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Governor

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ALAN R. COYNER
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ACTIVITY AND ACHIEVEMENTS

November 2011

ADMINISTRATION (ALAN)

1. KRN TV Channel 4 in Reno broadcast two interviews with Chris Ross, BLM and myself concerning the AML closure work undertaken in Virginia City.
2. Toured the bat cupola and the Combination Shaft in Virginia City with Chris Ross, BLM and a TV news crew from Reno Channel 4.
3. Met with other natural resource agency heads to do strategic planning for the implementation of a new goal-orientated budget process.
4. Attended a strategic planning session with Leo Drozdoff of DCNR and other natural resource agency heads.
5. Attended a conference call of the State Environmental Commission.
6. Met with Jim Faulds, NBMG concerning the future financial requirements for NBMG.
7. Assisted Bill Galine of Expedition Mining with a bond pool refund.
8. Responded to a rancher concerned about excessive drill rig noise near Hazen.
9. Responded to an inquiry concerning the removal of PVC claim posts.
10. Attended a meeting of the State Environmental Commission.
11. Responded to an inquiry from Tyson Falk concerning the occurrence of rare earth metals in Nevada.
12. Requested backup from the NBMG concerning billings to the current special project being funded by the CMR at the GBSSL.
13. Facilitated a special meeting of the CMR to discuss spending priorities of the CMR relative to the core mission of NDOM.
14. Notified the CMR that the Nevada Supreme Court dismissed an appeal by the state concerning the constitutionality of the law that imposed an additional mining claim fee.
15. Scheduled a special meeting of the CMR to be held by teleconference on November 23 and distributed a draft agenda.
16. Facilitated the CMR meeting in Reno.
17. Attended the quarterly BLM/Industry Geothermal meeting.

RECLAMATION BOND POOL (DOUG)

1. Issued a notice level bond for Gold Summit, Midway Gold and released a notice level bond for Western Lithium.
2. Processed releases for 2 notice level bonds (Golden Odyssey and Medallion Resources)
3. Processed 2 releases and 2 reductions pending foreign vendor registration.
4. Met with Eric Scheetz of the controller's Office and Linda and Valerie about tracking bond deposits.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Completed the contract amendments for Environmental Protection Services, Hergon Mine Securing solutions, and Geotemps. They have been completed on-line as well as paper and submitted to the budget office. They will be on the BOE agenda for the next meeting scheduled for December 13, 2011.
2. Approved one oil sundry for a P&A.
3. Proofed the exploration survey for printing.
4. Approved geothermal permit and one sundry
5. Retrieved the \$1,000 from ASAP (Automated Standard Application for Payments) for the BLM abandoned mine assistance agreement.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Rachel and I supervised and assisted with the PUF closures of six AML features on a parcel in Silver City owned by Lyon County.
2. Reviewed site logistics and securing options for 14 sites at the King mine, Mineral County. Bat compatible closure work was initiated by EPS using BLM grant money to NDOW and additional funding from NDOM using the statewide gating contract. Three bat gates and one grate were constructed with the remainder of the work planned for the week of November 7.
3. Rachel and I performed AML inventory work at Red Hill, north of DRI. Two previously inventoried sites were revisited, one repaired. Three previously identified non-hazards from the '90's were re-evaluated and logged as hazards. 11 new non-hazards were identified. A report of findings and closure recommendations will be sent to the owner, Washoe County Parks and Planning, for their consideration as they move forward with plans to develop the property as a regional park.
4. Jason Williams (NDOW) requested data for inventoried sites around Goldfield. A clip of the database was generated by Rachel and copies of field maps were sent to him.
5. Assisted Russ Fields with contact information for AML personnel (state and FS) in Idaho regarding an AML hazard on a mineral patent deeded to UNR.
6. Supervised and assisted EPS with the gating of six hazards at the King mine, Mineral County. Twelve additional hazards were secured with fencing and signs.
7. Conducted downhole camera survey on a shaft at King Mine.
8. Provided historic securing and gating numbers on BLM and FS-managed lands to Rory Lamp (NDOW) for a grant application.
9. Sent letter and CD to Dan Williss (Lyon County) detailing closure work conducted at six hazards on a county owned parcel in Silver City.
10. Logged 24 non-hazards in Washoe County.
11. Data entry of new inventory and securing work done by USFS in White Pine County.
12. Conducted AML field work in Douglas and Lyon counties. Logged four hazards, 88 non-hazards, and made revisit/repairs to 12 sites.
13. Supervised installation of KnoxBox, secured key holder, on bat cupola in Virginia City and spoke with Patty Blakely (Storey County Fire Department) about how the location of the removable bars and how they work. Photos and info were emailed to property owner, Scott Jolcover.
14. Sent email detailing dates and securing efforts at King Mine, along with "before" and "after" photos, to BLM, NDOW, and GBI.
15. Entered data and pictures from logging efforts last week in Lyon and Douglas counties.
16. Completed PowerPoint presentation for upcoming Mining and Tribal Forum and provided it to Tansey Smith (NDEP).

17. Attended Silver State Mining and Tribal Forum in Reno. Provided AML presentation to attendees. (1 presentation – 50 people)
18. Provided answers to Elko Daily Free Press regarding the AML program.
19. Communicated with Sarah Lightner (Geotemps) regarding our interest in hiring former intern Murya Dube as a contractor to assist with data entry in December and January.
20. Attended quarterly CMR meeting.
21. Boy Scout Zac Newman expressed interest in doing AML work for an Eagle Project. Information was forwarded to him.
22. Sent letter and informative packet to Boy Scout Zac Newman regarding potential fencing project.

AML / GIS (RACHEL)

1. Traveled to Silver City with Mike Visher in order to permanently close five abandoned mine hazards on Lyon County property. The work was completed with EPS contractors in a little over 6 hours. During the time, several additional non-hazards were logged in the surrounding area while attempting to better locate parcels of land.
2. Worked on completing a quarterly map showing the recent AML work throughout the state. Ran some queries to determine the amount and distribution of unsecured hazards through the state and the associated ownership.
3. Worked on updating the database with new securing information received during the past week. Ran new queries to reflect these changes. Worked on verifying sites secured by claimants with photos and information in our records. Added these photos to the staging folder and updated the archive.
4. Reviewed many of the hazards in the viewshed of the V&T Railroad in order to determine potential for bat habitat. Worked on updating the land status and completed new land research for the sites in Lyon County. This information will be assembled and sent to NDOW so that they may begin internal surveys for bats. This will be the first step towards additional hard closures in the area.
5. Compiled a list of sites within a 10 and 15 mile radius of Goldfield for Jason Williams of NDOW who is working with Goldfield Metallic on researching hazards in the area.
6. Completed the research work on the list of hazards that may provide bat habitat for the Virginia City area. The research was completed on Lyon County only and those sites re-researched included only those that may provide suitable bat habitat. The list was sent to NDOW so that they may begin survey work and move towards permanent closures if possible.
7. Accompanied Fawn Bolton with the Walker River Paiute Tribe to the Terrill Mountains area to continue logging hazards on reservation land. Eleven new hazards were logged in the region along with several non-hazards. A few more site visits will be required in order to complete the work on the reservation.
8. Received a phone call from the Environmental Coordinator with Great Basin Gold. The phone call was to inform us that they are planning to move forward on securing work on hazards in the Aurora area. Information regarding logged hazards and non-hazards in the area was sent via e-mail so that they may better assess the hazards in the area.
9. Received a phone call from Dan Baldini in Battle Mountain requesting additional information on securing hazards on patented claims. It was suggested that he contact Katie Miller of NDOW to see about moving forward on bat compatible closures. In the meantime he will post signs and put up fencing around the hazards.
10. Completed updating the information collected during a field visit to the Walker River Reservation. Added new hazard and non-hazard data to the database. Added the photos

taken during this visit to the photo database and updated the weekly mines to reflect the number of hazards used.

11. Received a call from the Esmeralda County Sherriff regarding a “mine shaft” that opened up in Goldfield. Forwarded this information to Bill Durbin who traveled to Goldfield the following morning and secured the shaft. The shaft may have been an old water well that was approximately 10 feet deep. Pending owner notification the site may be foamed closed in the near future.
12. Completed an updated map of the hazards at the Cordero Mine site for work to be completed the week of November 28.
13. Began working on an updated list of the hazards in the viewshed of the Virginia and Truckee Railroad. The list was expanded to include several more sites after taking a physical trip on the V&T and seeing the amount of hazards that are visible and those that someone would find after visiting one seen from the train. The research work was completed on those hazards in Lyon County – Storey County hazards will need to be researched.
14. Completed an updated version of the map for the Red Hill project area. The new map included all recently logged hazards and non-hazards and proximity to the property line.
15. Continued work updating the Virginia and Truckee hazard list – added additional hazards and re-researched sites in Lyon County that had not been researched in several years.
16. Responded to several phone calls received from claimants.
17. Received several securing photos from the Bureau of Reclamation and cross referenced them with the photos in our records and added the new photos to the database and updated the new securing information.
18. Added new information to the database regarding recently secured hazards, hazards that will be secured by owners and changes in ownership information.
19. Updated and sent hazard ID forms logged during the time spent on the Walker River Paiute Reservation to Fawn Bolton for her reference.
20. Completed an updated map of the Cordero Mine site for securing work that will be completed by EPS during the end of November.
21. Spoke with A.J. Mitchell with the Bureau of Reclamation regarding sites in Humboldt County needing to be identified. Sent additional photos for aid in identifying the hazards.
22. Addressed several letters from claimants received regarding the status of unsecured hazards. Updated the database and sent thank you letters to those claimants who had secured hazards.
23. Attended a webinar presented by ESRI and Directions Magazine on developing apps on the Android platform in order to assess what would be involved in developing an application to run on a tablet for faster, easier field data collection and data entry. After assessing both the iOS (Apple’s mobile platform) and the Android platform, it seems that the Android platform would be best for what our specific needs are. Further research will be required in this area as well as additional software and hardware to make this possible.
24. Completed monthly maintenance on computers and backed up data on external hard drives. Installed a new service pack for ArcMap and looked into other available updates.
25. Updated the database with new non hazard information collected in the past weeks.
26. Attended the quarterly CRM meeting at the Bureau of Mines and geology on the DRI campus.
27. Began training Valerie Kneefel in AML database input.
28. Linda Carrion traveled to Jacks Valley Elementary to present on abandoned mine lands in two classes totaling 51 students (2 presentations – 51 students).

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Met with owners of patented claims near Goodsprings to assist them in identifying unsecured hazards listed in a September notification letter.
2. Investigated and ranked one new hazard in the Goodsprings area, Clark County
3. Responded to inquiries and requests for information from claimants and property owners who received September 20 AML notification letters.
4. Shaft Call – Open mine shaft reported Nov. 16 by Esmeralda County Sheriff Department. Located near downtown Goldfield. Site investigated and ranked and fenced on Nov. 17. (Note: The Esmeralda County Sheriff Department was astounded by the short response time.)
5. Evaluation and correlation of Clark County re-visit information and photographs.
6. Conducted re-visits and assessment of material needs at the Bullion Mine south of Goodsprings as requested by property owner for 18 hazards.
7. Completed courtesy securings of two AML hazards for elderly patented claim owner who lives in Florida. Sent letter and securing photographs to owner.
8. Met with lessor of the Chiquita Mine property near Goodsprings to verify locations of AML hazards on the patented mining claims. Investigated and ranked two hazards (both secured) on the claims.
9. Evaluation and correlation of Clark County re-visit information and photographs.
10. Dealt with inquiries and requests for information from claimants and property owners who received AML notification letters.
11. Participated in the bi-monthly progress report conference calls for the BLM/ACOE/BOR AML closure projects – Northern Nevada, Lincoln and White Pine Counties.
12. Attended Commission on Mineral Resources meeting in Reno.
13. Attended a luncheon hosted by the McCaw School of Mines Foundation for the teachers and staff at Gordon McCaw Elementary School.
14. Interviewed two candidates for the data entry and photo cataloguing position for the Clark County AML re-visit project. Selected Ryan Haeberlin, a student at the College of Southern Nevada with a major in geological sciences.
15. Orientation and training for Ryan Haeberlin, new Geotemps hire.
16. Prepared Eagle Scout project packet for new Trevor Boehme (#154).
17. Prepared new Eagle Scout project package for Kaleb Bodily who dropped out in May, 2011 and has requested another project (#145).
18. Presented five sessions of Minerals and Commodities and AML to 455 7th graders at Faiss Middle School – Las Vegas (5 presentations – 455 people).
19. The McCaw School of Mines Executive Director reported a profit of \$2,300.69 from the October 21-22 Halloween Party/Open House.
20. Presented 5 assembly sessions of Minerals and Commodities and AML to 485 7th graders at Lied Middle School – Las Vegas (5 presentations – 485 people).

GEOHERMAL (LOWELL)

1. Reviewed Terra-Gen's sundry notice to initiate preventive measures on potential 13 3/8" casing corrosion in the Dixie Valley production well. Terra-Gen proposes to tie back the 9 5/8" liner to surface by running 9 5/8" casing from the surface down to the top of the 9 5/8" liner, thereby isolating the 13 3/8" surface casing from fluid movement. Alan approved.
2. Reviewed Terra-Gen's sundry notices for winterization of the 36-14, 45-14, 76-14, 62-21, 66-21, 58-22, and 62A-23 legacy wells. A vegetable oil produced by ExxonMobil will be utilized. Alan approved.

3. Reviewed Nevada Geothermal Power's request to extend the 21-14 and 42-14 production well permits to January 31, 2012 and the 36-11 injection well permit to January 13, 2012. Alan approved.
4. Reviewed ORNI 15's (Ormat Nevada Inc.) sundry notices to perform acid stimulation in the Jersey Valley 81-28 and 81A-28 production wells. Received approvals from BLM and UIC. Alan approved.
5. Reviewed Ormat Nevada's request to transfer ownership of all active Dead Horse permits and wells/TG holes drilled to ORNI 47 LLC. The Project Area will now be referred to as 'Wild Rose' rather than 'Dead Horse'.
6. Reviewed Magma Energy's permit application and drilling program for the McCoy 62-8 observation well. BLM had previously approved. Proposed total depth is 2,500 feet. Alan approved.
7. Reviewed Magma Energy's permit application and drilling program for the McCoy 17-20 observation well. BLM had previously approved. Proposed total depth is 2,500 feet. Alan approved.
8. Reviewed Gerlach Geothermal's sundry notice to change the drilling program and classification for the Gerlach 18-10A production well. Proposed changes are drilling a slim hole versus a larger production size hole and re-classifying the permit from production to observation. Gerlach Geothermal proposes to drill the well to 3,000 feet rather than the 750 feet previously permitted. BLM approved the changes. Alan approved.
9. Reviewed US Geothermal's sundry notice to move the permitted location of the OB-7 observation well at San Emidio. The well new requested well location is in the same quarter-quarter section. Alan approved.
10. Wells drilling: Gradient Resources Patua 85-19 production well (10,438', drilling); ORNI 15 (Ormat Nevada) Jersey Valley 14-34 injection well (3,291', rigged down, mobed out); Ormat Nevada Dixie Hope 42(12)-9 production well (7,442', rigging down); HSS II (Ormat Nevada) Tuscarora 87A-5 production well (3,200', flow and injection tests).
11. Reviewed Enel North America's sundry noticed to winterize the 51-6 observation well with mineral oil. Checked with Russ Land, UIC, on the use of mineral. Russ approved of the use of mineral oil. Alan approved.
12. Reviewed Enel North America's permit application and drilling program for the Stillwater 23A-29 production well. Proposed total depth is 7,000 feet. Alan approved.
13. Reviewed Enel North America's permit application and drilling program for the Salt Wells 46-35 temperature gradient hole. Proposed total depth is 500 feet. Alan approved.
14. Reviewed Ormat Nevada's permit application and drilling program for the McGinness Hills 28B-10 production well. Proposed total depth is 3,650 feet. Alan approved.
15. Reviewed Ormat Nevada's permit application and drilling program for the McGinness Hills 36-10 production well. Proposed total depth is 4,000 feet. Alan approved.
16. Reviewed Ormat Nevada's permit application and drilling program for the McGinness Hills 36A-10 production well. Proposed total depth is 4,000 feet. Alan approved.
17. Wells drilling: Gradient Resources Patua 85-19 production well (11,065', drilling); Ormat Nevada Leach Hot Springs 75-31 observation well (1,119', coring); HSS II (Ormat Nevada) Tuscarora 87A-5 production well (3,200', rigged down); Ormat Nevada McGinness Hills 28B-10 production well (rigging up); Gerlach Geothermal (US Geothermal) 18-10A observation well (545', drilling).
18. Reviewed US Geothermal's sundry to withdraw Permit #1246, San Emidio OB-9 observation well, due to moving the location out of section 22. Permit #1246 is to be replaced with Permit #1271. Doug approved.

19. Reviewed US Geothermal's permit application for San Emidio OB-9 observation well (replaces Permit #1246). Well is to be drilled in T29N, Range 23E, Section 16, utilizing same drilling program as Permit #1246. Proposed depth is 3,000 feet. Doug approved.
20. Reviewed Us Geothermal's permit application and drilling program for the San Emidio OB-10 observation well. Proposed total depth is 3,000 feet. Doug approved.
21. Wells drilling: Gradient Resources Patua 85-19 production well (11,382', performing flow tests); Ormat Nevada Leach Hot Springs 75-31 observation well (1,670', coring); Ormat Nevada McGinness Hills 28B-10 production well (733', fishing); Ormat McGinness Hills 36-10 (mobing in rig/rigging up); Gerlach Geothermal (US Geothermal) 18-10A observation well (826', ran/cemented 8" casing, conducted BOP tests-good, requested permission from NDOM and BLM to suspend drilling operations temporarily due to the need of having the rig at San Emidio, permission granted by NDOM and BLM).
22. Reviewed Gradient Resources' permit application and drilling program for the Patua 44A-21 production well. Proposed total depth is 11,500 feet. Alan approved.
23. Reviewed Nevada Geothermal Power's sundry notice to perform a 29 day injection test in the Blue Mountain 41-27 injection well. Russ Land, UIC, reviewed request and approved the test. Alan approved.
24. Reviewed Nevada Geothermal Power's sundry notice to perform a 29 day injection test in the Blue Mountain 34-23 injection well. Russ Land, UIC, reviewed request and approved the test. Alan approved.
25. Reviewed Nevada Geothermal Power's sundry notice to re-enter the Blue Mountain 89(82-14)-11 injection well in order to clean out the well bore and run 7 inch liner. The 7 inch liner will be hung from 13 5/8 inch intermediate casing. This well spudded on fee land but entered a BLM lease at depth. John Menghini, as well as the BLM Winnemucca Office approved. Alan approved.
26. Wells drilling: Gradient Resources Patua 85-19 production well (11,382', continuing with flow/injection tests); Ormat Nevada Leach Hot Springs 75-31 observation well (2,000', logging well, will rig down after logging); Ormat Nevada McGinness Hills 28B-10 production well (1,540', drilling); Ormat McGinness Hills 36-10 (rigging up/repairing top drive); US Geothermal San Emidio OB-8 observation well (moving rig in from their Gerlach Geothermal 18-10A location, will deepen well from current 2,560' depth to 3,000').

OIL AND GAS (LOWELL)

1. Reviewed Tetuan Resources Corporation's permit application and drilling program for the Marys River 34-26 proposed well. The well will be located immediately northwest of Wells in Elko County. The well must be spud prior to November 30th to satisfy BLM stipulations. BLM has previously approved this proposed well. Total depth is to be 7,500 feet. Alan approved.
2. Reviewed Grant Canyon's sundry notice to re-enter the Bucy #1, located on northwestern flank of Blackburn Field. The hole will be logged and evaluated for potential production, perforating and testing prospective intervals. Received BLM notification of approval. Alan approved.
3. Reviewed Grant Canyon's sundry noticed to start re-injecting air into the Blackburn No. 16 injection well now that the work over has been completed. Coordinated approval with Russ Land. Alan approved.
4. Drilling/Completion: HBF Charity #2 (1020', waiting on arrival of surface casing, performing repairs to Pistol Drilling Rig #7); Grant Alliance FLT 1 (4,875', continuing to swab potential intervals); VF Neuhaus East Hogback 31-2 (1,856', continuing to swab

- well in attempt to establish oil production); Desert Discoveries/Independence Drilling Paradise 2-12 (4,250', (?) replacing second pump).
5. Reviewed Western General Energy's sundry notice and plugging procedure for the plugging and abandonment of the Kate Spring 1-10 Wheel of Fortune well. Checked with John Menghini and Darrell Carter at the BLM on the plugging and abandonment procedure, BLM approved. Doug approved.
 6. Drilling/Completion: HBF Charity #2 (1020', still waiting on arrival of surface casing, winterizing Pistol Drilling Rig #7); Grant Alliance FLT 1 (4,875', continuing to swab potential intervals); VF Neuhaus East Hogback 31-2 (1,856', continuing to swab well in attempt to establish oil production); Desert Discoveries/Independence Drilling Paradise 2-12 (4,250', will be replacing second pump).
 7. Reviewed Andromeda Oil LLC drilling program for the Tomera Ranch #3. Drilling program was 'lacking' in several areas. Contacted Sam Webb of Andromeda Oil as to what the Division expected to review in a drilling program. Proposed total depth is 1,200 feet.
 8. Drilling/Completion: HBF Charity #2 (1020', still waiting on arrival of surface casing, winterizing Pistol Drilling Rig #7); Grant Alliance FLT 1 (4,875', continuing to swab potential intervals); VF Neuhaus East Hogback 31-2 (1,856', continuing to swab well in attempt to establish oil production); Desert Discoveries/Independence Drilling Paradise 2-12 (4,250', will be replacing second pump).
 9. Reviewed Andromeda Oil LLC's revised drilling program for the Tomera Ranch #3. Proposed total depth is 1,200 feet.
 10. Drilling/Completion: HBF Charity #2 (1020', still waiting on arrival of surface casing); Grant Alliance FLT 1 (4,875', continuing to pump/swab potential intervals, producing ~350 barrels of water per day).

OTHER (LOWELL)

1. Attended the Nevada Petroleum Society meeting on Thursday, November 3rd. Larry Garside presented the updated version of a Qualitative Petroleum Potential Map of Nevada, which he prepared with Ron Hess.
2. Attended the Nevada Geothermal Council (NGC) meeting on Thursday, November 17th. The BLM gave a presentation of its work to keep the sage grouse off of the endangered species list, as well as how the BLM is working with the US Fish and Wildlife to keep the listing from occurring. The BLM and US Fish and Wildlife are developing regulations to preserve the sage grouse habitat. The first draft of the impending regulations is expected in September 2012. The upcoming regulations will effect oil, gas, and geothermal activities in eastern and northeastern Nevada primarily, but will apply to any nesting areas throughout the State.
3. Attended the BLM – Geothermal Industry quarterly meeting on Wednesday, November 16th. A variety of issues were discussed, including depth limitation on temperature gradient holes and lining of reserve pits/sumps at McGinness Hills.
4. Attended presentation by Susan Petty, AltaRock, at NDEP on Enhanced Geothermal Systems (EGS) on Friday, November 18th. Susan explained the process of increasing fracture permeability by shocking the rock with cool to cold water. Permeable zones can be isolated using a degradable material to plug the zone up, allowing other zones to be 'shocked' and fractured.
5. Gave a presentation on minerals mined in Nevada to the St. Theresa's pre-school in Carson City on Tuesday, November 22nd. The kids were quite young, but very interested in all of the 'rocks'. Closed out presentation with a discussion on 'Stay Out, Stay Alive' (one presentation – 20 people).