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**EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS**  
**APRIL 2015**

**EXECUTIVE SUMMARY**

- **Industry and Public Relations** – A hearing on SB 44 was held in Assembly Natural Resources on April 23. The Bill passed Assembly Natural Resources on a unanimous vote on April 28<sup>th</sup>, and passed the full Assembly on May 1 by a vote of 35-7. The Administrator gave presentations on the topic of hydraulic fracturing at the Nevada Transportation Association annual meeting in Reno, the Association of Environmental and Engineering Geologists and the Tribal Mining Symposium in Sparks.
- **Minerals Education and Outreach** – NDOM Staff gave 14 presentations which reached 558 Nevadans: 258 students in schools, 219 adults in civic or trade associations and 52 citizens in public forums. The topics presented included rocks and mineral identification, mining, the dangers of abandoned mines and hydraulic fracturing for oil exploration.
- **Abandoned Mine Lands (AML)** – For calendar 2015, 132 sites were logged and 234 sites were secured. Summer interns begin work on May 18<sup>th</sup>.
- **Reclamation Bond Pool** – There was no activity in the bond pool in April. Total bonding stands at \$2.95 million, of which \$1.27 million or 43 percent are in 106 notice-level bonds and \$1.68 million or 57 percent are in nine plan-level bonds.
- **Oil, Gas and Geothermal Permitting and Inspections** – Two domestic geothermal permits and no oil & gas permits were issued. Six geothermal and three oil & gas sundries were processed and approved. NDOM completed a comparison of the new BLM hydraulic fracturing regulations against Nevada's new regulations. The two sets of regulations are similar except for three areas where the Nevada regulations are more detailed. Nevada regulations require pre and post-hydraulic fracturing water samples of existing wells, the use of intermediate casing, and pre-approval of chemicals prior to down-hole use. NDOM prepared a letter to the BLM requesting a variance whereby the BLM would enforce these three parts of Nevada's regulations.

**Financial, Personnel and Projects:**

- The Division was staffed with ten full-time and one part-time employee, and has one unclassified vacancy.
- The reserve balance was \$1,060,283 at the end of April. \$25k of obligation remains to the NBMG for the remainder of fiscal year 2015.
- Work continued on the new AML database. Nevada Enterprise IT (EITS) began work on storing the program and setting up field access via the web.

## MONTHLY ACTIVITY REPORTS

### Reclamation Bond Pool:

Mike Visser

1. Other than a re-issued refund payment there was no financial activity in the bond pool in April. One bond pool participant was sent a termination letter due to their non-payment of the required premium by December 31, 2014. Late notices were mailed to two plan-level participants for lack of premium payments which were due by March 31<sup>st</sup>.
2. Arrangements to increase the bond amount for a plan-level participant were made and approval received from BLM and NDEP, however the participant has not yet initiated the minor increase.
3. The quarterly bond pool reconciliation report was completed, with zero variance, and submitted to the Controller's office
4. End-of-April financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to: 4/30/2015						
Plan-level Bonds -Company	Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole
Custom Details	Bovic-Lew	11/17/2006	\$25,364.00	0.86%		\$ 12,217.11	\$18,280.79	120.2%
Nevada Rae	Black Rock Canyon	4/15/2005	\$369,255.00	12.51%		\$ 197,937.54	\$220,729.65	113.4%
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	13.40%		\$213,055.61	\$219,653.66	109.4%
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	7.11%		\$ 31,485.00	\$179,351.94	100.4%
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.55%	terminated	\$ -	\$0.00	
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.40%	terminated	\$ -	\$0.00	
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.87%	terminated	\$ -	\$0.00	
TNT Venture	Big Canyon	1/27/2010	\$60,711.00	2.06%		\$ 30,664.40	\$30,638.67	101.0%
Dun Glen Mining	Dun Glen	8/11/2014	\$359,155.00	12.17%		\$ 192,159.52	\$30,287.99	61.9%
Statewide Notice-Level	Various	various	\$1,270,987.00	43.08%	106 Notice-level bonds			
Total Bond Amount			\$2,950,500.16	100%				
Cash in Pool's Account (From BSR - 4/30/15)			\$3,862,587.46					
Unfunded Amount			-\$912,087.30					
Percent funded			130.9%					

### Mining, Land and Other Issues:

Mike Visser

1. All of the major mine operators in Nevada have submitted their 2014 annual status and production reports. Valerie has entered the information into the database and provided copies of the forms to David Davis at NBMG. While reviewing the reported numbers, several discrepancies surfaced which has required additional outreach to the operators and Taxation for clarification.
2. Continued work on updates to various mining claim forms with two meetings held in Reno.
3. Researched and responded to requests for information on various exploration and mining operations in Clark, Lincoln, Mineral and Nye counties.
4. Participated in RFP reviews for our AML inventory and securing contract as well as a statewide bat gating contract. Both contracts were awarded to Environmental Protection Services, and pending BOE approval, will begin on July 1 and October 1, respectively.
5. Meetings attended: Assembly Natural Resources, Mining and Agriculture, Robison Engineering drone demo, NAMLET, and IOGCC and IMCC conference calls.

### Abandoned Mine Lands Program-Chief

Robert Ghiglieri

1. Presented the AML program to 120 teachers at the Southern Nevada Earth Science Workshop.
2. Collected selenite samples for the workshops from the Empire Gypsum mine in Pershing County.
3. Logged and Secured 5 new hazards in Washoe County with Erik.
4. Finished the 4<sup>th</sup> and 7<sup>th</sup> grade AML mini-units mail-out process to the private schools. A total of 144 were sent to 4<sup>th</sup> grade classes, 132 were sent to 7<sup>th</sup> grade classes, and 3,850 AML brochures were sent to every student.
5. Revisited 32 hazards with Jenni Jeffers in the Desert Queen closure project area for wildlife potential.
6. Sent EPS to Pioche in Lincoln County and EPS logged 51 new hazards and 16 non-hazards.
7. Attended both the AML and the Bat Gate RPFs evaluation committees.
8. Attended to the Northern Nevada GIS Users Group meeting.
9. Held a WebEx meeting with TerraSpectra Geomatics online to review the progress on the new AML database. Continued to work with Nevada Enterprise IT Services to get the VM built and all necessary VPN and other applications in place for the new AML database.
10. Attended a small Drone demonstration at Robison Engineering with NDEP and the BLM to see it possible applications for AML.
11. Visited seven hazards with Rachel Crews from the BLM to evaluate the cultural features.
12. Held a meeting with John Callan from the BLM to discuss this summer's priority.
13. Started compiling the 2014 AML report. It will be finished in May and sent to the printers.

#### AML Hazard Statistics

Data as of 5/08/2015

COUNTY	SITES DISCOVERED	SITES SECURED	% SECURED	TOTAL UNSECURED	% UNSECURED STATEWIDE
Carson	76	76	100%	0	0.00%
Churchill	710	573	81%	137	3.74%
Clark	2,151	1,691	79%	460	12.55%
Douglas	204	201	99%	3	0.08%
Elko	783	580	74%	203	5.54%
Esmeralda	2,793	2,377	85%	416	11.35%
Eureka	777	713	92%	64	1.75%
Humboldt	799	702	88%	97	2.65%
Lander	591	513	87%	78	2.13%
Lincoln	773	604	78%	169	4.61%
Lyon	1,036	963	93%	73	1.99%
Mineral	1,642	1,395	85%	247	6.74%
Nye	2,614	1,959	75%	655	17.87%
Pershing	1,639	1,162	71%	477	13.01%
Storey	197	188	95%	9	0.25%
Washoe	450	407	90%	43	1.17%
White Pine	1,554	1019	66%	535	14.59%
<b>TOTAL (Since 1987)</b>	<b>18,789</b>	<b>15,123</b>	<b>80%</b>	<b>3666</b>	<b>100.00%</b>

<b>2015 Year to Date</b>	<b>132</b>	<b>234</b>	<b>177%</b>
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## AML / GIS

Lucia Patterson

1. Backed up M drive (Every day that I was in the Office)
2. Archived AML Photos
3. Updated Hazard Rank Monthly
4. Preparing for educational activities (~2 days)
5. Produced quarterly report for BLM (~1/2 day)
6. Land Research/Intern Planning (~8 days)
7. Prepared for Farm Days/Made Posters for booth (~1 day)
8. Worked on presentation of big NDOM booth (~1/2 day)
9. Compiled Intern Planning Data base/wrote how-to instructions (~3 days)
10. Updated Education-Outreach tracking document (~1/2 day)
11. Entered hazard data (~1 day)

### April Meetings Attended:

1. 04/03/2015 Meeting with Rob and Terraspec
2. 04/13/2015 Meeting with Rob and Erik about database
3. 04/20/2015 Education Meeting
4. 04/20/2015 NSTA meeting
5. 04/21/2015 Meeting with Terraspec
6. 04/21/2015 Meeting with NEATS
7. 04/27/2015 Meeting with John Callan

### April Public Outreach-Education:

1. 04/01/2015 Echo Loder PreSchool classroom activity (Fossil Education/make your own fossil) (2 sessions 26 kids)
2. 04/14/2015 Nancy Gome Elementary classroom activity (The Rock Cycle/Metamorphic Squishey) (5 sessions 115 kids)
3. 04/16/2015 – 04/17/2015 Farm Days
4. 04/22/2015 Echo Loder PreSchool classroom activity (Minerals Education/Pet Rock Activity) (2 sessions 26 kids)

### April Classes Attended:

1. 04/30/2015 Information Systems Security Awareness

## AML/Oil/Gas/Geothermal/GIS

Erik Langenfield

1. After I attended and participated in the teachers' workshop in Las Vegas, Rich, Rob and I took a tour of a zeolite mine north of Pahrump. We got an overview of the plant operations, where the mined zeolite comes from, the different types they process, and how the processing operation works

2. Rob and I collected 4 buckets of selenite from a gypsum mine south of Gerlach for the teachers' workshop. We also stopped by the San Emidio geothermal field and inspected 1 production well and 2 observation wells. The production well 75-16 had been steaming around the casing in a previous inspection, but USG has shut production down on it and the well was dry and no steam coming out. The 2 obs wells needed signage, but were in good shape. We then drove to the SE side of Winnemucca Lake around Russell Peak. We logged 3 non hazards and logged and secured 5 orphan hazards.
3. I held a database meeting to roll out the geothermal database. It is not complete, but is in a working state. I got requests for reports from Rich and Mike. I also worked on a monthly report for Rich that would detail sundries, permits, inspections, and drilled wells for the month, year, and previous year. I have been able to get the data separated by year and I am currently working on how to add all the data by month.
4. Rob and I went out to the Kaiser Mine and put netting over three hazards that needed to be excluded for wildlife before they are backfilled.
5. Lowell and I went out to Jiggs to see a Noble oil sale. Upon arriving, the sale was put off to later in the week but we were able to get a tour of the Jiggs production operation. We were able to get oil samples from the well. Lowell and I then went out to inspect the Hooper's Ranch well and the Mary's River well. The Hooper's Ranch access to the well was gated and we were unable to reach the well. The Mary's River well was in good shape and locked up with a chain wrap. The pad was in good condition with only a few pallets and an empty grease can that was left behind.
6. I updated 201 Pilot Gold LLC claims in the AML database with the correct current owner from claim blocks that the company provided. I also sent Pilot Gold a shapefile of the hazards that were on their remaining claims.

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

Bill Durbin

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

Lowell Price

1. Two domestic geothermal permits were issued during April. NDOM did not issue any oil and gas permits during the month. Six geothermal and three oil and gas sundry notices were approved. I witnessed the intermediate casing BOPE tests in early April (witnessed surface casing BOPE tests in late March) for the ORNI 37 Wild Rose 64A-11 production well. I also witnessed the surface and intermediate casing BOPE tests for the ORNI 37 Wild Rose 64B-11 production well in mid to late April. All tests were witnessed via an internet connection with Tecton Geologic's TopHand program, where I viewed the pressure curves in 'real time', approving the tests and informing the company man to either proceed with the next test, or informing him that all tests were good and he was allowed to drill ahead. I witnessed all casing shoe FIT tests, or casing shoe pressure tests, as well. Rich and I attended the Nevada Geothermal Council (NGC) luncheon on April 16<sup>th</sup>, where Rich asked the group for help in putting together a history of the geothermal industry for the last 30 years. The historical information will be provided to the Governor Sandoval's staff. The information will be utilized by Governor Sandoval in statements he will make at the GRC conference in September, recognizing 30 years of electrical generation by geothermal resources in Nevada. Rich

and I put together a request to the BLM for three variances to the new BLM HF rule. The variances include the BLM incorporating NDOM's (1) Area of Review, (2) requirement for intermediate casing in wells to be hydraulically fractured, and (3) pre-disclosure of chemicals not on NDOM's Reference List. Rich delivered NDOM's request to the Nevada BLM State Office, where we are now waiting for notification of either approval or disapproval on each variance requested. Erik and I traveled to the Elko area to observe the load-out of the first produced oil from Noble Energy's Huntington K1L-1V production well near Jiggs. The load-out did not occur due to refinery scheduling issues in Salt Lake City. However, Donald Peacock (Noble Completions Engineer) gave Erik, Tom Schmidt (Elko BLM), and me a thorough tour of the production pad and all of the associated equipment. While in the Elko area, Erik and I also inspected the Noble Mary River S25G-S25-33A well northeast of Deeth, as well as taking images of the Catlin mine and mill site immediate south of Elko, along with the associated Nevada historical marker for Catlin Oil in the town of Elko. I reviewed an injection well permit for ORNI 37's Wild Rose Field, one TG hole permit for ORNI 32's Dixie Hope area, and five TG hole permit applications for US Geothermal's San Emidio area.