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RICHARD PERRY
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EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS NOVEMBER 2014

EXECUTIVE SUMMARY

- Industry and Public Relations – During the week of November 17-22, Lucia Patterson and Rich Perry toured exploration projects, mines, geothermal fields and oil wells in Nevada. Presentation materials were organized by Lucia to be given at the AMEA and GSN conferences, and to the Governor's offices of Economic Development (GOED) and the Governor's office of Energy.
- Minerals Education and Outreach – 23 presentations were given which reached 839 Nevada citizens: 22 Eagle Scouts, 413 students and 170 adults in civic and trade groups. Bill Durbin delivered minerals and commodities presentations at Southern Nevada Schools and organized many Eagle Scout service projects.
- Abandoned Mine Lands (AML) Year-to-date, 777 mine hazards have been logged and 905 have been secured. Work continued on the AML Database Upgrade Project with Terra Spectra Geomatics. This project addresses replacement of the current ACCESS AML database with a SQL-platform database to be hosted and backed up on the State Enterprise Information Technology Services (EITS) network. The database, including all maps and photos, will be directly accessible through the internet for designated users. This project is funded through the Army Corps of Engineer' RAMS (Restoration of Abandoned Mine Sites) program.
- Reclamation Bond Pool. In the notice-level bond pool, there was one new bond issued, and three terminations for non-payment of the annual fee. Total bonding liability was unchanged at \$3.23 M.
- Oil, Gas and Geothermal (OGG) Permitting and Inspections – No oil & gas or geothermal drilling permits were issued; 6 oil & gas and 3 geothermal sundries were reviewed and approved. Noble Energy completed drilling of the Mary's River S25G-S25-33A well. Noble Energy's Huntington K1L-1V well near Jiggs and Makoil's Portuguese Mountain 14A-12 well in Railroad Valley were hydraulically fractured. Division Staff were on-site for inspections of both stimulation treatments, which were completed with no incidents. Well inspections of existing oil and geothermal fields continued throughout the month. No violations were found.

Financial, Personnel and Projects:

- The Division was fully staffed with 11 full-time employees and the NDOM reserve balance at the end of November was \$1,528,132. George Bishop has announced his retirement effective January 2, 2015 from the Division after 20 years of service.
- BDR 46-344: The CMR's bill to change the way oil and gas permit fees are set will be made public on December 22, 2015. Bill tracking for the 2015 session can be set up at: <https://www.leg.state.nv.us/App/NELIS/REL/78th2015/Plt>
- The final 2013 LCB Audit final meeting was held on December 2, 2014. The Administrator fielded one question from Assemblywoman Carlton regarding physical inspections of oil and gas wells. LCB auditors concluded that the corrective actions proposed in early 2014 had been implemented. The Legislative Committee voted to accept the final report, completing the audit process. The Division implemented four corrective actions during this process: 1. Inspect oil and geothermal wells on a 1, 3 or 5 year cycle based on an ongoing assessment of high, medium and low risk categories. 2. Document field inspections of oil and geothermal well in a database, 3. Obtain credible evidence via field inspections or other means that blow-out prevention tests for geothermal wells are being performed, and 4. Establish a follow-up process to ensure that parties are notified of their responsibility to secure AML hazards, including referral to County Commissions.

MONTHLY ACTIVITY REPORTS

Reclamation Bond Pool:

Mike Visher

1. November was extremely quiet for bond pool activity with just one addition. The quarterly premium due September 30 has not been received from Nevada Rae. A 30-day notice letter will be sent in December advising them of pending termination if payment is not received. Two operators with three notice-level bonds were terminated from participation in the bond pool due to non-payment of the annual premiums due by June 30th. The BLM NSO was copied on the termination letters. Invoices were mailed to all plan-level and all December cycle notice-level participants reminding them of the December 30th due date for premiums.
2. End-of-November financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to: 11/30/2014						
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	0.8%		\$ 12,217.11	\$17,900.33	118.7%
Art Wilson	Silverpeak	9/5/1991	\$124,017.00	3.8%		\$ 18,602.55	\$126,611.93	117.1%
Nevada Rae	Black Rock Canyon	4/15/2005	\$369,255.00	11.4%		\$ 197,937.54	\$215,190.83	111.9%
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	12.2%		\$ 213,055.61	\$213,720.94	107.9%
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	6.5%		\$ 31,485.00	\$176,728.19	99.2%
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.4%	terminated	\$ -	\$0.00	
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.1%	terminated	\$ -	\$0.00	
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.5%	terminated	\$ -	\$0.00	
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	1.9%		\$ 30,664.40	\$28,678.44	97.7%
Dun Glen Mining	Dun Glen	8/11/2014	\$359,155.00	11.1%		\$ 192,159.52	\$30,287.99	61.9%
Statewide Notice-Level	Various	various	\$1,429,295.00	44.2%	108 Notice-level bonds			
Total Bond Amount			\$3,232,825.16	100%				
Cash in Pool's Account (From BSR - 11/26/14)			\$4,006,521.84					
Unfunded Amount			-\$773,696.68					
Percent funded				123.9%				

Mining, Land and Other Issues:

Mike Visher

1. Attended a webinar on Induced Seismicity as it relates to oil and gas activities.
2. Agreed to provide a presentation on Nevada's newly passed hydraulic fracturing regulations at the upcoming National Governors Association Forum for Responsible Shale Development in Salt Lake City. Attended pre-forum panel conference call and submitted PowerPoint presentation.
3. Worked with Lowell to draft findings from the Well Spacing Task Force for presentation at December CMR meeting.
4. Responded to assorted requests for information relating to claims, mining, production, royalties, mine facilities, etc.

Abandoned Mine Lands Program-Chief

Robert Ghiglieri

1. Created work flow diagrams for the AML program that is associated with the current database so TerraSpectra Geomatics could incorporate the flow charts into the design of the new AML database.
2. Responded with maps, photos, and any other information to claimants from the 10/24/2014 reminder notification; as well as, maintain the AML database with all response and securing information received from the claimants.
3. With NDOW performed a wildlife survey in the Desert Queen Mine in Churchill County. Revisited 20 hazards, logged 62 non-hazards. Updated the Categorical Exclusion (CX) for the Desert Queen closure project.
4. Lucia and I represented mining at the 2014 Caughlin Ranch Science Night at Caughlin Ranch Elementary. We presented to nearly 150 3-6 grade students on the importance of mining.
5. Performed an Eagle Scout Project with Ryan Newman in Washoe County. A total of four hazards were secured.
6. I meet John Callan and Ken Loda from the BLM to resolve AML hazards in the Seven Troughs range. Logged one new hazard and 12 non-hazards
7. With Erik and Lucia we researched over 400 hazards ownership status to prepare for the annual fall new owner notification mail-out.
8. Performed the annual fall new owner notification mail-out; a total of 769 hazards to 162 claimants.
9. EPS built two bat compatible hard closures in Douglas County north of Artesia Lake (NDOW funded).
10. Continued to work on the new AML database with TerraSpectra Geomatics.

AML Hazard Statistics

COUNTY	SITES DISCOVERED	SITES SECURED	% SECURED	TOTAL UNSECURED	% UNSECURED STATEWIDE
Carson	76	76	100%	0	0.00%
Churchill	707	570	81%	137	3.69%
Clark	2,150	1,687	78%	463	12.47%
Douglas	204	200	98%	4	0.11%
Elko	783	579	74%	204	5.49%
Esmeralda	2,793	2,377	85%	416	11.20%
Eureka	774	707	91%	67	1.80%
Humboldt	797	700	88%	97	2.61%
Lander	589	506	86%	83	2.23%
Lincoln	722	575	80%	147	3.96%
Lyon	1,035	963	93%	72	1.94%
Mineral	1,620	1,347	83%	273	7.35%
Nye	2,614	1,953	75%	661	17.80%
Pershing	1,590	1,114	70%	476	12.82%
Storey	197	176	89%	21	0.57%
Washoe	445	401	90%	44	1.18%
White Pine	1,554	1005	65%	549	14.78%
TOTAL (Since 1987)	18,650	14,936	80%	3714	100.00%
2014 Year to Date	777	905	116%		

Data as of 12/08/2014

AML / GIS

Lucia Patterson

1. Updated AML photo archive
2. Updated hazard rank monthly
3. Backed up M drive (Every day that I was in the Office)
4. Field trip preparation (~1 day)
5. Field trip through Nevada visiting exploration and producing properties (5 days)
6. Worked on/completed presentation for the American Exploration and Mining Association annual meeting (~3 days)
7. Entered owner responses to hazard notification in to database (1 day)
8. Compiled statistics on the AML data base for the December 11th commissioners meeting (2 hrs)
9. Verified/updated owner information in AML data base (~3 days)
10. Completed land research for upcoming AML notification (1 days)
11. Attended AEMA (3 days)

Meetings Attended:

1. 11/5/2014 Meeting with Rob and Erik about AML database workflow
2. 11/25/2014 Staff Meeting

November Public Outreach-Education:

1. 11/13/2014 Science Night at Coughlin Elementary

AML/Oil/Gas/Geothermal/GIS

Erik Langenfeld

1. Mail Out Response/ Address Corrections
2. Ownership Research
3. Access Class
4. Geothermal Database Cleanup
5. Stillwater Map Update
6. Geothermal Database Cleanup
7. AML Mail out
8. Oil & Gas training in Austin, Texas: <http://www.topenergytraining.com/TOPCORP>

AML/Public Awareness – Southern Nevada

Bill Durbin

1. Completed Spencer Pullan's Eagle Scout project reconnaissance site visit on Saturday, November 1, 2014. 8 hazards will be secured at an abandoned room and pillar gypsum mine southeast of Moapa in Clark County. Discussed the AML program and "Stay Out and Stay Alive" with Spencer and his father (2).
2. Las Vegas office staff met with Elaine Ezra, Larry Tinney and Dave Brickey of Terra-Spectra Geomatics for discussion of the proposed new AML database system.
3. Meeting with John Landreth and Daniel Cordier of Molycorp. Arranged with John a tour of the Mountain Pass facility for the 2015 Las Vegas teacher workshop.
4. Filed a report with the White Pine County Sheriff's Office regarding old blasting caps discovered in an adit (WP-1497) on BLM land in the Egan Range. The caps were noted during bat surveys conducted by the Nevada Division of Wildlife. Sent WPSO location maps, photos and hazard inventory sheet. Also reported discovery to John Callan at the BLM-NSO and Melanie Peterson at the Ely BLM office. WPSO and BLM will coordinate disposal efforts.

5. Prepped materials and handouts for classroom presentations at Cashman Middle School scheduled for Nov. 12-14.
6. Conducted AML claim research for hazards in Esmeralda County – follow-up to a claimant notification letter.
7. Attended Eagle Scout Court of Honor ceremony for Jonathan Rolle and Max Ridenour of Troop 931 on November 8, 2014. Both boys secured abandoned mines for their Service Projects. Made a short AML presentation and presented each Scout with a framed Certificate of Appreciation. Total of 60 attendees.
8. Presented 15 sessions of “Minerals and Commodities”, “Paste with a Taste” and AML for 7th grade students at Cashman Middle School. Five 60 to 80-minute sessions per day on November 12, 13 and 14, 2014. Total of 571 students.
9. Prepped materials for Mark Bowler’s Eagle Scout Service Project scheduled for Saturday, November 15.
10. Blasting caps found in adit (WP-1497), reported last week, were disposed of by staff from the White Pine County Sheriff’s Office on November 13, 2014.
11. Completed Mark Bowler’s Eagle Scout Service Project. Six abandoned mine openings were secured at the Arden Mine on the west side of Las Vegas. This is the 153rd completed project. To-date Scouts have secured 691 hazards and repaired 136 previously secured hazards.
12. Met staff geologist and archaeologist from the Caliente BLM Field Station at the Mackie Perlite Mine, South Pahroc Range in Lincoln County. Evaluating the safety of underground room and pillar mine workings and discussion of permanent closure methods.
13. Investigated and ranked 11 hazards and logged 5 non-hazards at the Mackie Perlite Mine in Lincoln County.
14. Attended McCaw School of Mines Foundation Board meeting. Discussed NDOM's nomination of the McCaw School of Mines for the 2015 IMCC Excellence in Education Public Outreach Award.
15. Logged in 4 AML securings completed in Lincoln County by United Delamar Mining Company (follow-up to notification letter).
16. Prepped materials for Ethan Francis’ Eagle Scout Service Project scheduled for 11/22.
17. Completed Ethan Francis’ Eagle Scout Service Project on November 22, 2014. Five abandoned mine openings were secured at the Arden Mine on the west side of Las Vegas. This is the 154th project. To-date Scouts have secured 696 hazards and repaired 136 previously secured hazards.
18. Las Vegas staff attended NDOM monthly staff meeting via Skype.

Geothermal, Oil and Gas Other

Lowell Price

1. No oil or geothermal permits were issued during the month of November. Noble Energy completed drilling the Marys River S25G-S25-33A well. Noble Energy released the H&P drilling rig. During the month of November six oil and four geothermal sundries were reviewed and approved. BLM Elko personnel and I witnessed the hydraulic fracturing of the first stage in Noble Energy’s Huntington K1L-1V well near Jiggs. During my trip to the Elko area, I inspected five wells in Pine Valley south of Carlin, which were two wells in Kirkwood’s North Willow Creek Field and three wells in Andromeda’s Tomera Ranch Field. All wells were in good order. BLM Ely personnel and I witnessed the hydraulic fracturing of Makoil’s Portuguese Mountain 14A-12 in Railroad Valley. During my trip to Ely and Railroad Valley, I inspected SAM Oil’s 27-1R exploratory well west of Ely, one well at Makoil’s Currant Field (Railroad Valley), one well at Makoil’s Duckwater Creek Field (Railroad Valley), and twelve wells at Makoil’s Trap Spring/Munson Ranch Field (Railroad Valley). All wells were found to be in good order. Erik and I attended a two day class related to Microsoft Access databases. We will attend part two of the training in mid-December. Reviewed Petro-Hunt’s application permit and associated drilling/completion program for their proposed Jake Valley 1 well.

