



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.nv.gov/>

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 DECEMBER 2014

EXECUTIVE SUMMARY – Rich Perry

- Industry and Public Relations – Mike Visser gave a presentation on Nevada’s hydraulic fracturing regulations at the National Governor’s Association Forum for Responsible Shale Development in Salt Lake City. The Administrator gave presentations to the Mining Oversight and Accountability Commission (MOAC) and Governor’s Office of Economic Development (GOED) and Governor’s office of Energy. The GOED meeting explored the possibility of linking private out-of-state financing sources with Nevada mineral projects in need of financing. NDOM completed a second draft of the joint NDEP-NDOM memorandum of understanding (MOU), outlining each agency’s involvement with oil and gas permitting and compliance. The final MOU is nearing completion.
- Minerals Education and Outreach – 24 presentations were given which reached 781 citizens: 443 students in Nevada schools, 224 adults in civic and trade organizations, and 114 in public forums.
- Abandoned Mine Lands (AML) : For calendar 2014, a total of 781 mine hazards were discovered and logged, and 887 AML sites were 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 current project schedule has the database up and running by May 1, 2015.
- Reclamation Bond Pool: No new bonds were issued. There were two notice-level bond pool increases and three decreases. Total bonding stands at \$3.22 M. The pool has room for small plan-level projects.
- Oil, Gas and Geothermal (OGG) Permitting and Inspections – 2 geothermal drilling permits were issued and 10 sundries were approved. No oil & gas drilling permits were issued and one sundry was approved. Well inspections of existing oil and geothermal fields continued throughout the month. A violation and fine were issued to MTS Energy, Inc. for lack of timely plugging and abandonment of an oil exploration well drilled in 2012.

Financial, Personnel and Projects:

- The Division was fully staffed with 11 full-time employees and the NDOM reserve balance at the end of December was \$1,504,530. George Bishop retired at the end of 2014 after 20 years of service to the Division. His retirement party will be scheduled at a future date. Carson NDOM staff will assume many of George’s duties until a decision is made at the end of the fiscal year - July, 2015 - if a full-time replacement can be hired. Former intern and current Mackay geology student Alain Nowakowski has been hired part-time to staff the front desk two days per week.
- BDR 46-344 was pre-filed through the Governor’s office and is now Senate Bill 44. It will be introduced in the Senate Natural Resources Committee. Meetings to discuss the bill and answer questions with legislators will be set up for January, 2015 as they arrive for pre-session activities.

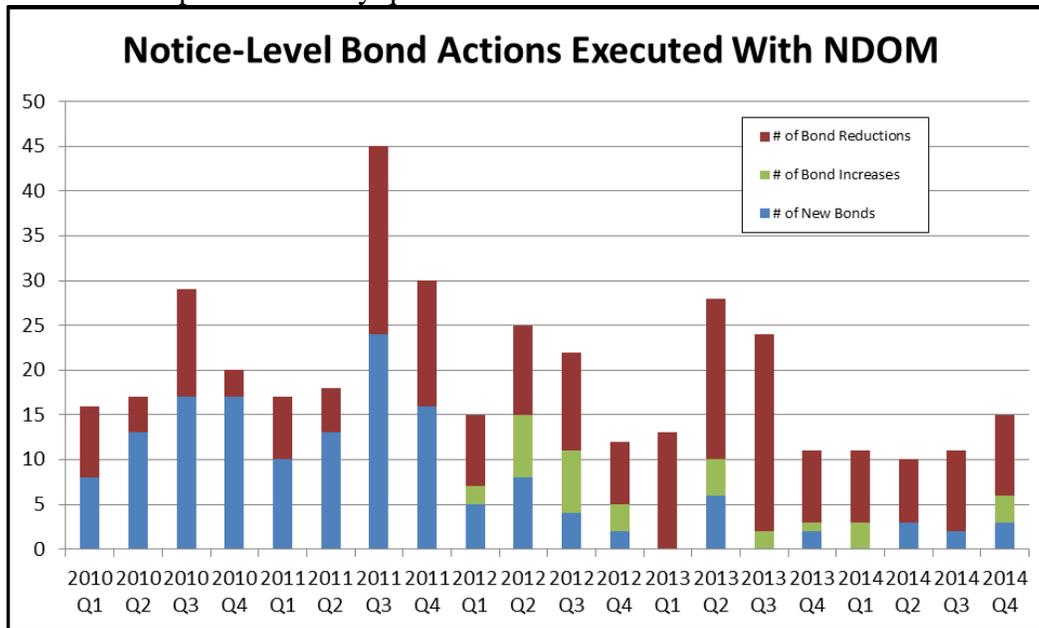
Reclamation Bond Pool:

Mike Visser

- There were two notice-level bond pool increases and three decreases. Plan-level participant Nevada Rae, which received a 30-day notice of termination, paid the required premiums and late fees and is now current through March 31, 2015.
- End-of-December financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to: 12/31/2014						
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	0.79%		\$ 12,217.11	\$18,090.56	119.5%
Art Wilson	Silverpeak	9/5/1991	\$124,017.00	3.85%		\$ 18,602.55	\$127,542.06	117.8%
Nevada Rae	Black Rock Canyon	4/15/2005	\$369,255.00	11.47%		\$197,937.54	\$220,729.65	113.4%
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	12.28%		\$213,055.61	\$213,720.94	107.9%
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	6.52%		\$ 31,485.00	\$179,351.94	100.4%
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.42%	terminated	\$ -	\$0.00	
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.12%	terminated	\$ -	\$0.00	
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.55%	terminated	\$ -	\$0.00	
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	1.89%		\$ 30,664.40	\$28,678.44	97.7%
Dun Glen Mining	Dun Glen	8/11/2014	\$359,155.00	11.15%		\$192,159.52	\$30,287.99	61.9%
Statewide Notice-Level	Various	various	\$1,416,965.00	44.00%	107 Notice-level bonds			
Total Bond Amount			\$3,220,495.16	100%				
Cash in Pool's Account (From BSR - 12/31/14)			\$4,024,204.86					
Unfunded Amount			-\$803,709.70					
Percent funded			125.0%					

- Bond pool actions by quarter since 2010:



Mining, Land and Other Issues:

Mike Visser

- Provided a presentation on Nevada's newly passed hydraulic fracturing regulations at the National Governors Association Forum for Responsible Shale Development in Salt Lake City.
- Attended the State Oil and Gas Regulatory Exchange (SOGRE) workshop on horizontal drilling in Salt Lake City. More than 80 people attended the workshop which focused on the unique regulatory challenges posed by horizontal drilling.
- Attended the American Exploration and Mining Association (AEMA) annual meeting in Sparks and manned the agency booth.
- Updated the NDOM hydraulic fracturing chemical reference list on NDOM website.
- Reviewed recently issued NDEP reclamation permits and invoiced four operators for the \$20/acre public land disturbance fee, totaling \$4,340.

Abandoned Mine Lands Program-Chief

Robert Ghiglieri

1. Responded with maps, photos, and any other information to claimants from the 10/24/2014 reminder notification and 11/24/2014 new owner notification; as well as, maintain the AML database with all response and securing information received from the claimants.
2. 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.
3. Attended the American Exploration and Mining conference in Sparks December 3rd-5th.
4. Opened the 2015 summer intern application process and notified both UNR and UNLV.
5. Attended the commission meeting in Carson City on December 11th.
6. Attended two NAMLET meetings. One for the core members of the USFS, BLM, NDOM, USACE and NDEP and the second being the public meeting on December 18th.
7. EPS backfilled three hazards and installed 4' culvert gates on two hazards at the Bunker Hill mine complex in Carson County. Backfills were funded by NDOM, culverts were funded by NDOW.
8. Compiled the 2014 US Forest Service, Humboldt-Toiyabe National Forest (HTNF) annual AML report. This report notifies the USFS of the AML work performed on the HTNF by NDOM, Boy Scouts, or NDOM contractors during the calendar year of 2014. A meeting will be held between NDOM and USFS in early January 2015.
9. Attended a meeting in Las Vegas to discuss and continue work on the new AML database with TerraSpectra Geomatics. Continued reviewing and creating new designs and procedures with Debbie, Lucia, and Erik. Progress of the new AML SQL database is moving at a fast rate and testing will be done in early 2015.
10. Worked on updating the Scope of Work for the statewide Bat Gating RFP. Purchasing will review and finalize the RFP and release it to the public by the end of January 2015.
11. Started to create a new Scope of Work for the NDOM AML Contract. This contract will encompass all AML field work from inventory to hard closures and everything in-between. The RFP will be handled by Purchasing.
12. With Rich, hired Alain Nowakowski, a 2014 summer intern, to work part time at the front desk after George's retirement.

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	3.70%
Clark	2,151	1,687	78%	464	12.52%
Douglas	204	200	98%	4	0.11%
Elko	783	579	74%	204	5.50%
Esmeralda	2,793	2,376	85%	417	11.25%
Eureka	774	708	91%	66	1.78%
Humboldt	797	700	88%	97	2.62%
Lander	589	506	86%	83	2.24%
Lincoln	722	575	80%	147	3.97%
Lyon	1,035	963	93%	72	1.94%
Mineral	1,620	1,353	84%	267	7.20%
Nye	2,614	1,953	75%	661	17.83%

Pershing	1,593	1,120	70%	473	12.76%
Storey	197	176	89%	21	0.57%
Washoe	445	401	90%	44	1.19%
White Pine	1,554	1004	65%	550	14.84%
TOTAL (Since 1987)	18,654	14,947	80%	3707	100.00%
2014 Year to Date	781	887	114%		

Data as of 1/08/2015

AML / GIS

Lucia Patterson

1. Backed up M drive (Every day that I was in the Office)
2. Attended AEMA (3 days)
3. Entered notification response data (2 hours)
4. Printed data for Renaissance Gold (2 hours)
5. Entered Securing data from Renaissance Gold (2hours)
6. Created/updated AML presentation for the Legarza MSHA training meeting (1 day)
7. One full day of travel to Elko and back
8. Attending Legarza MSHA training meeting (1 day)
9. Created education brochure (1/2 day)
10. Land Research(~6 days)
11. Compiled BLM quarterly Report (1/2 day)
12. Worked on USFS Report (ended up being a fair amount of research) (2 days)
13. Went into the field for ½ day
14. Compiled all Virginia City Hazards that are on BLM land (1/2 day)
15. Worked on Publication L-6 (1/2 day)
16. Updating topo quads for intern planning (2)
17. Worked on CRAC report for BLM 3 days
18. Automated maps to update the display when panning to different quads and counties (1/2 day)

Meetings Attended:

1. 12/11/2014 Commission on Mineral Resources Meeting
2. 12/12/2014 Meeting with TerraSpec on the AML database (Conference call)
3. 12/18/2014 NAMLET Meeting

October Public Outreach-Education:

1. 12/15/2014 Two Presentations at the Legarza Exploration MSHA training meeting. One on the AML program and the second on exploration activities in Nevada.

October Classes Attended:

1. 12/15/2014 MSHA (Elko-Legarza Exploration MSHA training)

AML/Oil/Gas/Geothermal/GIS

Erik Langenfield

1. Mail Out Response/ Address Corrections
2. Ownership Research
3. Worked on linking Project Areas with associated wells for database
4. Modified input table for new database
5. Access Class

AML/Public Awareness – Southern Nevada

Bill Durbin

1. Las Vegas staff handled numerous e-mail and phone responses to the November 24 AML notification letters.
2. Working on an Education and Public Outreach PowerPoint for the December 11 Commission meeting.
3. Conducted AML claim research in Clark County for hazards on active unpatented mining claims on BLM lands proposed for the next round of permanent closures.
4. Prepped materials for Zachary Weaver's Eagle Scout Service Project scheduled for Saturday, December 13. Seven mine openings will be secured at the Arden Gypsum Mine – west side of Las Vegas.
5. Bill was approached by staff of TV Station SCA 980 in Henderson to do an interview about southern Nevada active mines, AML and the Division's public outreach and education programs. SCA 980 is a community cable TV station of Sun City Anthem. The station did a very positive program on the McCaw School of Mines six years ago. The proposed interview will take place in early January.
6. Attended the Commission on Mineral Resources meeting in Carson City. Presented an overview of the Division's public outreach and education efforts for Calendar Year 2014 and an update on Eagle Scout AML fencing projects completed during Calendar Year 2014.
7. Presented six sessions of "Paste with a Taste" and AML on Monday, December 15 for 192 10-12th grade students at Durango High School.
8. Presented six sessions of "Paste with a Taste" and AML on Tuesday, December 16 for 192 10-12th grade students at Durango High School.
9. Attended the McCaw School of Mines annual Volunteer Appreciation Dinner and Awards gathering.
10. The McCaw School of Mines float won First Prize for the fourth consecutive year in the City of Henderson Christmas Parade on December 13, 2014. First prize was a check for \$1,000, which will cover the cost of bus transportation for seven Mine tours. Congratulations to Executive Director Clyde Caldwell, his staff and crew and the McCaw Elementary School Mighty Miners for all of their great work on the beautiful float.
11. Participated in NAMLET meeting via conference call.
12. Investigated and ranked one hazard and logged one non-hazard in Clark County.
13. Visited the abandoned Grassmeier "mill site" in the McCullough Range south of Henderson with staff from the BLM Southern Nevada District Office. The site needs extensive clean-up from past unauthorized occupation. If mineral milling operations took place, there is very little evidence to support it.

Geothermal, Oil and Gas Other

Lowell Price

1. Two geothermal drilling permits were issued in December, the ORNI 39 LLC McGinness Hills 27C-10 and the US Geothermal Crescent Valley 67-3 production wells. Both wells were spud in December. I witnessed the McGinness Hills 27C-10 surface casing BOPE tests and the subsequent FIT on January 1st. Ten geothermal sundries were approved, along with three transfer of ownership forms (Soda Lake). There were no oil permits issued during December. One oil sundry was approved. I witnessed the Noble Energy K11-1V hydraulic fracturing procedures on December 2nd. The hydraulic fracturing operations went very well with no issues. Tom Schmidt, BLM Elko District Office, also witnessed the hydraulic fracturing operations for the K1L-1V. Rich, Mike and I met with Dave Gaskin and Alan Tinney on December 1st to discuss the current draft of a new MOU between NDOM and NDEP. Rich, Mike, and I met again on December 17th to discuss NDOM edits to the draft MOU. I attended the CMR meeting in Carson City on December 11th. I met with Travis

Childers of Energy System Nevada on December 16th to discuss a new diversion tool the company has developed for use while drilling the initial hole for surface casing. The use of this tool is becoming quite common in several Rocky Mountain states. Erik and I attended the second half of MS Access training in Reno on December 18th and 19th.

FY15 Well Inspection Progress

	Total Wells	Wells Needed for FY15	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal	440	147	69		
Oil	127	43	22		
Totals	567	190	91	47.89	99