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**RICHARD PERRY**  
Administrator

## EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS SEPTEMBER 2014

### EXECUTIVE SUMMARY

- Industry and Public Relations – Presentations on Nevada mineral production and the new hydraulic fracturing regulations were given at the Nevada Mining Association annual meeting and to the Rotary Club of Sparks.
- Minerals Education – Division Staff gave 3 presentations which reached 880 people. Mike Visher and Commissioner John Snow attended the annual geothermal conference in Portland, Oregon. The Division had a booth at the Conference.
- Abandoned Mine Lands (AML) Year-to-date, 803 mine hazards have been logged and 733 have been secured.
- Reclamation Bond Pool. In the notice-level bond pool, there was one release, one reduction and two new bonds executed in September. There remain five unpaid bond premium payments, due June 30<sup>th</sup>, from three participants.
- Oil, Gas and Geothermal (OGG) Permitting and Inspections – No geothermal or oil/gas permits were issued during September. 20 geothermal and 6 oil sundries were processed and approved. Noble Energy spudded the K1L-1V well near Jiggs, Nevada, on September 24<sup>th</sup>. One oil field was inspected.

#### Financial, Personnel and Projects:

- The Division was fully staffed with 11 full-time employees and the NDOM reserve balance at the end of August was \$717,840. NDOM 's 2016-17 budget was presented to the State budget committee at a meeting on September 16<sup>th</sup>. We received positive comments from the Governor's Chief of Staff on the format and content of our budget presentation.
- The Division had its' first-ever employee family picnic at Washoe Lake State Park on September 13<sup>th</sup>. Family members and interns attended, and Commissioner Bryan presented a plaque in appreciation of Rachel Wearne's years of work and accomplishments with the Division.
- Bill draft for the CMR-approved changes to NRS 522: An edited draft of BDR 46-344 was received from the Legislative Council Bureau. The final draft will go public in mid-December. The Administrator and some Commissioners have been discussing the bill and seeking the support of Nevada legislators. Passage of this bill is critical for NDOM's ability to oversee the new hydraulic fracturing regulations.
- The Mining Claim fee task force met via conference call on 9/15 to develop recommendations to be presented at the next CMR meeting on December 11<sup>th</sup>.
- The Geothermal fee task force met on 9/10 at NBMG in Reno to discuss possible fee increase recommendations to be presented at the next CMR meeting on December 11<sup>th</sup>.
- Development of regulations for hydraulic fracturing – The Mining Oversight and Accountability Commission (MOAC) reviewed the new regulations at their September 24 meeting. After a presentation, public comment and some discussion and questions, MOAC voted 4-0 in favor of recommending approval to the Legislative Commission. The regulations are on the agenda for the legislative commission on October 24, which is the final step in the process before being recorded by the Secretary of State.

## MONTHLY ACTIVITY REPORTS

### Reclamation Bond Pool:

Mike Visher

1. In the notice-level bond pool, there was one release, one reduction and two new bonds executed in September. There remain five unpaid bond premium payments, due June 30<sup>th</sup>, from three participants. Each participant was sent a 30-day notice letter of impending termination; the BLM was copied on each letter.
2. End-of-September financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to: 9/30/2014						
Plan-level Bonds -Cor	Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	Bond Whole
Custom Details	Bovie-Lew	11/17/2006	\$25,364.00	0.8%		\$ 12,217.11	\$17,710.10	118.0%
Art Wilson	Silverpeak	9/5/1991	\$124,017.00	3.8%		\$ 18,602.55	\$126,611.93	117.1%
Nevada Rae	Black Rock Can	4/15/2005	\$369,255.00	11.3%		\$ 197,937.54	\$212,421.42	111.1%
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	12.2%		\$ 213,055.61	\$210,754.58	107.2%
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	6.4%		\$ 31,485.00	\$174,104.44	<b>97.9%</b>
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.4%	terminated	\$ -		
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.1%	terminated	\$ -		
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.5%	terminated	\$ -		
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	1.9%		\$ 30,664.40	\$27,173.54	<b>95.3%</b>
Dun Glen Mining	Dun Glen	8/11/2014	\$359,155.00	11.0%		\$ 192,159.52	\$30,287.99	<b>61.9%</b>
<b>Statewide Notice-Level</b>	<b>Various</b>	<b>various</b>	<b>\$1,450,510.00</b>	<b>44.6%</b>	<b>109 Notice-level bonds</b>			
<b>Total Bond Amount</b>			<b>\$3,255,040.16</b>	<b>100%</b>				
<b>Cash in Pool's Account (From BSR - 9/30/14)</b>			<b>\$4,014,357.16</b>					
<b>Unfunded Amount</b>			<b>-\$759,317.00</b>					
<b>Percent funded</b>			<b>123.3%</b>					

### Mining, Land and Other Issues:

Mike Visher

1. Completed the 2013 Major Mines publication, with the final delivered for printing and a digital version uploaded to the NDOM website.
2. Prepared budget and submitted necessary paperwork for \$50,000 financial assistance request from BLM.
3. Continued populating 2013 and 2014 well inspection data into risk assessment database.
4. Met with auditor from the Division of Internal Audits to review compliance with the Legislative Audit's recommendations. Supplied additional information and back-up documentation as requested.
5. Worked with Lucia in preparation of mining claim statistics derived from the BLM's LR2000 dataset.

6. Traveled to Portland for the joint Geothermal Resources Council and Geothermal Energy Association Expo; participated as an exhibitor providing information and handouts on geothermal activities and regulations in Nevada.

**Abandoned Mine Lands Program-Chief**

Robert Ghiglieri

1. Responded with maps, photos, and any other information to claimants from the 8/15/2014 notification; as well as, maintain the AML database with all response and securing information received from the claimants.
2. Planned and executed the multi week Pyramid Closure Project. The project included the night installation and monitoring of wildlife exclusion netting and seven days of closure work. A total of 10 hazards were filled or polyurethane foam plugged and one owl cupola was built.
3. Requested a \$21,713 reimbursement from the USFS Humboldt-Toiyabe National Forest for AML work completed on HTNF lands since February 2014.
4. Requested \$50,000 from the BLM to complete the Tonopah Closure Project. A total of 25 hazards will be backfilled or grated during this winter.
5. Inventoried 7 new hazards and 11 non-hazards with Lucia in Silver City.
6. Held a meeting with the NDEP regarding the similar values that will occur between the new NDOM AML database and the new NDEP AML database. The databases will be built side by side by the Army Corps of Engineers using the RAMS funding.
7. Gave an AML update to Dennis Stoddard from the Department of Administration in regards a follow up from the 2013 Legislative Audit.
8. Performed underground wildlife surveys with Jenni Jeffers from NDOW on the Bunker Hill complex in Carson City. Determined the closure method for all six hazards and gave the recommendations to the Sierra Front BLM Office.
9. Visited an Eagle Scout Project Location with Ryan Lucky so he could start his project planning.
10. Held a meeting with John Callan from the BLM to discuss the future closure projects and the possible funding available from the BLM.
11. Researched the digital field logging platforms available for the AML program.

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	3.72%
Clark	2,153	1,680	78%	473	12.58%
Douglas	204	195	96%	9	0.24%
Elko	783	579	74%	204	5.43%
Esmeralda	2,789	2,373	85%	416	11.07%
Eureka	774	707	91%	67	1.78%
Humboldt	797	700	88%	97	2.58%
Lander	589	495	84%	94	2.50%
Lincoln	711	572	80%	139	3.70%
Lyon	1,035	958	93%	77	2.05%
Mineral	1,620	1,347	83%	273	7.26%
Nye	2,592	1,938	75%	654	17.40%
Pershing	1,584	1,099	69%	485	12.90%

Storey	197	176	89%	21	0.56%
Washoe	445	395	89%	50	1.33%
White Pine	1,554	994	64%	560	14.90%
<b>TOTAL (Since 1987)</b>	<b>18,610</b>	<b>14,851</b>	80%	3759	100.00%
<b>2014 Year to Date</b>	<b>733</b>	<b>803</b>	110%		

Data as of 10/01/2014

### AML / GIS

Lucia Patterson

On the job training completed with Rachel Wearne as an intern. Tasks included:

- AML data base training
- AML data entry
- Owner Research for 2014 hazard loggings
- Intern planning training
- Data transmittal (BLM & USFS) training
- Field hazard-non hazard logging
- Wildlife exclusions

1. General organization for incumbent employees
2. Owner research for 2014 hazard loggings
3. Assisted in hazard closures out by Pyramid and out at Bunker Hill with Rob and Erik.
4. Claim research to identify producing claimants vs non-producing claimants for statistical data to be considered for proposed claim fee increases
5. Compilation of current exploration projects taking place in Nevada for the Nevada Division of Minerals presentation to be given at the Nevada Mineral Exploration Coalition on October 10th, 2014. This consisted of extensive company outreach and internet research.
6. Software/Hardware research for new AML field logging options

September Meetings Attended:

1. NDOM staff meeting
2. Education committee meeting
3. SRK
4. GSN meeting
5. NDEP (Jeryl Gardner)-NDOM meeting
6. BLM (John Callan)-NDOM meeting

### AML/Oil/Gas/Geothermal/GIS

Erik Langenfield

1. Mail Out Response/ Address Corrections
2. Completed Esmeralda land research for 2014 hazards
3. Eagle Scout Hazard Recon.
4. Mineral County Land Research
5. Lithium research
6. Geothermal fee increase meeting
7. Pyramid lake shaft and adit owl and bat exclusions
8. Staff meeting, (Debbie's) data base fixes
9. Brunswick canyon/ Bat closure, hard closures recon
10. Brunswick Canyon securing's/ data entry

11. Geothermal Fee data comp
12. Pyramid Closures
13. Noble Tests

### **AML/Public Awareness – Southern Nevada**

Bill Durbin

1. Completed write-up of site visit to the Beatty area location of a possible mining claim monument issue.
2. Site visit to a millsite south of Henderson with Las Vegas Review-Journal reporters. The millsite was the scene of a June 2014 incident involving a fire and explosion resulting in injuries. This was not an AML-related incident.
3. Provided mineral and rock kits and hand-specimen rock and mineral samples to two teachers from Advanced Technologies Academy High School.
4. Scheduled six mineral education presentations at Las Vegas area schools for late September and late October, 2015.
5. Attended Division staff meeting. Updates on public outreach and AML activities in Southern Nevada.
6. Las Vegas staff attended the Division picnic at Washoe Lake State Park.
7. Attended NvMA Education Committee meeting in Reno. Planning for the 2015 Las Vegas and Reno teacher workshops and other up-coming events.
8. Participated in the monthly BLM/BOR conference call – updates and planning for the next rounds of AML permanent closures. Cultural and archaeological work will soon commence on the latest Clark County list of proposed sites on the Boulder City NW (4 sites) and Goodsprings (128 sites) quadrangles. A list of Lincoln County hazards has been requested by the Ely BLM for closure work to be performed using newly obtained Southern Nevada Public Lands Management Act (SNPLMA) Round 14 funding.
9. Field investigations conducted with Lorri Dee Dukes (Southern Nevada BLM Field Office) at an abandoned mill (?) site where a June 2014 fire and explosion injured several teenagers. Also investigated were two AML hazards proposed for permanent closure.
10. Investigated and ranked 15 hazards and logged 3 non-hazards at the Johnnie Mine on patented mining claims deeded to the Pahrump Valley Museum and Historical Society.
11. Secured 15 AML hazards at the Johnnie Mine in Nye County. Six people associated with the Pahrump Valley Museum participated in the securing work with materials provided by NDOM.
12. AML presentation and training given to the 6 volunteers who secured the mine openings at the Johnnie Mine in Nye County – September 20, 2014.
13. Conducted land status research, completed hazard inventory sheets and non-hazard sheets for the Johnnie Mine field investigations.
14. Presented five 80-minute sessions of “Mineral Industry Careers”, “Minerals and Commodities”, “Birdseed Mining Revisited”, “Paste with a Taste” and AML to 93 senior students at Advanced Technologies Academy High School – Las Vegas. Two sessions on September 24, 2014 for 35 students, three sessions on September 25, 2014 for 58 students.
15. Received an e-mail with photos from a concerned citizen regarding a dangerous unsecured shaft in Tybo, Nye County. The shaft was identified as NY-1617 and was found secured when inventoried by a concrete slab cap. The ground around the cap has eroded and the concrete slab has partly fallen into the 100'+ deep shaft. Land research was conducted and an owner found. Property owner has been notified by letter to re-secure the shaft.
16. Updated land ownership research on AML sites in Esmeralda County.
17. Work in progress on Cultural Resource Avoidance Certifications for AML securings completed on BLM land in Clark and Nye Counties.
18. Attended Southern Nevada Chapter GSN meeting.

## **Geothermal, Oil and Gas Other**

Lowell Price

1. Participated in discussions with Western General, Foreland Refinery, and MMS (federal royalty oversight agency) concerning a royalty dispute related to Western General utilizing a diluent to produce oil in the Kate Springs Field. This situation has not been resolved.
2. I attended two BLM Oil & Gas Lease Sales on September 9<sup>th</sup> (9 of 71 parcels sold), and the BLM Geothermal Lease Sale on September 10<sup>th</sup> (1 of 2 parcels offered sold).
3. No geothermal or oil/gas permits were issued during September.
4. Noble Energy spudded the K1L-1V well near Jiggs on September 24<sup>th</sup>. Erik was on location for the running and cementing of the surface casing, and associated casing pressure test. I witnessed the running, cementing, and pressure testing of the intermediate casing on the Noble well. All of the Noble operations went smoothly without any issues.