

**STATE OF NEVADA  
 COMMISSION ON MINERAL RESOURCES MEETING  
 Friday, May 4, 2012 – 1:00 p.m.  
 Joe Crowley Student Union – Room 323  
 1664 North Virginia Street  
 Reno, Nevada**

COMMISSIONERS IN ATTENDANCE	STAFF IN ATTENDANCE	
Dennis Bryan (Acting Chairperson)	Alan Coyner	Peter Herrera
Richard DeLong	Gary Johnson	Jonathan Price
David Parker	Jim Faulds	Brian Breiter
John Stout	Lowell Price	Mike Visser
John Snow	Bill Durbin	John Muntean
John Mudge		
Fred Gibson ( <i>via telephone</i> )	Kristen Geddes (Deputy Attorney General)	

**I. OPENING AND INTRODUCTIONS**

Acting Chair Bryan called the meeting to order at 1:07 p.m. Alan Coyner introduced Commissioners and Staff in attendance at the meeting.

**II. PUBLIC COMMENT**

A. Jon Price distributed rock samples collected from the Searchlight Tour held during the last CMR meeting. He presented Nevada shapes to Fred Gibson in honor of his birthday. Mr. Price expressed his thanks to the Commission for their support of the Nevada Bureau of Mines and Geology.

**III. APPROVAL OF THE AGENDA**

**It was moved, seconded, and carried to approve the May 4, 2012 meeting agenda.**

**IV. MINUTES OF THE FEBRUARY 27, 2012 MEETING**

**It was moved, seconded, and carried to approve the February 27, 2012 meeting minutes.**

**V. REPORT OF THE ADMINISTRATOR**

**A. Division of Minerals Activities** – Alan Coyner reviewed the May 3rd field trip to Comstock Mining in Virginia City. He commented on the activity occurring at the site. He also discussed the demonstration of the agency’s down-hole camera at the New York shaft. Discussion followed about the capability of the down-hole camera. The focus of the use of the camera is to aid the agency’s AML mission and not the promotion of the use of the down-hole camera for outside purposes. Mr. Coyner commented on the increase in the Comstock Mining reclamation bond and the possible impact to the State Reclamation Bond Pool and stated discussions were being held with Comstock Mining regarding the different options to consider due to the increase. Mr. Coyner stated a BLM representative from the Carson City office was also in attendance for the Comstock Mine tour.

**1. Administration** – Mr. Coyner reported the following:

- Mike Visher has been named the new Deputy Administrator.
- A State-level meeting will be held on May 13, 2012 regarding sage grouse. The Commission may be asked to submit recommendations on how to minimize impacts on sage grouse habitat. Mr. Coyner stated the Governor has been approached on the sage grouse issue and was in favor of receiving recommendations from agencies other than State agencies.
- The Abandoned Mine Lands Chief position has been filled.
- There has been a steady demand for reclamation bonds.
- The letter regarding the sharing of federal geothermal rents and royalties with the county of origin was submitted to the Governor.
- A letter was also sent to House Natural Resources Committee in Washington D. C. concerning abandoned mines present on the land in the Yerington Land Transfer Bill.
- The work program for funding the removal of Hollow Pipe claim markers has been submitted and funding will begin in 2013.

Discussion was heard regarding funding for the Task Force to address the issue of the sage grouse. A suggestion was made for the Commission to support off-site mitigation for sage grouse habitat, but not endorse substantial “no-go” areas in order to have a viable mineral, mining, and exploration industry.

**2. Mining/Reclamation Bond Pool** – Mike Visher reported the following:

- The deposit for the Art Wilson’s Adams Claim gypsum mine has been refunded. Art Wilson has requested the BLM address the remaining reclamation required at Silver Peak.
- The Kingston mill site was visited with BLM to determine what concerns need to be addressed, including the abandonment of an existing water well.
- The State-wide bond notice with BLM was increased from \$2 million to \$2.5 million.
- A meeting was held with Eric Sheetz with the Controller’s Office regarding the bond pool reconciliation. Monthly breakdowns from last fiscal year through March were provided. Breakdowns would be provided again this fiscal year, but on a quarterly basis.

Mr. Coyner asked if there was a formal request that the BLM re-value the bond at Kingston. Mr. Visher replied yes, but an amount has yet to be determined until it was learned who would take ownership of the well.

With a PowerPoint© presentation, Mr. Visher provided a review of AML field work completed at the Burrus Mine to address hazards and clean-up due to vandalism activity.

A question was asked regarding if the vandalism incidents were reported to the Sheriff’s Office. Mr. Visher stated the incidents were reported and pictures were also provided.

**3. Abandoned Mine Lands** – Pete Herrera:

- Reviewed bat securings completed and unsecured hazards along the V & T railroad corridor that have been secured.
- Stated he attended a presentation regarding unsecured hazards on lands controlled by Newmont.
- Distributed and reviewed the three-page proposal for securing hazards at the Arden Mine.

At this time, Acting Chair Bryan called for a short break. At 2:37 p.m., the meeting reconvened with agenda item VIII.

## VIII. PUBLIC COMMENT

Jonathan Price, Nevada Bureau of Mines and Geology, reported the funds that were approved during the February Commission meeting were approved by the IFC. The two projects for the sample library and the enhanced exploration survey would begin soon. John Muntean reported a meeting was held with some Commission members and NDOM staff to review previous exploration survey questions. A new survey was distributed this week with the recommended, enhanced changes. Mr. Muntean stated two key questions were the amount of exploration expenditures in Nevada and the number of people employed for exploration in Nevada. Follow-up on the survey will be conducted on-line. The deadline for completing the survey report will be December 1, 2012. All surveys will be sent out by the end of May 2012.

Jonathan Price provided an update on discussions at UNR regarding the amalgamation of the Geoscience units and how this will affect the Nevada Bureau of Mines and Geology. He explained initial discussions were to maintain the three existing units with faculty having access to all three, but the BGSE faculty is requesting an amalgamation into one unit with a "super" Chair. He stated there may be a request in the future for the Commission to speak with the Dean of UNR College of Science regarding this issue.

## V. REPORT OF THE ADMINISTRATOR (Continued)

### A. Division of Minerals Activities (Continued)

**4. AML/GIS** – Rachel Wearne was not in attendance to present a report. Pete Herrera reported Ms. Wearne was:

- Assisting him with securing hazards along the V & T railroad corridor and coordination with Newmont on AML sites on their land.
- Training him on the NDOM database system for the last two months.
- Lining up the summer interns.
- Assisted with the notification letters. 15-20 responses have been received to-date.
- Taught four classes at the Teacher's Workshop.
- Re-prioritizing the topographic maps to determine work locations for the summer interns.

Mike Visher reviewed the priority process for the topographic maps.

Richard DeLong asked why there was an increase in priority in the area near Battle Mountain. Mr. Visher stated he did not know precisely, but suggested the BLM had made that area a priority.

At this time, agenda item VI was presented due to time constraints by the presenters.

## VI. OLD BUSINESS

**A. Proposal to fund AML closures at the Mountain Vista underground gypsum mines** – Bill Durbin stated the preliminary cost estimate was based on bat gating the thirty-seven openings in the area. NDOW conducted underground bat surveys in the area on March 7-8, 2012. Results concluded that two of the thirty-seven openings would be suitable for bat-compatible closures. The original cost estimate was revised to take into account the two bat-compatible closures and back-filling the remaining openings. In early April, information was received from Clark County regarding the different permits and permit costs needed for the work. Mr. Durbin stated there may be a permit exemption for work completed on previously disturbed land. The County issued letters regarding this issue and received one response. The land was currently deeded to the Nevada Outdoor School based in Winnemucca, Nevada. Reconveyance deeds were filed with the County on February 12, 2012. Mr. Durbin stated he has requested Real Property Management obtain the deeds for his review. An estimate was received yesterday for the two bat gates without permitting costs is approximately \$162,000 which is approximately 1/3 of the previous estimate.

Discussion was heard regarding the work to be completed for the estimated cost amount and for the County to implement the work with funding assistance from the Commission and for the owner of the property to be involved in this issue.

Mike Visher stated Nevada statutes only require the County or the property owner to complete minimum standards for securings.

Mr. Durbin stated the County can complete the work and bill the property owner for twice the estimated cost and impose \$250 fines for every violation, but not on unpatented claims.

The Commission discussed writing a letter to the County stating the Commission was interested in seeing the project go forward with the County as the lead and to identify in the letter current major structural problems and ownership issues with the land.

**Richard DeLong moved for the Division to send a letter to the appropriate entity and the County that outlines the safety issues identified by the Division and the background information collected regarding those issues and which also states the Commission is interested and willing to assist the County financially in their work to address the public safety issues associated with the historic finding.** Discussion followed.

Kristen Geddes recommended the Division also provide with the letter mapping information and recommended securings that correspond to certain hazards on the property.

**Richard DeLong amended his motion to include Kristen Geddes' recommendations. John Mudge seconded the Motion. Motion carried.**

## V. REPORT OF THE ADMINISTRATOR (Continued)

### A. Division of Minerals Activities (Continued)

#### 5. Southern Nevada Operations – Bill Durbin reported the following:

- The Las Vegas office has been inundated with requests for additional information on the latest round of notification letters.
- In White Pine County, NDOW was conducting internal bat surveys. They located two caches of old explosives on private land and near the Belmont Mine. The explosives were successfully demolished by the Elko Police Department Bomb Squad.
- The Bureau of Reclamation was currently conducting closure work for stimulus funding on BLM land in Lander and Humboldt Counties. Work on the 44 remaining closures in Lincoln County should begin next week with SNPLMA funding.
- Three Eagle Scout projects have been completed since the last Commission meeting. 128 Scout projects have been completed to-date with 604 total securings and 114 repairs or lease securings.
- September 2012 will be the 20<sup>th</sup> anniversary of completing scout projects. Three additional projects are scheduled between May 12<sup>th</sup> and June 2<sup>nd</sup>. The summer hiatus will end after October 1<sup>st</sup>.
- The 23<sup>rd</sup> Annual Earth Science Workshop for Teachers was held. There were 79 individuals in attendance. Overall, the workshop was very successful.
- 14 school presentations were completed in Southern Nevada. One Career Fair event was held at Foothill High School with some students showing interest in a career in the mining industry.
- The MaCaw School of Mines was toured by the Clark County Superintendent in March, 2012.

- The MaCaw Foundation Gala event was held on April 14, 2012. Approximately \$70,000 was raised from the event, which was an \$8,000 increase from last year's event.

Acting Chair Bryan asked if Mr. Durbin has been contacted about birds and claim posts in the Southern Nevada area. Mr. Durbin stated he has not been contacted about that issue.

#### **6. Oil, Gas, and Geothermal – Lowell Price:**

- Reported he received Bill HR43-22, which would give the State sole authority over hydraulic fracturing on federally-managed lands. The Bill was brought forward on March 29, 2012.
- Reported a letter from the Department of Wildlife to the BLM was sent regarding excessive fences around drilling sites to keep out terrestrial life. It was noted some of the securings being requested were 8-foot, chain link fences and steel mesh screens. Mr. Price stated there is a concern that this may lead to more extravagant expenses from NDOW for exploration-type work.
- Reviewed the permitting and drilling activity for geothermal and oil and gas.
- Reported the NDOW map was released for the sage grouse, which reduced the number of parcels offered during the Oil and Gas Lease Sale by 33 parcels. All 42 parcels offered were sold which raised approximately \$1.8 million.

Alan Coyner reviewed the oil and gas leasing issue in Railroad Valley. He reported a meeting was held to discuss the areas in Railroad Valley with parcels that have not been included in recent Oil and Gas Lease Sales for one reason or another. Discussion followed about nominating the parcels for the sale and the drilling potential on the parcels.

#### **B. Budget Update**

**1. Budget Status Report: FY12 to-date** – Mr. Coyner reported the reserve was adequate.

### **VII. NEW BUSINESS**

Mr. Price reported NDOM had received a permanent reinjection exemption request from Hoemstretch Geothermal for 4,355 acre-feet in order to supply water to a meat processing facility and the greenhouse facility. The request was reviewed with NDOW and NDEP. A draft letter was issued to DWR and a response letter was received on April 25, 2012. The exemption was tied to the Division of Water Resource permits, but a permanent waiver is not being given. Mr. Price stated the State needs to maintain their position on protecting the geothermal reservoir. Mr. Coyner reviewed the water rights issue of using the geothermal reservoir for a meat processing facility. It was noted there were three main points to this issue: 1) water rights; 2) the fact that the Division of Minerals' well permits allow water to be run through a geothermal power plant; and 3) the impact this issue will have on future reservoir management. Discussion was heard regarding concern about the future use of geothermal water for a meat processing facility. Mr. Price stated that, in his opinion, it was important to assist with providing jobs for the Mason Valley area, but the ultimate responsibility is to protect the geothermal reservoir.

### **IX. COMMISSION BUSINESS**

**A. Determination of Time and Place of Next CMR Meeting** – The Commission discussed and decided for the next CMR meeting to be held on August 16-17, 2012 in Yerington and Reno, Nevada.

### **X. ADJOURNMENT**

There being no further business, the meeting adjourned at 4:47 p.m.

**It was moved, seconded, and carried to adjourn the meeting.**