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COMMISSION ON MINERAL RESOURCES
 Clark County Commission Chambers
 500 S. Grand Central Pkwy., Las Vegas, NV 89155

Thursday February 4, 2016

9:00 A.M.

Minutes

| COMMISSIONERS IN ATTENDANCE | STAFF IN ATTENDANCE |
|---|---|
| Richard DeLong (Chairperson) Fred Gibson Dennis Bryan John Snow David Parker Art Henderson John Mudge not in attendance | Richard Perry Valerie Kneefel Mike Visher Robert Ghiglieri Bryan Stockton (Senior Deputy Attorney General) Garrett Wake Bill Durbin |

CALL TO ORDER

Meeting was called to order at 9:00 AM

The Agenda for this meeting of the Commission on Mineral Resources has been properly posted for this date and time in accordance with NRS requirement.

ROLL CALL:

Valerie Kneefel took roll call:

Richard DeLong, Dennis Bryan, David Parker, Fred Gibson, John Snow. (John Mudge was not in attendance)

PLEDGE OF ALLEGIANCE:

Led by Richard DeLong

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person.

ACTION WILL NOT BE TAKEN

I. MINUTES

A. Approval of the November 5, 2015 meeting minutes

FOR POSSIBLE ACTION

Motion Approval of the November 5, 2015 minutes by: page 2 of 11 change by Rich DeLong change the word “roads” to “area”. Dennis Bryan made a motion to approve the change. Seconded by: Fred Gibson. Unanimously carried.

II. NEW BUSINESS

A. Thorium Energy Presentation

FOR POSSIBLE ACTION

Commissioner Henderson requested investigation of the use and availability of thorium for power production at the August 27, 2015 CMR meeting. Garrett Wake has researched this topic and will present findings.

G. Wake presented a power point on the use of Thorium (Th-232) as a replacement for Uranium (U-235) in the Production of Electrical Energy. As of 2014, the U.S. generated nearly 800b kWh of electricity by means of nuclear fission (NEI, 2015).

- This is almost double the production of the world's second largest producer (France; 418b kWh), and more than one third of the world's total nuclear-electricity generation (NEI, 2015).
- The estimated amount of electricity generated in the U.S. (from all sources) in 2013 was just above four-trillion kWh, of which 19% was produced from nuclear sources (Conti et al, p.24).
- Nearly one fifth of the U.S. electrical-energy production comes from nuclear sources.

Fissile uranium fuel rods, filled with enriched uranium (increased U-235 vs 238) pellets, are placed into a controlled environment. A catalyst (neutron source) is used to begin a sustained chain reaction in the fissile uranium rods.

The chain reaction is maintained at a critical level (a net balance of neutron gain and loss). A by-product of nuclear fission is heat, which is used to boil a fluid (water) into steam. The steam is routed through a system of turbines, which generate electrical energy. In the U.S. there are two common types of nuclear reactors:

- Pressure Water Reactors (PWAs) and,
- Boiling Water Reactors

Both use basically the same concept (steam rotates turbines for electrical generation). Both have advantages and disadvantages when compared.

Pros:

Possibly 3-4x more crustal abundance, though skeptics argue U-238 is significantly abundant in seawater.

No Enrichment

Since Th-232 is fertile, a chain reaction could be stopped quickly (unlike traditional fissile U-235 reactions).

Few Th-fueled reactors exist today, but the technology has been tested and is viable.

The time could be near for a shift – nearly all U.S. reactors will be >60 years old by 2050 at the end of their 20 year license renewal.

Countries like China and India are already building/have built Th-based reactors.

Possibility of using spent-U/Pu waste in Th reactors, essentially reusing the waste over-and-over again, eliminating the need to store it.

Cons:

Start-up costs will be high. It may be difficult to retrofit current U.S. reactors to accept Th (to be viable) – methods have been proposed. Many models require separation of U-233 from Th-232, which could be costly and hazardous to human health (robotics technology could eliminate health hazard).

Unknowns:

Better/worse for proliferation? U-233 just as weaponizable as Pu-239, possibly harder to separate.

Radiotoxicity and storage? Th byproducts typically non-transuranic, but produce more gamma radiation. Less safe to work with.

Radioactive decay?:

Th waste <500yr half-life (vs 10,000yr U-Pu) and there is 1,000 to 10,000x less waste.

Thorium is becoming a “buzzword” in the media and on the internet, and it does have merit. Th-232 has qualities that surpass U-235/238, but it has some pitfalls as well. Remember, the design of the reactor can make as much of a difference in safety and production as the fuel used.

Commissioners thank Mr. Wake for the presentation. No motion was made.

B. Status on Regulation changes in NAC 513, including claim fee increase

FOR DISCUSSION ONLY

At the November 5, 2015 CMR meeting, the Commission directed staff to draft language and begin rule-making on changes to Chapter 513, including language clean-up and changes to the abandoned mine lands program and a possible fee increase of \$1.50 per claim to the statutory limit of \$10 per claim.

Rich Perry gave a power point presentation. The workshop was posted and they will be Feb 16 in Carson City video conference to Las Vegas and Feb 18 in Elko. Draft language can be found on the Minerals website.

CMR Instructed Division to begin rule-making process for NAC 513 at 11/5/2015

- Increase claim fee by \$1.50 to statutory limit of \$10 per claim (NRS 513.094 and NRS 517.185)
- Update regulations on AML hazard ratings, warning signs, methods of securing and eliminates obsolete language

LCB legal review complete, language attached as R127-15

Public workshops scheduled for

- Feb. 16 in Carson (Legislature Rm 2134 2-4 PM w/link to LCB room 4412 in Las Vegas)
- Feb. 18 in Elko (County Courthouse 10 AM-12 PM)

Small business impact evaluation

- Overall increase of \$1.50 per claim holding fee is a 0.9% annual increase (\$1.50 / (\$155 BLM + \$8.50 NDOM + \$2 County Recorder)
- 1,882 small business claim owners in Nevada would see average increase of \$73.67 per year.
- 86 operating companies would see average increase of \$1,240.24 per year.

R.DeLong: asked what did LCB change as opposed to what the Commission approved?

R.Perry: answered it was minor language re-ordering and wordsmithing and nothing substantive.

R. Perry: stated that after the workshops, we would like to post for the hearing and have it the day of Commission meeting. We'd like to have it in effect for next claim year, (Assessment Year 2017).

C. Update on Sage Grouse RMP/SFA activity and impacts.

FOR POSSIBLE ACTION

At the November 5, 2015 CMR meeting the Chairman formed a task force to evaluate the impacts of the Sage Grouse LUPA/RMP and proposed mineral withdrawal. With the assistance of the Nevada Bureau of Mines and Geology, the Division developed maps of high mineral potential which were utilized in the Governor's comments on the mineral withdrawal to the BLM. The Commission may discuss and consider recommendations to the Governor.

R. Perry: Stated he was working with Pam Robinson in the Gov. Office. The governor recommended against withdrawing any minerals. The alternative put forward to the Department of the Interior was essentially to look at the areas of high mineral potential and remove them from the proposed mineral withdrawal. As a component of the BLM resource management plan that they put forward, for the conservation of the sage grouse, BLM proposed a mineral withdrawal of 2.7 million acres across the upper part of the state. This was based on habitat and a number of other things. He went on to go over the maps showing claim density, historical mining districts and active mining districts.

R. DeLong: In looking at these areas to carve out, was it taken in account the need for facilities should there be a discovery?

R.Perry: If you look at the density of claims there are pretty sizable buffers around most of those.

J.Snow: what is the timing, when we might understand when they are going to work with us?

R. Perry: He wasn't sure he could answer that. Asked if he has read the Governor's press release last week in regards to this? He sounds pretty urgent to get moving but we aren't sure.

R.Perry: Stated that our GIS Field Specialist, Lucia Patterson, worked hard to put together these maps and the NBMG as well.

D.Bryan: Wanted to congratulate Rich, this is a fantastic job. This is what we as the Commission should be doing, input and recommendations to the Governor.

R.Perry: stated the task force met and discussed what the path forward would be. Since then, he discussed with the Governor's office and asked what was his needs are in regards to the ARMPA (Approved Resource Management Plan Amendment) from Commission. We have direction to develop items out of the ARMPA that the Commission thinks needs negotiation or clarification. The Governor's office would welcome a recommendation letter. He stated that we've come up with 3 items so far that they believe need some action to be included in a letter: 1. No surface occupancy restriction in the SFA for Oil, Gas and Geothermal exploration. 2. Transportation access in the SFA's and the PHMA's limit early stage exploration, needs clarification. 3. Clarification of the 3% disturbance cap. He recommends to review further, review with the task force and finalize a letter.

R.DeLong: Asked if there was any indication on timing from the Governor's Office?

R. Perry: It would be for the next Governor's meeting with DOI, so in the next week.

R. DeLong: he suggested that he would like to recommend having Rich send the letter to Governor's office even though it is not completed. Would the Commission like to recommend any items of concern for the letter?

Bryan Stockton: As far as the agenda item, when Rich drafted this he left it wide open so the Commission could decide what format to use and the agenda covers that.

D.Bryan: should consider some proposed regulation where restrictions include noise, buffers around leks, seasonal and time of day restrictions. Buffers should be site specific.

J.Snow: suggested to include fiscal impacts required from pit-less drilling operations.

D.Bryan: we should look into these issues. Would need more time to recommend.

R.Perry: I can gather what we have so far and have the task force look at it before it goes out. We need a motion to approve the task force to finalize the letter.

Motion Approval for task force to finalize the letter: Dennis Bryan

Seconded by: John Snow

Unanimously carried.

III. OLD BUSINESS

A. NDOM Fiscal Year 2016 forecast, Reserve Balance and Claim Fees for 2015 vs prior year.

FOR DISCUSSION ONLY

Mike Visher: passed out an updated sheet of claim fees. NDOM's primary revenue source is from mining claim fees. We are experiencing a 7.6% decline in revenue fees. Another sheet was passed out on the reserve balance. He had graphs showing the comparison and decline in fees. He went through the spending as well as personnel. He mentioned that NDOM will not be replacing a vehicle this year to save some money. In replacing vehicles in the future, it will be beneficial to use Fleet Services which will be cheaper. FY-18/19 will be the first time NDOM will be able to take advantage of this. The forecast on 3770 Surface Disturbance Fee is an unknown amount of approximately \$70,000 in FY16 and approximately \$75,000 in FY17.

R. DeLong: are you contemplating changing the regulation for flexibility on the 3770 Surface Disturbance fee? Can you elaborate?

M.Visher: We invoice for this fee, and often the mines don't know about this fee and don't budget for it. We can go through regulations and make it clearer. We would like to be more flexible to be able to work with the mine. The amount isn't a big amount and is dedicated to AML only.

D.Bryan: the small operator is very confused about this. I think some clarification would be good. It can be unexpected and hard for a small mine. The phased approach would make sense.

D.Bryan: this is not for notice level, how about plan exploration.

M.Visher: all plans of operations.

B. Update of Activities by the Nevada Bureau of Mines and Geology and proposal to update the Nevada Mineral and Energy Resource Exploration Survey with 2015 data, and cost to update Major Mines and Energy Producer maps - Jim Faulds

FOR POSSIBLE ACTION

Jim Faulds gave a power point presentation. He went over funded projects – FY13-14

Sample Curation – completed and ongoing.

Mineral Databases – completed and ongoing.

Exploration Survey – completed.

Framework Studies – Major NE Nevada project in progress.

Projects – FY 15-16

Sample Curation – on schedule.

Mineral Industry Reports – 2014 report nearly complete.

Databases – on schedule, ongoing work, with significant contributions in web applications.

Major Responsibilities

Curation

Information
Publication Sales
Repository
Collections
Outreach

Most visit website (Aug '15 to January '16):

Sessions – 12,878
Users – 8,123
Page-views – 57,759

Page views on Shopping Cart

Major Mines of Nevada – 445
Mineral Industry – 750
Mining Claim Procedures – 126
Nevada Active Mines and Energy Producers – 151
Nevada Petroleum and Geothermal Society – 214
NBMG Petroleum pubs and data – 172

2nd Annual Open House (October) – 75 visitors

Nevada's Big One: 1915 Pleasant Valley Earthquake

Discover Nevada through Maps

Carson City: The Capitol of Earthquake Country

From Comstock to Carlin: Nevada's Booming Legacy of Precious Metal Discoveries

Six months of activity (Aug'15-Jan'16)

All states

All continents

Dozens of countries

Multiple publication types

State support is only ~\$30k/year for GBSSRL

Repository of all state's geologic data

Critical for industries

Crucial for public safety

No fees designated for GBSSRL operations

Lost \$300k/year in funding during recession

Sample Curation:

FY2015-2016 - \$35,000 expended

Maintain staffing at GBSSRL

- Manager – Craig dePolo
- Physical Curator – David Davis
- Student Workers

Curate samples, cuttings, files for minerals, oil-gas, and geothermal

Develop, maintain, and enhance various web applications

General web maintenance and updates

Minerals

>680 mining district files added, with 300 added to spreadsheet

4th Ward School scanned and added to Mining District files

Retrieved large collection from Allied Nevada Gold, including Eureka, Searchlight, Flowery, Electrum,

Minden, Hawthorne, Gabbs Valley

970 boxes of core catalogued in GBSSRL

Oil and Gas

Added 4 new records, 8 new sets of samples

300 sets of oil and gas cuttings placed in storage

Updated spreadsheets & web applications

Geothermal

Added 26 new records

8 sets of new cuttings

76 wells completed in 2010 released

Updated spreadsheets & web applications

Mineral Databases:

\$35k allocated in FY'15 – \$35k expended
Expended on staff at GBSSRL and Cart/GIS

Accomplishments:

General web maintenance and development
NBMG web server migration to UNR server
Coordination with UNR IT
Governor's office maps/GIS support on mineral resources in sage grouse habitat
Development of new mining district web application/web database
Updated 43-101 reports and web application
Added topographic bases to all maps available on NBMG website
Development and release of new shopping cart

Mineral Industry Reports:

\$30k allocated, \$26+k expended
Expended on staff and publications
Less than expected as David Davis covered by College of Science in FY'15-16
Completed and released 2014 Major Mines of Nevada.
2014 MI report nearly complete with release anticipated for March.
Future: Need to compile and synthesize historic production and reserve data from reports

Sage Grouse Study Area Maps:

Collaborated with NDOM to provide maps of mineral and geothermal potential
Showed burn areas - ~25% of SFA's
Submitted to Governor's office

Geologic Framework Studies –NE Nevada:

\$100k allocated; \$76k expended
Marys River-Starr Basins (oil and gas)
Published Heelfly Creek Quad
Ongoing Herder Creek Quad-75% complete
Pequop-Ruby Mountains
Completed Pequop Summit Quad
Initiating Independence Valley NE (Long Canyon deposit)
Welcome Quad completed

Central Robinson Mts

Kinsley Mts

RBM pit, Bald Mountain Mine

McDermitt caldera geologic map

Eureka Mining district

Heath Canyon – Grant Range

White Pine County geothermal potential report

Geochronology – 20 Ar/Ar dates

Chemical analyses

GSN paper on Pequop Mts

Proposal – Update of Exploration Survey and Major Mines and Energy Producers Map:

\$50k allocated and expended in FY13 for compiling 2011 data

Accomplishments

Data from 185 companies
\$675M spent in Nevada
Completed report
Discussed at previous meetings

Updates needed

Important to document trends
Rectify major non-compliers
Available for 2017 legislature

Total costs - \$40,000

Salaries for staff and faculty for Exploration Survey
Cartographic/GIS work on Major Mines and Energy Map
Editing and printing costs

D.Bryan: asked, \$40,000 to update the exploration survey from 5 years ago?

J.Faulds: If we did it now it would be for 2014.

D. Bryan: it also includes the map?

J. Faulds: Yes both the survey and the map, we just estimate the cost in lumping them together.

D.Parker: what kind of public interest did you find for the publication that was actually received? Do you have any statistics or numbers on how many publications were actually requested?

J. Faulds: It's free on the web, and we don't have the ability to see how many downloads there actually are.

R.Perry: commented that we asked Jim and his staff to come up with a cost of what it would take to update this. We were looking for a baseline year as a tool for concrete numbers on the last year before the sage grouse ARMPA went into effect.

R.DeLong: would that be done prior to 2017?

J.Faulds: yes. We have limited staff but can get it done.

D.Parker: would this be a negative impact on the division's budget?

R.Perry: we don't have the money right now. In the annual \$2/claim fee contract, you have the ability to request where that money goes. If the claim increase is successful, we could do this in the future at some point, but not at this point.

D.Parker: when do you need this money or commitment?

J.Faulds: we would need it in the next couple of months. We would really need to know by March.

R.DeLong: would these monies, assuming they get allocated, would this be this fiscal year or next?

J.Faulds: next FY

D.Bryan: asked for clarification if we have additional claim fees would we be able to cover this?

R.Perry: your talking about FY-17, and I can't predict that. We could propose to form a team to propose funding for the bureau at the next legislative session. That would require some organizing to go after some general funding. Not sure what kind of response they would receive. I would hate to say for long term using claim fees, since that doesn't seem to work well.

D.Bryan: the university has been adamant that any lobbying goes through the president's office at the university.

J.Faulds: there may be some distinction between the funds for statewide programs and the university. We are still restricted from lobbying. We might be able to combine our efforts with NDOM. It's worth discussing.

R.DeLong: I see benefit to reaching out to the president of the university. To make sure they understand how beneficial the Bureau is to the mining industry.

D.Parker: can the Commission act on your behalf?

J.Faulds: not sure

R. DeLong; we also need to go through the Governor's office.

R.Perry: I'm thinking a team of stakeholders including the Commission. Proposed through a legislator and we don't have to be the driver. If it were just CMR then yes we would need to go through the Governor's office.

No Motion was made.

C. 2015 AML Program re-cap and 2016 planning

FOR DISCUSSION ONLY

Activities, accomplishments trends and metrics for calendar 2105 will be presented and plans for 2016 outlined. Rob Ghiglieri

R. Ghiglieri gave a power point presentation.

AML Review:

The program completed its 29th year with 19,500 Hazards inventoried, 15,800 Secured at a 81% securing rate 56,000 non-hazards inventoried, 5 current staff members. This will be reduced to 4 on June 30th

One contractor, EPS.

2015 Review:

There were NO reported injuries or fatality reported in 2015!

This is the second year in a row without an incident. The summer internship was 6 students for 13 weeks

Held the first winter internship, 4 students for 3 weeks in both southern and northern NV. Performed permanent closures in Churchill, Esmeralda, & Nye Counties. Converted to a SQL database from the Access.

Performed the first digital field investigations

2015 Numbers:

663 Loggings, 435 Revisits, 879 Securings, 635 Fenced or posted, 244 gated / backfilled/ PUF

(Numbers are subject to change). Work was completed in all 17 counties.

Database Development:

The AML Access database was transferred to a SQL database and had a limited launch in May 2015.

The new database is a SQL based language with a web interface know as SOSA (Stay Out, Stay Alive)

Currently all data is managed from the SOSA interface with no NDOM direct access into SQL Server Management Studio (SSMS), NDOM staff has been introduced into SSMS and will be trained on to properly manage the AML database on the new SQL interface.

He brought up the website for the commission to view. <https://amlrosa.nv.gov/SOSA/>

Internet accessible site showing all the sites, selecting a specific site will show pictures and all the info.

R. DeLong: this has taken our database to a whole new level. What about the BLM and Forest Service, can they download their info into it?

R.Ghiglieri: not yet.

D.Parker: can you include their info?

R.Ghiglieri: yes, they send it to us and we upload it.

R.Ghiglieri: this database has been funded by USACE.

AML Program Funding Trends:

FY 2016 is estimated to have a \$298,691 or 58% decrease of AML funds expended from 2012.

The represented funding pays for:

AML supplies, Contracting work, AML specific computer software, Travel Per Diem, Trucks including maintenance, supplies & fuel, Mail-outs, Printing for AML field work and AML education

This does not include NDOM staff and intern salaries, or overhead

Program Alterations:

To adapt to the decreasing budget the AML program has:

Minimized work by the contractor, Reduced the amount of Summer Interns from 8 to 6. Deferred purchasing new a truck until FY 2017. Requested additional funding from Federal Agencies (Assistance Agreements and MOUs) and performed less fieldwork.

2016 Plan:

Continue working with USACE and TerraSpectra to develop the SQL database. Training for staff.

Possible continuation of funding for the next 2-3 years. Expand the digital field investigations and start beta testing with the summer interns. 6 summer interns (14 weeks) Continue our public awareness campaign. Possible remake of the NDOM "Stay Out, Stay Alive" video.

2016 Projects:

3 closure projects (FY16), Mint Shaft, Chukar 3, Mound House. Start resolving the logistical issues associated with the Arden complex closure. New Assistance Agreement with the BLM. Continue working with the USFS MOU. Categorical Exclusion with the BLM closures. Joint NDOM/NDEP UAV demonstration project Funded by RAMS.

FY 2017 Risks and Opportunities:

RAMS program funding. BLM/USFS Assistance agreements, \$49,000+\$18,000=\$67,000 FY16. Claim Fees Nevada BLM inventory program. Federal Legislation. Southern Nevada Public Land Management Act (SNPLMA).

R.DeLong: how does our database rank to other states database as far as for sophistication?

R.Ghiglieri: OSM oversees a lot of the database. Calif. and Colorado is way behind. Our database is top end and is much better now than what most other states have. NV BLM and Forest Service want to use our db.

J.Snow: does NDEP have their own database for tailings?

R.Ghiglieri: they don't do any physical closures they cap them. NDEP doesn't have an inventory list, they rely on ours.

D. Education Activities and Outreach

FOR DISCUSSION ONLY

Bill Durbin will present the accomplishments, challenges and metrics of the Division's educational outreach program for calendar 2015. Bill Durbin gave a power point presentation.

Public outreach and education staff presentations - calendar year 2015:

192 Presentations made. 17.5 Presentations per staff member. Exceeds NDOM performance indicator of 1 presentation per month per staff person (11x12=132 Presentations). Outreach to 18,482 persons. 114 Classroom presentations to 5,700 students. 41 presentations to civic groups, clubs, organizations. 5 media presentations, 10 presentations to scout troops and youth organizations. 11 AML safety training presentations to eagle scout service.

Project Participants:

112 Presentations in Northern Nevada. 76 Presentations in Southern Nevada. 4 presentations out of state (including AEMA conference-Spokane)

Upcoming Southern Nevada Education & Outreach:

Durango High School – January 20-23 – 13 sessions – Minerals in Dental Hygiene, Paste with a Taste activity,

AML – 560 to 600 students. Southern Nevada Science Teachers Association (SNSTA) Conference –NDOM display/handout materials –Western High School – February 6. Pat Diskin Elementary School Career Fair – March 18. Southern Nevada Earth Science Education Workshop – March 22-23 –Faith Lutheran High School Eagle Scout Service Projects – Calendar Year 2015:

11 projects completed in 2015-Clark (8), Lincoln (1) and Lyon (2). 44 Hazards secured. 12 previously secured hazards re-visited and re-secured. 7 projects pending for 2016 in Clark and Lyon counties, 1 proposed for Douglas county. Total to date: 165 Scout projects completed since 1992. Total of 740 hazards secured and 148 previously secured hazards re-visited and re-secured.

E. MSM annual \$2 per claim consideration

FOR POSSIBLE ACTION

The Commission signed an inter-local contract with the University in 2008 to collect \$2 per claim annually to assist with funding the Mackay School of Earth Science and Engineering education activities. The amount is based on mining claim filings for the previous year, or 2015. The current five-year agreement, which was renewed in early 2013, expires in 2018.

Note: Russ Fields at UNR was brought in by conference phone for this agenda item.

R.Perry: showed a graph/fee claim history of the Mackay \$2 claim fee history. The Commission has the ability under terms of the agreement item 4, goes to the final page, consultation with Dean as to where to allocate the funds. The final document in there is the first document from the University, regarding the Marigold royalty.

R.DeLong: Commissioner Mudge and I are on the committee to see how the funds are allocated from the Marigold endowment. D.Bryan is on the advisory board. They take a 3-year rolling average at a calculated interest rate, and so far funds have been available for the last 2 years. The decision has been for the past 2 years to retain funds and let the amount grow until it's a more meaningful amount to apply for appropriate use.

D.Bryan: the way the funds are put into the account, they can't use them for a while. Since it's an endowment, it needs to grow.

R.DeLong: Since it's based on a rolling average, the first year is essentially a few to \$10,000.

R.Perry: Russ Fields is on the phone. Do you want to add to the discussion?

R.Fields: Everything that has been said is correct. The Marigold quasi endowment is growing well but it takes a while because we are working on the earnings. The \$2 claim is being used for mining engineering faculty. We are very happy to come to the Commission and discuss how that money is being used. Primarily it used to offset the cost of mining engineering faculty.

R.Perry: had a question to R.Fields regarding the Marigold quasi endowment; is the market value number in the document sent to the Commission the amount that has gone in according to item 5 on the attachment? The detail there had the royalty going to the university, first ½ million and then the second \$250,000 to the Mackay endowment?

R.Fields: he indicated he wasn't looking at the attachment, but it should be. The only endowment involved with Marigold is the Mackay Quasi endowment. What goes to the University goes to the president and his staff.

R.DeLong: asked the Commission if we continue to provide the \$2 claim for an additional year. In addition, to go with that is there anything we as the commission want to add to does we want to direct how that money should be applied?

D.Bryan: the \$2 claim fee should go to Mackay. One of the things that he wanted to bring up to Russ was that part of the money is going to the NBMG, I think it's a great use of that money. Would like to see that continued.

R.Fields: the amount last year exceeded the approximate \$400,000 that it was originally based on. Now there some extreme needs at the gold building, sample center DRI. We were able to put a portion of the \$2 fee toward an individual who is just a key employee at the gold building as well as continued to fund a good portion of the faculty. As we look at the overall budget we always keep in mind how to best utilize those funds to meet the criteria in the 2008 agreement.

R. DeLong: would like to second Dennis' position and continue at least for this next year the \$2 claim to Mackay. I would like to see additional funds go to the NBMG, specifically going to the funding of updating the mineral exploration survey for 2015.

R.Fields: That's a good suggestion. we are looking for funds to support the positions within the faculty in mining and metallurgical engineering department. Industry has come forward in the past and have been very supportive. We've been working hard to make sure we are supported when the \$2 claim fee ends. He reads the Commission loud and clear when it comes to the support of NBMG, which is a part of Mackay of

course.

D.Parker: there was a request for \$40,000 to update the mineral exploration survey report. We were hoping you could see a way to fund that effort.

A.Henderson: we would like to support Mackay but also like to support the Bureau. I would like to see you send that message that we would like to keep the doors open for the Bureau.

R.Fields: Mackay and the Bureau are one in the same and know it has to be supported. When Jim gets back we will sit down with the Dean and look at these numbers.

Motion Approval of MSM annual \$2 per claim with support on the NBMG mineral exploration consideration by: Dennis Bryan with the stipulation that we highly encourage you to help the Bureau in updating the mining exploration survey for 2015.

Seconded by: Dave Parker

Unanimously carried.

IV. STAFF REPORTS

- 1) Mining/Reclamation Bond Pool – Mike Visser

Mike Visser showed a Bond pool report/graph

Activity is low. Limited increases and some reductions, seeing difficulty in companies raising money.

- 2) Oil, Gas, and Geothermal – Rich Perry (Oil and geothermal drilling update)

Rich Perry showed a map of NV showing the Oil and Geothermal wells drilled for 2015.

He then did a power point presentation going over total permits issued and total well drilled.

2016 Inspections, sundry notices. Oil, Gas and Geothermal activity 2015 through 4th quarter.

A.Henderson: received a call from Noble, decided to no longer invest in NV. They are focusing in Texas and Colorado. They are looking for someone to come in and take over.

J.Snow: Just goes to show that we are still a frontier state.

R. Perry: they still have 3 obligation wells that have to be drilled. Not sure that they will abandon it. We did remind them that we need to have plugging of wells and pad reclamation done.

- 3) Administrator's report- Rich Perry

- 4) Correspondence – none

COMMISSION BUSINESS

A.Determination of time and place of next CMR meeting. **Carson City (Hearing and Quarterly Meeting)** May 19, 2016 Thursday. With a Field Trip on the 20th.

Henderson requested to have future CMR meetings on Thursday and Fridays.

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person. **ACTION WILL NOT BE TAKEN**

ADJOURNMENT AT 12:01 PM.

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Division of Minerals, 400 W. King Street, suite 106, Carson City, NV 89701 or contact Valerie Kneefel at (775) 684-7043 or Email Vkneefel@minerals.nv.gov

The Commission will be attending a field trip on Wednesday, February 3, 2016, to visit the Simplot Silica operation in Overton, Nevada, arriving at the Simplot site at 1 PM. Members of the public may attend but must provide their own transportation and safety equipment. Advanced notification is required. Please call Valerie Kneefel at (775) 684-7043.