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Governor

STATE OF NEVADA
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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS JUNE 2012

ADMINISTRATION (ALAN)

1. Made two presentations on AML and Rocks and Minerals to 4th grade classes at Jerry Whitehead Elementary in Sparks (2 presentations – 60 students).
2. Assisted the Secretary of State Securities Division with a site visit to the Orykta Mine, a supposed soil amendment mine near Yerington.
3. Provided information to a representative of the Lippo Group concerning mining investment opportunities in Nevada.
4. Responded to an inquiry concerning American International Ventures (AIVN) and their subsidiary Beatty Bullfrog Mining.
5. Attended the Elko Mine Expo with Mike and George, and also Commissioners DeLong and Bryan. Met with industry reps and manned the Division's booth.
6. Continued compilation of the metallic and non-metallic production reports.
7. Coordinated a bond replacement proposal from Comstock Mining.
8. Coordinated the exploration survey form with Larry Garside of NBMG.
9. Received an inquiry concerning Excelerite, a soil amendment supposedly mined from mining claims near Panaca.
10. Received the letter from the Governor's Office indicating Nevada requests associate membership status in the IMCC.
11. Sent out the letter request for nominations for the 2012 Nevada Excellence in Mine Reclamation awards.
12. Attended with Lowell Price the IOGCC mid-year meeting in Vancouver, BC.
13. Issued a letter to Churchill County concerning new proposed regulations on the geothermal industry. Toured geothermal drilling site sumps with Lowell and representatives of BLM, NDOW, and DWR to provide input concerning fencing to prevent wildlife mortality.
14. Provided information on hydraulic fracturing in Nevada to Crown LLC at the request of former Senator Richard Bryan.
15. Executed the service agreement for the \$50K for the NBMG to curate oil and gas and geothermal well cuttings during FY13.
16. Commented on the USEPA hydraulic fracturing guidance.
17. Collected the performance measures for the FY14 and FY15 budget process.
18. Responded to a request from LCB concerning permits needed for gold panning.
19. Ordered additional rock and mineral books from DK publishing.
20. Accepted the resignation of Pete Herrera from the Chief AML position.
21. Sent out the announcement for the Chief of the AML Program and received three resumes for the position.

RECLAMATION BOND POOL (MIKE)

1. Processed two bond releases for Bravo Alaska, and one for Western Energy, Golden Odyssey's Morning Star Project, Meridian Minerals and La Quinta Nevada.
2. Executed and completed two new bonds with Paradigm Minerals and Renaissance.
3. Processed two bond increases for Paradigm Minerals and one for Miranda Gold.
4. Received an inquiry concerning American International Ventures (AIVN) operating under Placer Gold Prospecting (now Beatty Bullfrog Mining) of Beatty, NV.
5. Prepared and mailed out 54 invoices for notice-level participants on the June schedule for their annual premium payments.
6. Created spreadsheet detailing FY12 administrative costs associated with Reclamation Bond Pool and forwarded it to Linda to transfer funds between the budget accounts.
7. Completed bond pool accounting reconciliation for month of May and June and forwarded results to Eric Scheetz (Controller's Office).
8. Answered questions from several operators regarding bond premium payments, amended notices, increases, and refund requests. Assisted with setting up electronic payments and sending out vendor registration forms.
9. Attended conference call with Taxation to review updates on production reports and variances between reports to NDOM and Taxation.
10. Valerie completed the data entry of all 2011 mine production reports.
11. Communicated via email with the Government Accountability Office (GAO) answering questions regarding mine production reports, tracking, history, end uses, and percentages from public vs. private lands. Conference call set-up for following week with Alan.
12. Updated Internal Controls documentation for the Bond Pool and submitted it to Eric Scheetz (Controller's Office).

MINING, LAND AND OTHER ISSUES (MIKE)

1. Provided information and where to get additional GIS information to Don Henderson (Resource Concepts) for use in preparation of sage grouse habitat informational poster for the Governor's Office.
2. Spoke with Dave Marlow (State Lands) regarding old Deed of Trust on Art Wilson property and the need to contact Stewart Title to relinquish the deed.
3. Assisted claimant with research of adjacent claimants and interested parties to contact for submittal evaluations of her property in Lander County.
4. Created outreach posters for display at Elko Mine Expo and for use by LV office.
5. Delivered fluorescent rock and mineral specimens to the 4th Ward School display.
6. Spoke with mine manager and received the requested 2011 barite production numbers from National Oilwell Varco (Big Ledge mine – Elko County) via phone.
7. Attended 27th Annual Elko Mine Expo with George and assisted with delivery of agency outreach messages and answered questions from the public.
8. Replied to email request from Greg Conrad (IMCC) on behalf of Casey Brown (GAO-Denver) regarding mine production records from the State members of NAAMLPL. Interested in which states track production and whether information is also collected regarding production from federally managed lands vs. private property. Provided context parameters of, and web link to, Major Mines publications on website.
9. Provided "Paste with a Taste" presentation to a class of 3rd graders at Bernice Matthews ES, Sparks. (1 presentation – 26 people)

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Assist with and supervise installation of bat gate in Lyon County by Brian Breiter (EPS).
2. Talked with Bill Mitchell (Comstock Mining) regarding AML hazards and long-term mitigation.
3. Provided AML database coding information Zeena Willis (Nevada Copper) to assist with their knowledge of adjacent AML hazards and mitigation.
4. EPS conducted inventory and revisit work in Churchill County, 205 non-hazards logged, eight revisits/repairs, then logged 2 new hazards and 190 non-hazards.
5. Review work completed and upcoming EPS work plans with Brian Breiter.
6. Prepped rock and mineral samples with interns at shed for distribution in upcoming Teachers Workshop.
7. Attended EPA web-seminar on Technology Transfer and Training Resources for Mining Sites. The seminar consisted of several PowerPoints showing resources for different aspects of mine site remediation but had little issues related to physical safety hazards.
8. Russ Jones (Barrick Environmental) requested a review of their hard closure plans for AML features on public and private lands. Set up a meeting with BLM, NDOW, NDOM and Barrick to present their proposals and discuss options and closure requirements.
9. Received authorization from Chris Ross (BLM-NSO) and Daniel Atkinson (BLM-Winnemucca) to have EPS backfill the multiple openings at the Shively AML complex in Humboldt County. This work is planned for the week of July 16th.
10. Set-up necessary accounts and authorization with US Treasury's Automated Standard Application for Payments (ASAP) online system for BLM's \$40,000 AML grant.
11. Completed the ROE with Washoe County Parks allowing NDOM to PUF/fill one shaft on their parcel located adjacent to Truckee River near the Mustang exit.
12. Preliminary work on 2011 AML Report, processing numbers from AML database.

AML / PUBLIC AWARENESS - NORTH (PETE)

1. Worked with Rachel at several AML mine sites (Rochester, Trinity, Arabia, and the Pershing Quick Silver mines) near Lovelock to work with the summer interns completing revisits, mine securing, logging, and 4-wheel drive use and maintenance.
2. Worked with Bill at several AML mine sites west of Gold Point, Nevada to assist in the training of eight summer interns whom completed revisits, mine securing's, loggings, and general field survival and safety tips, including the use and maintenance of NDOM's 4-wheel drive field vehicles.
3. Assisted Hergon Mine Securing Solutions (State Contractor) in completing a rough draft of a PSA for the Stay Out and Stay Alive campaign. Submitted to management for review and comment.

AML / GIS (RACHEL)

1. Traveled to the Lovelock area with the Summer Interns and Peter Herrera to continue training for the second week. Worked on securing hard to reach and difficult to secure sites, logging new hazards and non-hazards and continued work conducting revisits and repairs.
2. Met Jenny Jeffers and Brian Breiter at the Evening Star Mine north of Lovelock to sort out unknown sites that had initially been surveyed for bats by Pat Brown. All of the sites on Pat Brown's list were identified and matched with existing NDOM ID numbers.

3. Worked on putting the maps and photos together for week 3 in the field with the summer interns. The week of June 4th will be spent in Esmeralda County conducting securing work on orphans and logging in new areas.
4. Compiled additional maps and information for the summer interns during their third week in the field (June 4 - 8). They will be in the Sylvania Canyon area of Esmeralda County accompanied by Bill Durbin and Peter Herrera. The focus of this week is to secure unsecured orphaned hazards in the area. If there is time for additional securing work, they will focus securing efforts on sites around the Las Vegas to Reno off road race route.
5. Spoke with Kim Neblett of Nevada Western Silica. They had several questions regarding the securing of abandoned mine land hazards on their claims in Esmeralda County. 20 signs were sent along with the minimum securing standards and the most recent contractors list. The owners of the claims are planning on completing the securing work in the coming months and will submit the secured hazard information to the Division.
6. Received additional securing information and updates from GRG in Yerington. They are working towards securing all of the sites on their claims and are submitting documentation to the Division as the work is completed.
7. Received securing information from EPS documenting the securing work completed on claims in Virginia City. The information was added to the database and photo archive.
8. Finished creating the maps for week 4 with the interns. They will be working on new loggings and securing work in the areas east of Tonopah. Conducted land research for the regions where they will be in order to determine if there would be any potential for logging and securing of hazards in the area.
9. Compiled additional sites for securing during the week for the interns. Printed remaining maps and photos for securing work to be completed along the Las Vegas to Reno Race Route. Uploaded the interns GPS units with the logged hazards.
10. Updated the weekly mines with information collected during the week of June 4th.
11. Made and printed the maps for week 5 (June 18th – 22nd) for the interns. The two interns who are in the office will use the maps to conduct land research and come up with a plan for week 5. Compiled a list of all the unsecured hazards and sites that will need to be revisited during the week. They will be working south of Gabbs on logging new hazards, securing, and revisits.
12. Assisted the two interns in the office with data entry, land research and other miscellaneous things that need to be completed during the office week.
13. Submitted shapefiles of all our Hazard and Non-Hazard data to Whitney Wirthlin from the Elko NDOW. She in turn submitted GPS coordinates for new hazards in the Dolly Varden area in southern Elko County. Cross referenced the data submitted with our current database to determine how many were new sites and how many were ones logged by the 2011 summer interns.
14. Received new securing information for sites in Douglas County secured by Almaden Minerals Inc. Cross referenced the photos submitted with the logging photos in our database and added the new securing information to our database. Drafted a thank you letter acknowledging the securing work completed and send it to the claimants. A total of 8 sites were secured including one site that had not been previously logged.
15. Compiled a list of unsecured hazards, sites needing to be revisited and new logging that will need to be conducted in the Winnemucca area for contractor Brian Breiter with EPS. Work will commence during the week of June 18th.

16. Data submitted by GRG in the past week was given to Kate Schnoor to update in the database since she has become familiar with this data during the past few months. Several new hazards and non-hazards were submitted and added to the database.
17. Addressed additional hazards logged by the BLM in Elko County. Cross referenced photos and locations with hazards previously logged by NDOM staff to determine if any of these sites were new loggings. A total of 9 new hazards were logged by the BLM.
18. Received photos from the Forest Service documenting securing work completed in White Pine County. Added the photos to the database and updated our records to reflect the new securing status.
19. Worked with the two summer interns in the office on updating new hazard and revisit information in the database. Worked with them on conducting land research and updating data received from claimants.
20. Went through all data collected by the summer interns during the week ending June 22nd in order to correctly assess any errors in collecting and recording data. Flagged any mistakes and returned the sheets to the interns so that the data could be corrected. Uploaded the GPS units with hazard information needed for the coming week.
21. Worked on assembling information on hazards in areas under claim that will be assessed by JBR. Sent shapefiles showing any areas that had been visited in the past by NDOM employees or contractors.
22. Made and printed maps that will be used during the week of July 2nd by the summer interns. They will be traveling to areas south of Lovelock and North of Fallon for securing and new logging work.
23. Showed two interns in the office how to conduct land research using LR 2000 and the correct procedures for entering data into the database and checking any issues.
24. Completed the maps for the week of July 9th for the summer interns. This week will be spent east of Eureka conducting loggings and securings on USFS and BLM land.
25. Assisted the interns in their end of week routine. Issues with previous weeks were addressed and corrected as needed
26. Attended the education committee meeting at the Nevada Mining Association with Valerie Kneefel to discuss the upcoming teacher's workshop in Reno.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Re-visited and photographed four AML hazards in Esmeralda County previously investigated in November of 2011.
2. Investigated and ranked an unsecured hand dug well in Goldfield reported by a visitor during the Tonopah Mining Park Open House.
3. Conducted AML site visits in White Pine County with BLM and BOR staff for hazards proposed for permanent closure funded by SNPLMA Round 8. The recon included visits to sites needing special care to avoid cultural resources.
4. Investigated and ranked one hazard in White Pine County.
5. Logged in three unsolicited AML securings from Lode Star Gold - Esmeralda County.
6. Conducted AML claim research for locations in Clark and Nye Counties.
7. Conducted AML land status research and evaluation of potential for abandoned mine hazards on private lands near Lida and Sylvania Canyon, Esmeralda County as requested by office visitor/landowner

8. AML securings and inventory work with Pete Herrera and summer intern crew Monday through Thursday in Esmeralda County.
9. Participated in the bi-monthly progress report conference calls for the BLM/ACOE/BOR AML closure projects – Northern Nevada, Lincoln and White Pine Counties. The Northern Nevada closure work, funded under ARRA, has been completed – 149 AML sites were permanently closed. The Bureau of Reclamation crew is preparing to continue closure work in Lincoln County under SNPLMA Round 7 funding.
10. Prepped and completed Nathan Bashaw’s AML securing project (#131). Five hazards were secured in the Nelson area, Clark County. To-date, Scouts have secured 613 AML hazards and re-secured 118 hazards.
11. Presented 3 sessions of “What a Geologist Does” and AML at Innovations International Charter School of Las Vegas annual Career Day. Total of 125 students - grade levels 6, 7 and 10 (3 presentations – 125 students).
12. Presented 4 sessions of “Minerals and Commodities” and “Birdseed Mining”, 4 sessions of “What a Geologist Does” and “Cookie Mining” and an assembly presentation of AML for 60-1st through 5th graders plus teen counselors and adults at the Methodist Youth Camp “Going for the Gold” summer camp program at Mt. Potosi. (4 presentations - 90 participants).
13. Manned “Stay Out and Stay Alive” display at the Tonopah Historic Mining Park Open House and Blacksmithing class. There were only a few visitors due to very high winds throughout the event.
14. Attended Tonopah Historic Mining Park Foundation board meeting - Tonopah. Election of new officers was held: Chairman – Mimi Rodden, Secretary – Tinker Evans, Treasurer – Bob Beers.
15. Commission Chairman Fred Gibson and Bill Durbin attended the dedication ceremony for the new Tonopah Historic Mining Park entrance arch. During this ceremony, the Division was presented a Certificate of Appreciation for our support of the Mining Park.
16. Attended NvMA Education Committee meeting in Reno. Completed final details for the Reno 2012 teacher workshop.
17. Prepped mineral and rock samples for the Reno teacher workshop. Collected quartz and gneiss from the Crescent Peak area, Clark County, calcite, diorite and rhyolite from locations in Esmeralda and Nye Counties for teacher workshop mineral and rock kits.
18. Attended McCaw School of Mines Foundation board meeting. The final net income for the 2012 Fundraiser was \$69,148.49. As of May 12, 2012, the number of students who have toured the Mine stands at 74,348. The mine tours began in January, 1997.
19. Attended the annual McCaw School of Mines docent awards and “thank you” luncheon.

GEOHERMAL (LOWELL)

1. Reviewed Nevada Geothermal Power’s sundry notice to reclassify the Blue Mountain 44-14 production well to an injection well. Received Russ Land’s, UIC, approval, where Russ has added the 44-14 well to the UIC permit for Blue Mountain. Mike approved.
2. Reviewed Enel North America’s drilling program change sundry notice for the 23A-29 production well. Mike approved.
3. Reviewed ORN115 LLC’s (Ormat Nevada) Jersey Valley 15-27 production well permit application and drilling program. Proposed total depth is 4,200 feet.

4. Reviewed US Geothermal's permit application and drilling program for the San Emidio OB-11 observation well. Proposed total depth is 3,000 feet. Alan approved.
5. Reviewed US Geothermal's permit application and drilling program for the San Emidio OB-12 observation well. Proposed total depth is 3,000 feet. Alan approved.
6. Reviewed ORNI 43 LLC's (Ormat Nevada) permit application and drilling program for the Tungsten Mountain 26-22 observation well. Proposed total depth is 4,000 feet. Alan approved.
7. Reviewed ORNI 39 LLC's (Ormat Nevada) sundry notice to reclassify the McGinness Hills 58B-22(O) observation well to an injection well. Russ Land, UIC, had previously added the well to the McGinness Hills UIC permit. Alan approved.
8. Reviewed HSS II's sundry notice to clean out and run pressure temperature surveys on the Tuscarora 65C-8 production well. Mike approved.
9. Reviewed Ormat Nevada's sundry notice to perform a work-over operation on the Steamboat Hills 21-5R production well. Mike approved.
10. Reviewed ORNI 43 LLC's (Ormat Nevada) sundry notice to perform a work-over operation in the Tungsten Mountain 67-22 observation well. Received BLM notification of approval. Mike approved.
11. Reviewed ORNI 32 LLC's (Ormat Nevada) permit application and drilling program for the Dixie Hope 11-17 observation well, located in Dixie Valley south of Terra-Gen's production facility. Dixie Hope has previously been referred to as Dixie Meadows. The proposed total depth of the well is 4,000 feet.
12. Reviewed ORNI 32 LLC's permit application and drilling program for the Dixie Hope 11-17A production well. The proposed total depth of the well is 9,500 feet.
13. Reviewed ORNI 32 LLC's permit application and drilling program for the Dixie Hope 86-7 temperature gradient hole. ORNI 32 is proposing to core this hole to a total depth of 1,000 feet. Received BLM notification of approval. Waiting on receipt of permit fee before permitting.
14. Reviewed ORNI 32 LLC's permit application and drilling program for the Dixie Hope 22-8A temperature gradient hole. ORNI 32 is proposing to core this hole to a total depth of 1,000 feet. Received BLM notification of approval. Waiting on receipt of permit fee before permitting.
15. Reviewed ORNI 32 LLC's permit application and drilling program for the Dixie Hope 22-8B temperature gradient hole. ORNI 32 is proposing to core this hole to a total depth of 1,000 feet. Received BLM notification of approval. Waiting on receipt of permit fee before permitting.
16. Wells drilling: Gradient Resources Patua 21-19 ST1 production well; Ormat Nevada Steamboat Hills 41-5 production well; Ormat Steamboat Hills 21-5R work-over. Enel Stillwater 23A-29; US Geothermal San Emidio 45-21 observation well; Ormat Nevada Steamboat Hills 41-5 production well; ORNI 43 (Ormat Nevada) Tungsten Mountain 67-22 observation well; Ormat Nevada Carson Lake 18-5 observation well.

OIL AND GAS (LOWELL)

1. Reviewed Major Oil International's sundry notice to allow the well to be drilled to 9,000 feet rather than the permitted 8,000 feet in total depth. Discussed with John Menghini, BLM, where we decided to move in 500 foot increments. Discussed with Mike, where Mike.

2. Reviewed Bright Sky Energy and Minerals permit application and drilling program for the White River Valley 1-35 exploration well. The well is to be located in 8N 61E Section 35. Proposed total depth is 12,500 feet. Received BLM notification of approval. Alan approved.
3. Reviewed Winn Exploration's permit application and drilling program for the Ragged Ridge No. 1 exploration well. The well is to be located in 10N 57E Section 13 in Railroad Valley. Proposed total depth is 7,500 feet. Received BLM notification of approval. Alan approved.
4. Reviewed Makoil's permit application and drilling program for the Portuguese Mountain 14A-12 exploration well. The well is to be located in 10N 56E Section 12 in Railroad Valley. Proposed total depth is 7,000 feet. Received BLM notification of approval. Alan approved.
5. Reviewed True Oil LLC's permit application and drilling program for the DY Federal 12-31. The proposed drilling location is in Railroad Valley, approximately 23 miles SW of Currant, in T7N Range 57E, SW/4 NW/4 Section 31.
6. Reviewed Andromeda Oil's permit application and drilling program for the Tomera Ranch #4. Proposed total depth is 2,200 feet.
7. Reviewed Andromeda Oil's permit application and drilling program for the Tomera Ranch #5. Proposed total depth is 2,400 feet.
8. Reviewed Andromeda Oil's permit application and drilling program for the Tomera Ranch #6. Proposed total depth is 1,800 feet.
9. Reviewed Gary Borgna's revised drilling program for the proposed MB-1 well in Churchill County, approximately four to five miles due east of the Salt Wells turnoff east of Fallon. Mr. Borgna is proposing to re-enter the plugged and abandoned Reis Federal 1 well (P&A'd in January 1990), and deepen the well from its original total depth of 4,117 feet to 5,000 feet. Waiting on BLM notification of approval.
10. Drilling/Completion: Major Oil Eblana No. 1.

OTHER (LOWELL)

1. Attended the Division of Water Resources meeting concerning changes in regulations for the drilling and plugging of water wells.
2. Attended the IOGCC Mid-year Conference in Vancouver, British Columbia from Saturday, June 2nd through Wednesday, June 6th.
3. Attended National Renewable Energy Laboratory/Department of Energy webinar concerning geothermal regulatory road-mapping on federal regulations on June 7th.
4. Attended the BLM-Forest Service sage grouse public meeting at the Gold Dust West Casino in Carson City. The presentation dealt primarily with the BLM-Forest Service study of socio-economic impacts related to possible upcoming sage grouse regulations. Five regional, western US, EIS's pertaining to sage grouse are being performed by the BLM-Forest Service.
5. The BLM Oil and Gas Lease Sale was held on June 12th. The results of the sale are:

Competitive Lease Sale

1. Total number of parcels offered: 38
2. Total number of acres offered: 48,572.550

3. Total number of parcels receiving bids: 27
4. Total number of acres receiving bids: 39,276.740
5. Total sum of high bids: \$242,134.00
6. High bid per parcel: \$22,680.00
7. High bid per acre: \$9.00
8. Total receipts: \$305,102.50
9. Were there any disruptions or unusual events during the sale? No
10. Total number of parcels protested: 0
11. Total number of protests received on the sale: 0
12. Total number of acres protested: 0
13. Total number of parcels withdrawn as a result of protests: 0
14. Total number of parcels withdrawn for other reasons: 21
15. Total number of acres deferred from the preliminary list for sage grouse: 139,294.00
16. All monies due were received? Yes

Non-Competitive

Offers filed: 0
Offers rejected: 0
Offers returned for correction: 0
Parcels available for NCO: 4
Parcels receiving offers: 0
% parcels receiving offers: 0
Parcels receiving multiple offers: 0
Acres available for NCO: 7014.80
Acres receiving offers: 0
% acres receiving offers: 0
Total rental collected (all parcels): 0
Rental fees retained: 0
Filing fees collected: 0
Total fees retained: 0
Total deposit: 0
Refund: 0