



STATE OF NEVADA
 COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
 400 W. King Street, Suite 106
 Carson City, Nevada 89703
 (775) 684-7040 • Fax (775) 684-7052
<http://minerals.nv.gov/>



BRIAN SANDOVAL
 Governor

Las Vegas Office: 2030 E. Flamingo Rd. #220, Las Vegas, NV 89119
 Phone: (702) 486-4343; Fax: (702) 486-4345

RICHARD PERRY
 Administrator

COMMISSION ON MINERAL RESOURCES
 City of Henderson Council Chambers
 240 S. Water St. Henderson, NV 89015

Thursday, March 2, 2017

1:00 P.M.

MINUTES

CALL TO ORDER
 12:59 PM

ROLL CALL

Commissioners	Staff
Richard DeLong	Richard Perry
Dennis Bryan	Mike Visser
Fred Gibson	Robert Ghiglieri
Arthur Henderson	Garrett Wake
David Parker (by phone)	Bryan Stockton
John Snow	Valerie Kneefel
	Debbie Selig
**John Mudge is not in attendance	Public
	Jim Faulds
	Russ Fields
	Stephen Gibson
	Bill Durbin

PLEDGE OF ALLEGIANCE

Rich DeLong led the Pledge of Allegiance

COMMENTS BY THE GENERAL PUBLIC

No comments made by the public

I. MINUTES

- A. Approval of the November 1, 2016 meeting minutes

FOR POSSIBLE ACTION

Motion: Approved with minor editorial corrections by Rich DeLong

Made by: Dennis Bryan

Seconded by: John Snow

Unanimously Passes

II. NEW BUSINESS

- A. Interstate Mining Compact Commission (IMCC) **FOR POSSIBLE ACTION**
The NDEP and NDOM have discussed support to IMCC for services to the State including subscriptions to IMCC publications; IMCC special reports; IMCC memoranda and communiques; and work on the CERCLA 108b bonding issue. IMCC works on behalf of States on the Hard Rock-AML Good Samaritan legislation, mining-specific EPA issues, and MSHA metal non-metal mine rescue and training grants from OSM. NDOM recommends partnering with NDEP-BMRR for \$2,500 each (total \$5,000/yr) for services rendered for these activities that benefit the State and Mining Industry in Nevada. This is not a request to re-join IMCC as an associate member. This expenditure was budgeted in the current biennium budget.

Rich Perry explained about IMCC and the history of NDOM's involvement. Looking to do a cost sharing with NDEP instead of a full membership.

Richard DeLong: What is the full membership price?

Rich Perry: The maximum would be around \$50,000 per year.

Dave Parker: Is this a lobbying group? Can Bryan Stockton Comment?

Bryan Stockton: Rich had indicated this is more for publications and access to information. I don't think this would be lobbying. Unless our money is directly involved we don't have an obligation.

John Snow: As a NVMA member, I've been sensitized to the potential impacts of the CERCLA 108b rule and see that what IMCC does in informing its members is very important and I think we should support IMCC.

Richard DeLong: CERCLA 108b is a big issue and IMCC follows other issues in the State. It would be worth the commission investing in this.

Motion: to approve the \$5,000 per year (\$2,500 from NDOM and \$2,500 from NDEP) for services rendered

Made by: Dennis Bryan

Seconded by: Arthur Henderson

Unanimously Passes

- B. UNR-MSM annual \$2 claim fee approval consideration **FOR POSSIBLE ACTION**
Under the current 5-year agreement with the University, the Division collected \$394,086 in claim fees to support activities at the Mackay School. This was budgeted in the current biennium budget (\$351,293) under Special Projects. The Division has sufficient reserve to cover this item and recommends approval.

Mike Visher: The numbers are based on filings not on claims. On page 2 is showing the claim revenue by month. Over 20,000 claims may have filed early. FY-17 total filings 162,634 with total revenue of \$1,626,054.50

Richard DeLong: We should move forward with this. We should continue to make the payment.

Motion: Approve the sum amount that is available per Mike's presentation go specifically to Mackay.

Made by: John Snow

Seconded by: Dennis Bryan

Unanimously Passes

- C. NBMG annual scope of work and funding **FOR POSSIBLE ACTION**
The Division and Nevada Bureau of Mines and Geology (NBMG) have discussed developing a contract for specific deliverables by NBMG for the 2018 fiscal year, pending legislative approval of the NDOM budget. These deliverables are:
- 1) Completion of the Annual Mineral Industry Report by December 1 of the following year so it can be used at annual trade shows,
 - 2) Completion of the annual exploration survey every other year in preparation for the legislative session (alternative study in odd years)
 - 3) Scanning and updating of oil, gas and geothermal well logs onto an existing public-searchable database maintained by NBMG, and
 - 4) Archiving of oil, gas and geothermal cuttings at the NBMG GBSSRL consistent with NAC 522.215 and NAC 534A.310. Staff is requesting approval to prepare a contract for \$85,000 per year for the two-year biennium 2018-19. This contract would require approval by the Board of Examiners. NBMG has prepared a

budget quote for this work, which is included.

Rich Perry: This was put together during the budget. Does the commission want to give the Administrator the authority to move forward once it is passed? Another step in putting this in motion.

Art Henderson: The handout has different numbers than the packet.

Rich Perry: That is because \$10,000 is already budgeted for updating maps and printing the annual Major Mines report.

Jim Faulds: He went through the breakdown of costs between the information office, Cartography/GIS/ and 2 students.

Art Henderson: regarding the cuttings, how far behind are you?

Jim Faulds: This should get us caught up. Essentially, we are caught up now. We still do not have State funding for this part of our mission. This funding will help us get caught up and get current as well as produce the reports.

Richard DeLong: Is the amount we are talking about part of the biennium?

Rich Perry: we are contracting for both years. The amount is per year.

Jim Faulds: We will be digitizing the mining district reports in the alternate years.

Richard DeLong: would we revisit this every year? Or are you looking at 170,000 for the biennium?

Rich Perry: for today I'd like to have an approval to draft a contract for the next 2 years. We should put on the agenda this May meeting in Reno and discuss the topics.

Motion: 85,000 per year for the next 2 years and to proceed with developing a contract agreeable to both parties.

Made by: Dennis Bryan

Seconded by: Art Henderson

Unanimously Passes

D. Presentation of Intern Video and 2016 program review

FOR DISCUSSION ONLY

Garrett Wake: We have put together an intern video in order to help recruitment. In the future, we will be looking at more videos for instructional use such as "how to build a fence" etc.

Garrett showed the video to the commission and the audience.

Rob Ghiglieri: any questions? We did get bright orange NDOM shirts for the interns for the field.

Richard DeLong: well done and are you going to use this for recruiting?

Garrett Wake: yes, instead of explaining what we do, we can now show them.

Rob Ghiglieri: I think it was the best summer intern program so far. We wound up breaking a few records with just a phenomenal group of kids with no incidents.

Richard DeLong: does incidents include flat tires?

Rob Ghiglieri: no, but we did upgrade the tires this past year.

Rob Ghiglieri: He showed a map of the securing's. This will be the 3rd year in a row with no AML incidents.

E. NBMG Exploration Survey and update and approval of payment

FOR POSSIBLE ACTION

The Bureau recently completed an exploration survey in time for the 2017 legislative session. Director Faulds will present the survey and updates on other Bureau activities. The Division budgeted \$34,000 in the last biennium budget under an existing contract for services from the Bureau for curation of OGG materials and special reports. The Division has the reserves to pay in this fiscal year and recommends approval of the expenditure.

Jim Faulds: was able to secure funding of \$150,000 which will help with LiDAR acquisition for the Carson, Reno, Washoe general area.

See PowerPoint presentation from Mr. Faulds. He went through the online site and a count of all the "hits" on the website. He presented a breakdown of exactly what part of the site people were interested in and where they were from. He also showed a survey report that Mike Ressel assisted with; the Nevada Mineral and Energy Resource Exploration Survey for years 2015 and 2016. The survey includes exploration expenditures by commodity class and by exploration type, the impact of global metals, direct exploration employment, and Nevada exploration impact factors. Went through the Mineral Industry Report

for 2015 spearheaded by John Muntean. Nevada is 4th in the world for gold production and leads the United States with 83%. Nevada led the nation in barite and lithium production.

Art Henderson: We are the only state producing lithium. Are there other states with reserves?

Jim Faulds: Utah probably has reserves of lithium brines. But, Nevada is the only one producing.

Art Henderson: can you read the lithium exploration, baseline value?

Dennis Bryan: A point of clarification, there are no other lithium reserves, but there are other resources.

Rich Perry: That would be located on page 11 in the exploration survey.

Dennis Bryan: The lithium price is somewhat misleading. Above \$20,000 per ton. That's a spot price per China. There is no commodity index for lithium out there. \$10 to 12,000 per ton is more accurate. But still higher than it was and will probably still go up. On your survey, you have Lithium under metals and not under industrial mineral?

Jim Faulds: It really should be under industrial mineral.

Richard DeLong: Can you tell us what State leads in production of diatomaceous earth?

Jim Faulds: California

Jim Faulds: He went through a few Geothermal Energy slides.

Dennis Bryan: Navy wants to withdraw 600,000 acres of public lands from mineral entry and geothermal development. Do you have any influence with the Navy?

Jim Faulds: This is a delicate subject. Our interactions are at lower levels.

Richard DeLong: I support the collaboration with NBMG to put together something like we did on the Sagebrush Focal Area mineral withdrawal analysis.

Motion: approval of \$34,000 for exploration survey.

Made by: Dennis Bryan

Seconded by: Dave Parker

Unanimously Passes

III. OLD BUSINESS

A. Dissolved Mineral Resource bill update

FOR DISCUSSION ONLY

Division staff drafted language for a bill to include the regulation of dissolved mineral resources in the geothermal resources chapter, NAC 534A. The BDR pre-filed as Assembly bill 52. The Division began meeting with stakeholders regarding their concerns and drafted a proposed amendment to the original bill.

Rich Perry: Summary of BDR pre-filed as AB52. He said he started meeting with industry people about the pre-filed bill. After, we found there were a few things we needed to change. We then drafted an amendment outside the geothermal chapter. There is more clarification that needs to be done. It was not submitted to the commission today because it is not public yet. Rich showed a map to the commission that indicates active geothermal sites. If we don't get this bill through, then the BLM will and I don't think anyone will be happy about that.

John Snow: Planning ahead, if the division is cast with joint rules are we preparing for that work load?

Rich Perry: yes. That workload will not be as extensive as hydraulic fracturing. The NAC would just be a few pages.

Richard DeLong: Wyoming and Texas would be good resources to start.

STAFF REPORTS

1) Mining/Reclamation Bond Pool – Mike Visher

Mike Visher: activity has increased. New bonds have increased. Bond pool is healthy 126% funded.

2) Update on Arden Mine AML Closure efforts - Garrett Wake

Garrett Wake: Currently has SNPLMA funding for trailhead but not trail in front of openings or their closure. We are still working with the County on trying to close these in a timely manner.

3) Update on proposed Mineral Withdrawals and Lands Bills – Mike Visher

Mike Visher: this has recently passed through Pershing County Commission. Heller and Amodei are trying to push this through again. NMEC is taking the lead on educating stakeholders and congressional staff on this. 19% of the mining districts are being impacted by current withdrawals and another 8% by proposed withdrawals. Pershing County lands bill will be the template for Washoe Co.

Dennis Bryan: where is the data coming from on the mining districts impacted by withdrawals?

Mike Visher: NBMG

Jim Faulds: Some of the boundaries may need to be revised but the data should be complete.

Mike Visher: Provided update on the Fallon Range and Training Complex Modernization EIS process. The draft EIS will be out next year. It will be a congressional decision.

4) Legislative bill tracking – Rich Perry

Rich Perry: AB-159 a couple of commissioners were at LCB to testify against the bill. Faulds filed a letter yesterday as the State Geologist. There is not a work session date set yet. AB-169 has to do with recording fees. This would mean that mining fees would go from \$10 to \$36 for new filings.

COMMENTS BY THE GENERAL PUBLIC

No public came forward for comment.

COMMISSION BUSINESS

A. Determination of time and place of next CMR meeting.

Reno or Carson City- May 4th meeting and tour.

Art Henderson suggested that we try the Tesla plant for a tour this time.

Russ Fields: May 5th is the Mackay awards banquet.

ADJOURNMENT

3:20 PM