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RICHARD PERRY
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EXECUTIVE SUMMARY AND MONTHLY ACTIVITY REPORTS
MAY 2015

EXECUTIVE SUMMARY

- **Industry and Public Relations** – Senate Bill 44 was signed by Governor Sandoval on June 6th. This legislation, which enables the Commission on Mineral Resources to set reasonable fees for the drilling of an oil or gas well will become effective July 1, 2015. The legislation included fee caps of \$2,000 for a conventional well permit, \$5,000 for an unconventional well permit, \$400 for a change to the terms of a permit (sundry) and \$0.30 for each barrel of oil or 50,000 cubic feet of natural gas produced. Work on regulation changes to NAC 522 will begin in July. The Division was represented at the Geological Society of Nevada Symposium in Reno May 18-21 with a booth and technical presentation on 2014 Nevada Mineral, Geothermal and Energy production.
- **Minerals Education and Outreach** – NDOM Staff gave 12 presentations which reached 7276 members of the public: 116 students in schools, 7100 adults in civic or trade associations and 60 citizens in public forums.
- **Abandoned Mine Lands (AML)** – For calendar 2015, 150 sites were logged and 235 sites were secured. 7 summer interns began work on May 18th.
- **Reclamation Bond Pool** – One new notice-level bond and one increase in an existing plan-level bond were issued in May. Two 30-day notices of termination were mailed to plan-level participants for lack of premium payments which were due by March 31st. There are six plan-level and 107 notice-level bonds currently issued.
- **Oil, Gas and Geothermal Permitting and Inspections** – Nine geothermal permits were issued: five TG holes at San Emidio, one project area at Wild Rose, one injection well at Wild rose, one production well at Salt Wells, and one observation well at Dixie Meadows. No oil and gas permits were issued. Eight geothermal and one oil sundry notices were approved. Ormat completed the 64B-11 production well at Wildrose, and began drilling the 64C-11 production well. Noble Energy completed a separator, flare and tank battery at the Huntington K11 oil well in anticipation of pump testing in June.

Financial, Personnel and Projects:

- The Division was staffed with ten full-time employees and seven summer interns, and has one unclassified vacancy.
- The reserve balance was \$952,284 at the end of May.

MONTHLY ACTIVITY REPORTS

Reclamation Bond Pool:

Mike Visher

1. There was one new notice-level bond and one increase to an existing plan-level bond executed in May. Two 30-day notices of termination were mailed to plan-level participants for lack of premium payments which were due by March 31st.
2. End-of-May financial summary of bond pool:

Reclamation Bond Pool Status Report		Current to: 5/29/2015						
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	0.85%		\$ 12,217.11	\$18,280.79	120.2%
Nevada Rae	Black Rock Canyon	4/15/2005	\$369,255.00	12.33%		\$ 197,937.54	\$220,729.65	113.4%
So. NV Liteweight	Money Pit	5/21/2004	\$395,514.00	13.21%		\$ 213,055.61	\$219,653.66	109.4%
Specialty Clays	Bentonite	12/11/1997	\$209,900.00	7.01%		\$ 31,485.00	\$179,351.94	100.4%
Western Mine Dev.	Victorine Mine	5/24/2000	\$45,875.39	1.53%	terminated	\$ -	\$0.00	
Western Mine Dev.	Kingston Mill	5/24/2000	\$100,450.00	3.36%	terminated	\$ -	\$0.00	
Western Mine Dev.	Manhattan Mill	5/24/2000	\$114,288.77	3.82%	terminated	\$ -	\$0.00	
TNT Venture	Big Canyon	1/27/2010	\$78,161.00	2.61%		\$ 39,615.03	\$31,901.84	91.5%
Dun Glen Mining	Dun Glen	8/11/2014	\$359,155.00	12.00%		\$ 192,159.52	\$30,287.99	61.9%
Statewide Notice-Level	Various	various	\$1,296,942.00	43.32%	107 Notice-level bonds			
Total Bond Amount			\$2,993,905.16					
Cash in Pool's Account (From BSR - 5/29/15)			\$3,899,253.32					
Unfunded Amount			-\$905,348.16					
Percent funded			130.2%					

Mining, Land and Other Issues:

Mike Visher

1. QA/QC continues on the 2014 Annual Status and Production reports and database in preparation for the draft of the 2014 Major Mines publication.
2. Traveled to Las Vegas with Rich for Michael Frehner's Eagle Service project, which included 5 securings and one repair to AML features at the Arden gypsum mine.
3. Remotely logged 72 non-hazards in Clark County using high-resolution imagery located on Clark County GIS website.
4. Conducted research on current and historical oil and gas leases within proposed area of withdrawal in Nye and Lincoln counties.
5. Meetings attended: IOGCC - Annual Business meeting (SLC), Enel, Noble Energy, GSN (LV), and BLM.

Abandoned Mine Lands Program-Chief

Robert Ghiglieri

Major Activities – Chief, Abandoned Mine Lands Program:

1. Gave an AML program update to the Commission with John Callan from the Nevada BLM.
2. Made final preparations for the 2015 summer interns.
3. Held a meeting with TerraSpectra to review the new Beta AML database.

4. The 2015 summer interns started. The first week consisted of AML training covering the following topics:
 - a. The AML program
 - b. Safety / First Aid
 - c. Defensive Driving
 - d. Off-road Driving
 - e. Sexual Harassment
 - f. Archeological Training
5. With Erik and I, the interns had their first field work week in the Lovelock area. They logged 20 hazards, secured 13, revisited 12, and logged 304 non-hazards.
6. Went to Las Vegas to perform Kyle Lutes Eagle Scout Project. We secured four hazards.
7. With Erik, we presented the AML Program as well as mining history in Nevada to the 2015 Great Basin Institute seasonal crew.
8. Attended the Education Committee meeting and reviewed the changes in classes due to Bill Durbin's possible absence.

AML Hazard Statistics

Data as of 6/01/2015

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	1,695	79%	456	12.46%
Douglas	204	201	99%	3	0.08%
Elko	783	577	74%	206	5.63%
Esmeralda	2,793	2,385	85%	408	11.14%
Eureka	777	713	92%	64	1.75%
Humboldt	799	701	88%	98	2.68%
Lander	591	513	87%	78	2.13%
Lincoln	773	604	78%	169	4.62%
Lyon	1,036	968	93%	68	1.86%
Mineral	1,642	1,395	85%	247	6.75%
Nye	2,614	1,963	75%	651	17.78%
Pershing	1,639	1,170	71%	469	12.81%
Storey	197	188	95%	9	0.25%
Washoe	450	397	88%	53	1.45%
White Pine	1,554	1009	65%	545	14.89%
TOTAL (Since 1987)	18,789	15,128	81%	3661	100.00%
2015 Year to Date	150	235	157%		

AML/Oil/Gas/Geothermal/GIS

Erik Langenfield

1. I digitized a shapefile for arcmap of all of the geothermal project areas with the associated parameters of the permit. It will now be easier to audit the numbers of wells allowed to drill in a project area when a new permit comes in.
2. I attended the Teachers Workshop meeting. We recapped on the Las Vegas workshop and assigned rooms and classes for the Reno Workshop. Rob and I will be doing the Minerals and Rocks class along with a Ground Support class. I am also scheduled to do my Geothermal Activity.
3. I received and entered geothermal well UTM Coordinates for Gabbs Valley, Buffalo Valley. I then created a new shapefile for the geothermal wells in arcmap to include all new information.
4. Rob and I went to the Great Basin institute to give presentations. I gave a geothermal presentation to 14 people.
5. I was contacted by Debi Kissick, the administrative aide for Churchill County. She was requesting permit information of all active and closed mining, geothermal and power productions projects in Churchill County. I informed her that we are not the permitting agency for mining and sent her geothermal well and power plant locations in Churchill County via shapefile.
6. Lowell was contacted by a Caleb Pitman with wellmapper.com. I put together a shapefile of drilled well locations in NV with the well type, locations and Company only and sent it to him. I made sure there was no classified information in the file that was sent out.
7. Rob and I prepared for the interns arrival. We did equipment checks and went through the field supply inventory, and the shed inventory.
8. Rob and I spent the week reviewing policies and procedures pertaining to the AML intern program. Areas covered were sexual harassment, DAT training, defensive driving, topo map reading, how to record non hazards, how to log hazards, and we logged 6 hazards on Comstock Mining land south of Gold Hill.
9. I went out to the week 2 work area outside of Lovelock with the interns. As a group we logged 400 non hazards and secured 13 hazards.

Geothermal, Oil and Gas Other

Lowell Price

1. I attended the IOGCC well inspectors forum in Salt Lake City on May 17th. The one day forum included well inspectors from 26 states, where discussions on mechanical integrity testing, technology needs, data management, training needs, and stakeholder/public relations/compliance were included. Topcorp, a group that provides training at University of Texas, Pennsylvania State University, and the Colorado School of Mines, discussed the various training disciplines that the universities provide to states free of charge, including travel expenses. The next training session that Topcorp will give will be on petroleum engineering and petroleum geology. The online portion begins in July, and the field training for those people who complete the online training will be held at the Colorado School of Mines in September, where local oil and gas fields, such as Wattenberg, will be visited.
2. Nine geothermal permits were issued in May (5 TG holes at San Emidio, 1 project area at Wild Rose, 1 injection well at Wild rose, 1 production well at Salt Wells, and one observation well at Dixie Meadows). No oil and gas permits were issued. Eight geothermal and one oil sundry notices

were approved. Ormat continued drilling at Wild Rose, completing the drilling of the 64B-11 production well, and starting the 64C-11 production well. I have witnessed all BOPE tests during the recent and current drilling program at Wild Rose, which includes the 26A-6 injection well, and the 64-11, 64A-11, 64B-11, and 64C-11 production wells.

3. Tetuan Resources completed the drilling of Mariagnes 12-29 in northern Railroad Valley. Tetuan temporarily shut the well in, and is currently evaluating the drill and log data for future testing of the well.
4. No well inspections were performed during May. However, Erik and I performed revisit inspections at the Noble Huntington K1L-1V and Marys River S25G-S25-33A locations on April 27th and 28th. Well inspections for the upcoming 2016 fiscal year will begin in late June to early July.

	Total Wells	Wells Needed for FY15	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal	440	147	158		
Oil	127	43	33		
Totals	567	190	191	101%	0

5. Rich, Mike, and I met with Charlie Beecham and John Menghini at the BLM State Office where a discussion pertaining to NDOM's requested variances from the new BLM hydraulic fracturing rule was discussed. It currently appears that the BLM will probably use COA's covering NDOM's requested variances, rather than incorporating the variances.
6. Rich and I met with John Snow, Angie Dykema (Deputy Director of the Governor's Office of Energy) and Scott Kelley (Public Information Officer at the Governor's Office of Energy) to discuss the upcoming Geothermal Resource Council Conference in September. It is yet to be determined if Governor Sandoval will be able to speak at the opening session of the conference, but he is expected to issue a proclamation or acknowledgement concerning the 30 year anniversary of geothermal electrical generation in Nevada. The group also had a telephone conference pertaining to this matter with Steve Ponder, Anh Lay, and Ian Crawford of the Geothermal Resource Council (GRC). The GRC was quite receptive to the possibility of Governor Sandoval speaking at the opening session of the GRC Conference. NDOM and the Governor's Office of Energy may have a booth with information related to the 30 year anniversary in the main entrance area to the conference. NDOM will also maintain a booth in the exhibit area of the conference.