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ALAN R. COYNER
Administrator

**STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES MEETING
Friday, November 9, 2012 – 8:30 a.m.
Great Basin Science Sample Records Library (GBSSRL)
Desert Research Institute
Reno, Nevada**

COMMISSIONERS IN ATTENDANCE	STAFF IN ATTENDANCE
Fred Gibson (Chairman) Dennis Bryan (Vice Chairman) Richard DeLong David Parker John Snow	Alan Coyner Lowell Price Bill Durbin John Penton Rachel Wearne Mike Visher Valerie Kneefel Rob Ghiglieri Kristen Geddes (Deputy Attorney General)

I. OPENING AND INTRODUCTIONS

The meeting began at 8:35 a.m. Alan Coyner made introductions including Gary Johnson, BLM, Jon Price, State Geologist Emeritus, Jim Faulds, NBMG Director and State Geologist, John Muntean, NBMG, Craig DePolo, NBMG, and Russ Fields, UNR Mackay. John Penton, the new AML Chief, and Rob Ghiglieri, the new AML Field Specialist, introduced themselves.

II. PUBLIC COMMENT – There were no public comment requests.

III. APPROVAL OF THE AGENDA

Dennis Bryan moved to approve the November 9, 2012 meeting agenda. Richard DeLong seconded the Motion. Motion carried unanimously.

IV. MINUTES OF THE AUGUST 17, 2012 MEETING

Richard DeLong moved to approve the August 17, 2012 meeting minutes. John Snow seconded the Motion. Motion carried unanimously.

At this time, agenda item VI D and VI C were presented due to time constraints by the student presenters. Mr. Coyner noted for the Board revenue from mining claim fees have increased since last year.

VI. NEW BUSINESS

D. Request for Funding from the UNR John Mackay Club for travel to the SME meeting and the International Mining Competition – Michael Kubel, UNR Senior Mining Engineer student, introduced

himself. Mr. Kubel commented on the student growth rate in the Mining Engineering Department and the John Mackay Club. He stated there will be approximately thirty-five students who will attend the SME meeting and approximately ten to fifteen students who will attend the International Mining Competition, so approximately \$60,000 is needed in order to send all students who want to go to the SME meeting and the International Mining Competition.

Mr. Coyner asked if the funding request was similar to last year's. Mr. Kubel stated it was. He added there were only thirty students who attended the SME meeting last year, but there was additional expense due to transporting students to England for the mining competition. Mr. Coyner asked how much funds have been raised so far. Mr. Kubel stated fundraising letters were issued three weeks ago and responses were just beginning to be received, so it was too early to tell how much funding has been raised.

It was asked if this request includes funding to pay for the Mine Expo event. Mr. Kubel stated it is a part of the budget, so some additional funding is needed because the department is expected to grow next year.

It was asked if the school was successful in last year's mining competition. Mr. Kubel stated the design team took first place last year at the SME competition and fourth place overall in the mining competition.

Richard DeLong moved to allocate \$20,000 to the UNR John Mackay Club for travel to the SME meeting and the International Mining Competition. Dennis Bryan seconded the Motion. Motion carried unanimously.

C. Request for Funding from the UNR Senior Mining Engineering Class for a senior field trip to Chile – Caleb Peterson and Jonathan Zittel introduced themselves. With presentation material, Mr. Zittel stated a senior field trip is a requirement of the class. He commented on the educational benefits from the planned field trip to Chile and reviewed the mines that will be visited. He stated the trip is scheduled for January 7-16, 2013 approximately. Fifteen students are planned for the trip with one advisor. The total cost for the trip is approximately \$40,000.

Mr. Coyner asked how much funding has been received for the field trip. Mr. Zittel stated there is no funding at this time. There is funding from a Codeco grant, but it is restricted to sending individuals to Chile to work after graduation. Discussion followed regarding the different contacts who could be approached for additional funding and who could provide assistance with the trip.

Commissioner Snow recommended Russ Fields be the "keeper" of the funds if the trip has to be cancelled.

Dennis Bryan moved to allocate \$15,000 for the UNR Senior Mining Engineering Class' senior field trip to Chile. Richard DeLong seconded the Motion. Motion carried unanimously.

V. OLD BUSINESS

A. Update on the NBMG Database projects funded by the CMR – With a PowerPoint© presentation, John Muntean reviewed the following six database projects being funded: 1) Delivery of the Northern Nye County product; 2) Compilation of production and reserve data; 3) Compilation of exploration data; 4) Continuation to fix locations of Mineral Resource Data System (MRDS); 5) Geochronology database; and, 6) Completion of the Mineral Industry Report for 2011. He stated the goal was to have the database prepared for use by the public by 2013. He explained how mineral deposit information and GIS maps will be compiled from the Mineral Industry Report and will be viewed via the Internet. Discussion followed.

At this time, agenda item V C was presented.

C. Update on the 2012 Exploration Survey – Mr. Muntean stated the survey was being completed and should be made public within the next month. He reported \$675 million was spent on exploration in 2011 and 1,040 individuals were employed in the mineral industry. Projections for 2012 are very similar to 2011. Gold exploration accounts for greater than 80-90%, which is primarily due to small companies. The survey was originally submitted to 360 companies. Of these, 113 companies responded to the survey by

answering most, if not all, questions on the survey. With a PowerPoint© presentation, Mr. Muntean reviewed 2012 survey results and compared 2012 survey results versus results from the 2011 survey.

It was suggested the Nevada Mining Association review the survey report for any inaccuracies that need to be addressed and that a one-page summary of the report be presented during the next legislative session and to the Governor's Office.

A question was asked regarding why there was an increase in responses to the 2012 survey versus past surveys. Mr. Muntean stated it may have been due to follow-up and that the 2012 survey was sent via email. It was asked if survey questions could be improved. Mr. Muntean stated there can be improvement.

B. Update on the NBMG "Geologic Framework" projects funded by the CMR – With presentation material, Jim Faulds reported meetings were being conducted for feedback from industry regarding products the Bureau has produced through the years and if there are products the industry would like to see that have not yet been produced. A questionnaire was also being conducted of product users. Mr. Faulds reviewed the list of potential projects being considered. Discussion was heard regarding allocation of the budget for projects.

D. Funding for Sage-Grouse baseline data collection – Commissioner DeLong reported he has not received any input on having the Commission fund a data collection for the Sage-Grouse. Mr. Coyner stated there have been other agencies that have provided some funding.

VI. NEW BUSINESS (Continued)

A. Review of the Activities of the Great Basin Center for Geothermal Energy – Wendy Calvin introduced herself as a Professor of the Geology Department and the Director of the Great Basin Center for Geothermal Energy. She stated the department's activities focus on basic and applied research, education, graduate programs, and exploration. There are approximately twelve students in the graduate program. Funding was being used to make the program more competitive. Membership funding will be discussed in January 2013. She noted funding received has been turned into competitive funding in other places.

A question was asked regarding what percentage of the work being completed with UC Davis would be in Nevada. Ms. Calvin explained the partnership was not site specific, but would involve research projects that would benefit the industry as a whole, in both California and Nevada.

Mr. Coyner asked if map publications would no longer be through the Nevada Bureau of Mines and Geology (NBMG). Ms. Calvin stated NBMG will continue to complete maps, but the Center will not directly support that publication. The Department of Energy has always paid for the publication and the Center's focus has been on the basic fundamental research and education components and not on exploration because the Center cannot act as a consulting agency.

At this time, Chairperson Gibson called for a break. The meeting resumed at 11:00 a.m.

B. Request for Funding from the Tonopah Historic Mining Park for AML Fencing – Bill Durbin, NDOM, reported the park has recently marketed the area for mountain bike activity. There has also been deterioration and erosion around mine shafts due to recent storms. Eight abandoned mine hazards have been identified. The abandoned mines had fencing previously, but the fencing is gone for one reason or another. There is illegal trespassing in the area. Visitors are also wandering off trails. With photographs, Mr. Durbin reviewed proposed fencing for the area. He stated a six-foot high chain link fence was being proposed with cemented posts. Warning signs will also be posted. The funding request was for \$27,500. Discussion followed about addressing the mine hazards.

Richard DeLong moved that Nye County apply for the balance of the Medallion funds to be applied to this project and for the CMR to allocate the balance needed to reach \$27,500. Dennis Bryan seconded the Motion. Discussion followed clarifying the request was for permanent fencing. **Motion carried unanimously.**

E. Review and Discussion of excluding sand, gravel, and aggregate production from the Annual Status and Production Report – Alan Coyner stated there was no statutory requirement to include sand, gravel, and aggregate production in the Annual Status and Production Report and commented on the amount of time it takes to include this information in reports. It was suggested to table this item to the next meeting for further discussion.

F. Review and Discussion of the agreement between the CMR and UNR concerning the mining claim fee payment and the Marigold royalty – Russ Fields, Mackay School Director, stated the \$2 per claim fee has been essential to fund mining engineering at UNR. With presentation material, Mr. Fields reviewed items being funded by the mining claim fee payment. The current agreement has a five-year term for mining claim fee funding which will end on June 30, 2013. The CMR's overall agreement with UNR ends in 2020. He stated this funding was put in place when the university and the legislature were considering cutting the budget for mining engineering in half. Mr. Fields stated this funding is still needed as the State is not in a financial position to make up the difference. Endowments were being created, but the process is slow, so the request is to extend the agreement. Discussion followed clarifying the interlocal agreement with regards to the mining claim fee and the Marigold royalty. Mr. Coyner noted a decision on this issue will need to be made before February 2013 and the next legislative session and stated the Commission had the ability to commit to another year, a five-year agreement, or to do nothing. This item was tabled to the next CMR meeting.

At this time, agenda item VIII was addressed.

VIII. PUBLIC COMMENT – There were no public comment requests.

VII. REPORT OF THE ADMINISTRATOR – Due to meeting time constraints, individual reports were not presented.

A. Division of Minerals Activities

- 1. Administration**
- 2. Mining/Reclamation Bond Pool**
- 3. Abandoned Mine Lands**
- 4. AML/GIS**
- 5. Southern Nevada Operations**
- 6. Oil, Gas, and Geothermal**

Mr. Coyner reported a lot of attention was being received on a reported new oil discovery in Hot Creek Valley. State regulators will be meeting on December 6, 2012 to discuss issuing drilling permits with hydraulic fracturing. The BLM/NDOM MOU on the bond pool was being completed. The Combination shaft in Virginia City has been closed in cooperation with the BLM.

B. Budget Update

1. Budget Status Report: FY13 to date – Due to meeting time constraints, this item was not addressed.

IX. COMMISSION BUSINESS

A. Determination of Time and Place of Next CMR Meeting – The next CMR meeting will be held on Thursday, February 21, 2013 in Las Vegas, Nevada.

X. ADJOURNMENT

There being no further business, the meeting adjourned at 12:10 p.m.