations on the proposed hydraulic fracturing regulations to civic groups and rural County Commissions where oil exploration or production has occurred in the past. This effort will continue in August. To date, Humboldt, Eureka and Lander Counties have responded to the Divisions offer for a presentation.
- **Minerals Education** – Division Staff gave eight presentations which reached 274 members of the public in July. NDOM Staff provided classroom instruction and support for the northern Nevada teacher's earth science workshop, held on July 14-16 at Manogue High School in Reno. 74 teachers participated in the workshop, which is organized by the Education Committee of the Nevada Mining Association. This year's tour was at the Marigold Mine.
- **Abandoned Mine Lands (AML)** – 8 interns completed their eleventh week of AML closure work by the end of July. There have been no vehicle accidents and the scope of AML work is on schedule to be completed by August 15th (week #13). Year-to-date, 667 mine hazards have been logged and 576 have been secured. The 2013 annual AML report was completed and 800 copies were printed. 300 copies were sent to legislators, counties and organizations.
- **Reclamation Bond Pool** - Bond pool activity continued to decline with three reductions and two releases. The pool currently has 114 notice-level bonds and nine plan-level bonds. \$90,859 was transferred from the Bond Pool to the NDOM general fund for the annual reimbursement of administrative expenses.
- **Oil, Gas and Geothermal (OGG) Permitting and Inspections** – Three oil drilling permits were issued to Noble Energy after BLM had approved their Huntington Valley Environmental Assessment in Elko County. Three oil sundries were processed. No geothermal permits were issued and nine sundries were processed. Two geothermal blow-out prevention tests were witnessed, and inspections of oil and geothermal wells were ongoing.

Financial, Personnel and Projects:

- **The Division was fully staffed with 11 full-time employees and the NDOM reserve balance at the end of fiscal year 2014 was \$889,916.** Work on the annual budget was underway in July, with the first submission required on July 31, 2014. Staff will present a briefing on the proposed 2016-17 biennium budget at the next CMR meeting.
- **Bill draft for the CMR-approved changes to NRS 522:** The Governor approved the Commissions' bill draft request for language changes to allow the Commission to set oil and gas permitting fees in NAC 522. The BDR is included in the Governor's "policy-substantive" list of proposed legislative changes. The Commission is now free to contact legislators to discuss support in the 2015 legislative session.
- **Development of regulations for hydraulic fracturing** – Legislative Council Bureau (LCB) legal review of the second draft of the hydraulic fracturing regulations was completed on July 25th, and the draft returned to NDOM. The proposed regulations were posted on the NDOM web site and the hearing to consider adoption by the Commission was officially posted. Written public comment will be accepted through August 15, 2014.

MONTHLY ACTIVITY REPORTS

Reclamation Bond Pool:

Mike Visher

1. Bond pool activity continued to be of the exit variety in July with, three notice-level reductions, and two notice-level bond releases. Late notice letters were sent to 12 participants for non-payment of annual premiums on 19 bonds.
2. Work programs were completed and approved for the transfer of \$90,859 from the bond pool account to the Division's general account for reimbursement of expenses incurred for administering the bond pool.
3. End-of-July financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to:	7/31/2014						
Plan-level Bonds -Company	Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole	
Custom Details	Bovie-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%	114 Notice-level bonds				
Total Bond Amount			\$2,932,286.16	100.00					
Cash in Pool's Account (From BSR - 7/31/14)			\$3,791,856.24						
Unfunded Amount			-\$859,570.08						
Percent funded				129.3%					

Mining, Land and Other Issues:

Mike Visher

1. Continued work on the 2013 annual status and production report data in preparation for the Major Mines publication.
2. Researched current and potential plans of operation for forecasting of \$20/acre surface disturbance fee revenues.
3. Assisted Linda with biennial budget preparation and forecasts of revenue and expenditures.
4. Lowell and I witnessed an all-night BOPE test by Ormat at the Steamboat 21-32 well. A BOPE test at the same well was witnessed by Lowell, while Erik and observed the test via the internet utilizing Thermasource's TopHand data recorder.
5. Drafted the notes from the May 28th well spacing task force meeting.

Abandoned Mine Lands Program-Chief

Robert Ghiglieri

1. Finished the 2013 Abandoned Mine Lands Report, 800 copies were printed with over 300 copies sent to different organizations.
2. 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.
3. Presented the AML program to over 30 citizens during the Virginia City Muckfest.

4. Planned week 6 intern field work, prioritizing work around the Austin area due to a concerned citizen phone call.
5. 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.

AML Hazard Statistics

	SITES DISCOVERED	SITES SECURED	% SECURED	TOTAL UNSECURED	% UNSECURED STATEWIDE
Carson	76	76	100%	0	0.00%
Churchill	707	567	80%	140	3.60%
Clark	2,153	1,678	78%	475	12.20%
Douglas	203	194	96%	9	0.23%
Elko	776	578	74%	198	5.09%
Esmeralda	2,789	2,361	85%	428	10.99%
Eureka	775	706	91%	69	1.77%
Humboldt	797	700	88%	97	2.49%
Lander	591	494	84%	97	2.49%
Lincoln	711	566	80%	145	3.72%
Lyon	1,028	879	86%	149	3.83%
Mineral	1,619	1,346	83%	273	7.01%
Nye	2,587	1,919	74%	668	17.16%
Pershing	1,584	1,079	68%	505	12.97%
Storey	197	171	87%	26	0.67%
Washoe	445	395	89%	50	1.28%
White Pine	1,518	953	63%	564	14.49%
TOTAL (Since 1987)	18,556	14,662	79%	3,894	100.00%
2014 Year to Date	667	576	86%		

Data as of 8/04/2014

AML / GIS

Rachel Wearne

1. Completed routine back-up and archiving of the AML photo database.

2. Completed database QA/QC on new sites inventoried, existing hazards, and new non-hazards. Made changes and added missing information for features in the Access Database.
3. Completed planning for the interns 10 day trip to Elko and White Pine Counties. Printed maps and assembled all hazard ID sheets for sites to visit in the area. Worked with the summer interns in the office on land research using BLMs LR 2000 to determine where securing work could be completed. Came up with a rough plan for the 10 day trip. All work not completed during this trip will be addressed during the last field week (August 4th – 8th) in White Pine County.
4. Received several new hazards from the BLM logged in Lander and Elko Counties. Began working on adding this new information to the database and assigning new hazard ID numbers to the sites inventoried. Added photos to the archive and informed BLM of the new hazard ID numbers. We continue to receive information on new hazards logged in the Elko District.
5. Traveled to the Desert Queen Mine in Churchill County with Jenni Jeffers (NDOW) in order to conduct underground surveys on two adits and assess additional sites for bat habitat. These features will be closed (method dependent upon habitat potential) as time and money allow.
6. Continued to update and maintain the new website.
7. Created posters and assembled all materials needed for the Teacher Workshop that will be held the week of July 14th.
8. Attended the Teacher Workshop at Bishop Manogue High School in Reno. Taught two classes – one on rocks and the other on minerals to a total of 23 teachers. Discussed career opportunities in the mining industry with all 74 teachers in attendance. Assisted with a field trip to the Gold Building at the Bureau of Mines and Geology. Discussed the geology and flora in the area with the teachers and assisted in rock and mineral identification. Traveled to Marigold Gold Mine with several of the teachers for the optional day tour.
9. Researched different options for geotagging cameras and forwarded recommendations onto Rob.
10. Worked with Jason Williams (NDOW) on resolving several issues with hazards in White Pine County. Assigned new numbers to sites inventoried by Jason and sent the new numbers to him. Added these new sites and photos to the AML database.
11. Attended a 4-H camp in Stateline and presented to a total of 120 students ranging in age from 9 to 14. Valerie and I presented the metamorphic sandwich activity and discussed the importance of rocks and minerals and mining in Nevada. The students were largely from Churchill, Pershing, and Lander Counties and all received AML Swag.
12. Received new securing information from Ken Maas (USFS) on closures done on USFS land in July. Added the new information to our records.
13. Worked on a concept design for an NDOM logo.
14. Attended a meeting with John Callan (AML Lead BLM), Jenni Jeffers (NDOW), and Rob in order to discuss future AML closure work and bat compatible closures. Discussed our list of priorities and will continue to meet and move forward on this matter.

AML/Oil/Gas/Geothermal/GIS

Erik Langenfield

1. BOP Test- San Emidio Geothermal field
2. Updated 4 COA's with new header and submitted them to Linda
3. Arc Map Online Training- editing portion
4. Field- Oasis Divide for the week (Interns)
5. Teachers Workshop- Helped set up, make mineral and rock boxes, aided in Bill's classes, field trip to Marigold.
6. Researched geothermal and drilling topics and activities for next teachers workshop class.
7. Updated Oil and Gas Map with current wells
8. Arc Map Online Training- Creating Shape files portion

AML/Public Awareness – Southern Nevada

Bill Durbin

1. Updating and copying materials for the Reno 2014 teacher workshop.
2. Purchasing and assembling hands-on session materials for the Reno teacher workshop.
3. Prepped and sent a sample of southern Nevada Aztec sandstone to the National Mining Hall of Fame and Museum for a new display of the State Rocks of the United States.
4. Updating land status research for AML sites logged in Lincoln County during Week 3 of the summer intern program.
5. Participated in the bi-monthly BLM/BOR conference call and progress report on the BOR AML closure project. Closure work currently being done in Pershing and Humboldt Counties
6. Participated in a conference call with John Callan (BLM-NSO) and Lorri Dee Dukes (BLM-LVFO) regarding future AML closures in Clark and Southern Nye Counties (Las Vegas Field Office region). Debbie prepared a spreadsheet with 545 hazards in Clark County and 155 in southern Nye County to be evaluated for permanent closure. Discussed the Jetco/Roman Mine site southeast of Searchlight with haz-mat issues and unlogged AML sites.
7. Updated land status research for AML hazards in Southern Nye County.
8. Attended an Open House/Public Meeting sponsored by Clark County Real Property Management and Stantec Engineering regarding Phase 1 of the proposed Gypsum Ridge Trail and Park. This phase is located approximately 2 miles north of the northern-most workings of the Arden Gypsum Mine and has no connection to roads accessing the mine.
9. Las Vegas office staff traveled to Reno for the 2014 northern Nevada teacher workshop. Debbie assisted with registration and credit, teacher “goodie bag” stuffing, classroom assistance, tear-down and packing workshop materials. Bill assisted with unpacking, filling mineral and rock box kits, coordinated four workshop classroom sessions (teaching 7 hands-on activities), helped coordinate Cashman Equipment/McClelland Labs tour, tear-down and packing workshop materials. Return travel to Las Vegas.
10. Collected basalt, rhyolite tuff and schist samples on the return trip from Reno for use in 2015 teacher workshop rock kits.
11. Conducted a short reconnaissance site visit to the Bonnie Claire millsite in Nye County reported by John Callan (BLM-NSO).
12. Received calls from three prospective Eagle Scout candidates looking for AML securing projects.
13. Conducted Derek Mathews’ Eagle Scout project reconnaissance site visit – Fairview Peak area north of Pioche in Lincoln County. Seven AML hazards will be secured for Derek’s project.
14. Debbie worked with Linda on FY2016-2017 budget.
15. Conducted claim ownership research for AML hazards in Lincoln County.
16. Las Vegas staff participated in a staff meeting via Skype.
17. Completed and sent out an Eagle Scout project package for new Scout Michael Frehner (Scout #187). Four mine openings will be secured at the Arden Mine in Clark County.
18. Refurbishment completed by Skyline Exhibits (Las Vegas) on the Carson City display unit. Work on the Las Vegas display unit is in progress.

Geothermal, Oil and Gas Other

Lowell Price

1. During the month of July, three wells for Noble Energy (K1L-1V, K1L-2D, and K2J-1D) were reviewed and approved. All three of the permitted drill locations are in Huntington Valley. Three oil-related sundry notices were reviewed and approved during July. No geothermal drilling permits were approved, but nine sundry notices were reviewed and approved during July. Rich, Bryan, and I met with Dave Gaskin and Alan Tinney to discuss the NDOM – NDEP MOU on July 2nd. Rich, Mike, Art, and I went to the UNR Seismological Laboratory to meet with UNR staff and staff from the BLM State Office. The group discussed UNR’s ability to monitor seismic events in Nevada. Mike and I witnessed the surface casing BOPE tests at the Steamboat 21-32 well on July 14th-

15th. Attended the BLM Oil & Gas Lease Sale on July 17th, where 27 or 102 parcels were leased. Attended the NGC meeting and luncheon on August 17th. Doug Brown, Dixie Valley Site Manager, gave a discussion concerning the operational aspects of the binary plant at Dixie Valley. Witnessed the intermediate casing BOPE tests at the Steamboat 21-32 well on July 24th. Rich, Mike, Erik Langenfeld, and I met on July 31st with Gary Johnson and John Menghini of the BLM State Office to discuss the current MOU between the agencies, as well as possible amendments to the MOU. There were also discussions related to AML and to the potential plugging of oil and geothermal wells.