

COMMISSION ON MINERAL RESOURCES

Meeting Location: Nevada Department of Agriculture
405 South 21st Street, Sparks NV 89431

Date: Thursday, May 4, 2017

Time: 8:00 A.M.

NOTES/MINUTES

CALL TO ORDER

7:58 AM

ROLL CALL

Commissioners	Staff
Richard DeLong	Richard Perry
Dennis Bryan	Mike Visher
Fred Gibson	Robert Ghiglieri
Arthur Henderson	Lucia Patterson
David Parker	Bryan Stockton
John Mudge	Valerie Kneefel
	Courtney Brailo
**John Snow is not in attendance	Lowell Price
	Public
	Colleen Murphy
	Russ Fields

PLEDGE OF ALLEGIANCE

Rich DeLong lead the Pledge of Allegiance

COMMENTS BY THE GENERAL PUBLIC

Russ Fields: Currently the director of the Mackay School of Earth Science and Engineering. I want to thank the commission and NDOM over the years working with them. He announced his retirement for June 30th. Second try at retirement.

Rich DeLong: Thanks for coming and all the years we've worked together. How is the search for your replacement going?

Russ Fields: A decision was made not to refill my position.

John Mudge: You've been a prominent face in our industry. We owe you a ton of gratitude.

Dennis Bryan: I want to echo the other comments.

I. MINUTES

- A. Approval of the March 2, 2017 meeting minutes

Motion: To approve the minutes as is.

Approved by: Dennis Bryan

Seconded by: Dave parker

Unanimously passes

II. NEW BUSINESS

A.

Update on activities for the NDOM AML Program

Rob Ghiglieri:

Went through his power point. Announced that we no longer have 8 Mackay students but now have only 7 and one from Las Vegas. Currently working on the Arden mine. The summer interns will work 13 weeks completing the first full digital field season. All 4 NDOM AML staff members will spend time in the field with the interns.

Discussed expected 2017 summer contractor work to include 67 hard closures on BLM land surrounding Tonopah, 11 sites at Tungsten Mountain to be completed in the fall, 14 sites at the Carnation Mine, and the Monte Cristo stope collapse.

Fall projects pending approval to include Ely area round 1, Nevada Eagle, Sand Mountain and Broken Hills. Inventory and fencing projects to include, Gold Point, Shoshone, White Pine and Red Butte.

Discussed the Tonopah Historic Mining Park. A kiosk will be built displaying information to the public which will be completed during the same time as the North Tonopah project.

Discussed additional AML project to include LIDAR, Arden Mine, VC Grand Prix race route, new AML hazard estimates, SNPLMA funding opportunities and a new AML/BLM/USFS brochure.

B.

NDOM OpenData Site-

Due to requests for GIS information, Staff has developed a web portal using ESRI's OpenData platform to allow the public to view and download this information.

Lucia Patterson: Went through her power point. A site was created for the public to access data.

She gave a demonstration on the claims tab on Lithium on an interactive map. The internet was a little slow so she wasn't able to show some maps.

Dennis Bryan: Can you bring up the mining claims?

Dave Parker: How often is it updated and can you put the updated date at the bottom?

Lucia Patterson: Not sure how often we should do this, we just put it up 30 days ago.

Dennis Bryan: This will be great for the BLM. And would there be any funding for it?

Rich Perry: No but we can put that on the next meeting agenda.

Dennis Bryan: LR2000 would be easier to use if they had these maps.

Rich Perry: We have three tabs on the site that were generating the most interest and hits. Lithium gets the most recently because it is of current interest. We can change that at any time. Asked the commission if they hear of any interest or wish there was something they would like to see on there, we would like to know.

Rich DeLong: Is it possible for the BLM to send you the data in a format that is more easily used for you?

Lucia Patterson: Not sure, I can check on that.

C. **Review and analysis of LiDAR/InSAR/Remote Sensing techniques for possible use in NDOM Programs.**

Courtney Brailo:

As this is her first introduction to the commission, she spoke a little about her background before she discussing her presentation.

She went through her power point presentation. The topic of discussion was the NBMG scope of work and deliverables for F.Y. 2018-2019. This work includes database management and web availability of OGG well logs, scanned maps and mineral reports. Curation of the OGG cuttings and cores with a quarterly report to the Division and F.Y report to the CMR involving the status of cuttings and core inventory by well permit and the associated backlog was also discussed. Other work to consist of publishing the Annual Nevada Mineral Industry report by November 15 of each year for the following year, update the Active Mines and Energy Producers also by November 15 for following year and publish the 2 year Mineral Exploration Survey and summary sheet by January 31st of the odd years.

Rob Ghiglieri: We got to see a drone with a joint project with NDEP. Real time viewing of a drone would be very helpful for AML. For example, we would be able to view over a hill when we are out in the field to see and identify the area.

John Mudge: Would this be a part of the interns work?

Rob Ghiglieri: Only when a staff member was there.

Rich DeLong: Would there be FAA pilot requirements?

Bryan Stockton: There are entire statues on it and we will have to have permits in some situations.

Rich Perry: We need these tools to be added to NDOM. Gave an instance where inSAR was necessary in a request that came up.

Art Henderson: We use this in Petro Chemical. We can do 3D models and in just 2 days instead of several man hours. It doesn't seem very expensive for what it does. I think you should have the drone.

Rich Perry: Asking BLM to have LIDAR in more areas would be helpful.

Art Henderson: One of the problems with the drone is that it can only fly at 6000 feet above sea level.

Rob Ghiglieri: We didn't seem to have an issue with that. The wind, however, was an issue.

D. **Preliminary 2016 Nevada Mineral Production.**

Mike Visher:

Nevada mines produced 2.4% more gold produced this year than last year. Silver, Copper, and Molybdenite have all decreased some since 2015. He went through preliminary numbers of production for last year. There are still a few producers that are still getting numbers in. The aggregates are the most difficult to get numbers from.

III. OLD BUSINESS

A. Oil, Gas and Geothermal Program annual update.

Lowell Price:

Discussed his power point presentation. He went through the 2017 Permitting and Drilling Activity, summarizing that the total Geothermal and Oil & Gas activity has decreased since 2014. The summary of well inspections are: Geothermal (25 locations) total wells are 448, needing inspection are 150. Oil well total are 128, 117 need to still be inspected.

Art Henderson: Are you still able to get to all the sites for inspection?

Lowell Price: Yes and there have been no issues.

Art Henderson: Is that because they know you're coming?

Lowell Price: Yes, but that's good. They know I'm coming out to see the sites so they keep them up.

Dave Parker: Didn't the inspections come about because you were not compliant due to an audit?

Rich Perry: Yes.

Art Henderson: BLM isn't inspecting any are they?

Lowell Price: They are just starting to inspect recently. BLM inspections are not included in these

numbers. I'll be headed to Tuscarora here soon, it's been a year.

Dave Parker: How many are being plugged?

Lowell Price: Not many. They are utilizing them. On the Oil side, those that need to be plugged are on Federal lands.

Dave Parker: Wants items to be added to the report in regards to plugging.

Rich Perry: We need to address the old wells to plug. The bonds are with the BLM, we can suggest what they need to plug but we can't tell them.

Lowell Price: There is a Geothermal plant that has several that need to be plugged but, again it's all on Federal land.

Rich Perry: Because permitting is slow, that is how Lowell is able to inspect all the sites. When it starts to get busier the inspections will go down.

Lowell Price: He continued his power point presentation.

BLM competitive oil and gas lease sale results summary:

1. Total number of parcels posted in original sale notice: 67
2. Total number of Acres posted in original sale notice: 115,969.69
3. Total number of parcels protested: 67
4. Total number of Acres protested: 115,969.69
5. Total number of protests received on this sale: 2
6. Total number of parcels removed as a result of protests: 0
7. Total number of parcels removed for other reasons: 0
8. Total number of parcels offered (Day of sale): 67
9. Total number of Acres offered (Day of sale): 115,969.69
10. Total number of registered bidders: 10
11. Total number of parcels receiving bids: 20
12. Total number of acres receiving bids: 35,502.86
13. Total sum of high bids: \$74,780.00
14. High bid per parcel: \$7,520.00
15. High bid per Acre: \$4.00
16. Total receipts (Total money received for presale offers including admin fees): \$131,245.00
17. Were there any disruptions or unusual events during the sale: No
18. All monies due were received? Yes
19. Total number of Acres deferred from the preliminary list for Sage Grouse: 0

Rich Perry: Explained the City of Wells Geothermal project. Geo Probe was a unique way to do this.

Lowell Price: The Geo Probe is used for Lithium exploration as well.

Rich DeLong: Where is Tungsten Mountain?

Lowell Price: About 3 miles past Alpine at the base of Clan Alpines.

B. NDOM 2017-19 biennium budget update and current forecast

Rich Perry and Mike Visher:

Rich Perry: Introduced Colleen Murphy as the Budget Analyst from the Governor's Office. She went through the closing budget documents. There were 2 major closing issues, both were approved. One was the increase in Contract Costs for the Abandoned Mine Lands Program. And the other was Costs to Exhibit at Mining Trade Shows. Our NDOM exhibits are in need of an update, and was viewed and economic development due to the fact of out of state trade shows we go to. Other items that were requested for approval were: Staff Training, Vehicle Replacement, Replacement Equipment and Software and Salary increase for Unclassified Positions.

Colleen Murphy: Thank you for asking me to the meeting. This division is great to work with and very responsive. The budget was very well prepared and thought out.

Dennis Bryan: AB159 potential fiscal impact of banning fracking is huge.

Rich Perry: We did do a fiscal note on the impact on our agency.

John Mudge: I feel disconnected to this legislative session. Is the reserve an issue or discussion this session?

Rich Perry: There have been no talks of sweeping the reserves. Mike will be going through those numbers in a minute.

Mike Visher: Our numbers for FY2017 is right in the middle. But, the claims were filed right before the

FY, so that shows our number are lower than they are. He went through Revenue numbers for the FY. He also went through the forecast of east GL/CAT for NDOM for the fiscal year. Starting in September we will back to 11 employees. It's been awhile since we've had a full staff. Mining claim fees can change everything here. Small changes can make a big impact.

Dennis Bryan: Have we discussed what we are going to do with the claim fee?

Rich DeLong: I agree we need a discussion at the next meeting. We should have staff come forward with suggestions and possibly cut the fees.

Rich Perry: We should look at that in the November meeting. We can have final numbers by then. If we decrease fees it is a regulation change. Arden mine closure could be an option. We can have that discussion.

John Mudge: We should reach out the claim holders and inform them of the meeting and get input from them.

Rich DeLong: I like the concept of getting that information before the November meeting. Get ahold of Barrick, Newmont, etc.

C. NBMG draft Scope of Work for FY 2018-2019.

At the February meeting the CMR instructed the Division to prepare a draft agreement with a scope of work. The Division has prepared a draft scope of work with deliverables for each year to be presented for discussion, modification and possible approval. Every other year there is an opportunity for the Commission to fund studies or special reports, topics for which will be discussed for consideration. This agreement will require approval by the Board of Examiners.

Rich Perry: Gave a power point presentation. Direction from the Governor's finance office is when doing business with the University, there needs to be a deliverable and it can't go to pay salaries. He went through the items that the University will be doing. NBMG Scope of work: Database management and web availability of OGG well logs. The curation of OGG cuttings and core, and F.Y. report to CMR on the status of scanning and web availability of well logs, maps, reports and back log. Publish annual Nevada Mineral Industry report. Update active Mines and Energy Producers maps. Publish 2-year Mineral Exploration survey and the printing of maps and publications.

John Muntean: Went through a power point presentation. He showed a funding sheet as to how the money is broken down. He explained the timing that needed to be met in order to meet the deadlines from NDOM.

Dennis Bryan: What does the fringe benefit mean?

John Muntean: Classified employees have an approximate 37% fringe benefit.

John Muntean: He continued his power point presentation.

Dennis Bryan: Are we duplicating effort between you and NDOM?

John Muntean: Yes, just the claim map from the LR2000. The other projects we do are not duplicated.

Investors, Who want to invest in Nevada from out of state, find it difficult in finding data for exploration. We are doing our best to supply maps and compiling data for exploration and claims.

John Mudge: Have we tried taking the SSC type data and survey and do a total data? Like a statistical survey of the industry.

John Muntean: We use the survey and web results and there is a gap. The survey is confidential in regards to name.

John Mudge: Is there a way to fill the gap and get a total number?

John Muntean: We can get very close by not exact. We have all the big projects; we might be missing small projects.

Dennis Bryan: Are you including Lithium and metals?

Rich Perry: On the survey, Lithium and metals is included. Lithium is in red.

Dave Parker: How much traffic goes to your website?

John Muntean: I don't have that number. It's very active.

Art Henderson: At the last meeting Jim Faulds mentioned you could fill special requests by NDOM.

Rich Perry: One of those has been a smelter study in the state.

Art Henderson: I think we need to include special projects in the deliverables.

Rich DeLong: The concept of keeping the database updated to have the information available to the public. We don't have a budget in keeping the databases updated.

Rich Perry: Jim Faulds went through that at the last meeting. I believe it was built into the exploration survey.

There was a discussion on how to word the special reports in a contract with NBMG.

Rich DeLong: The next audit is what I'm concerned about and being able to prove a deliverable.

Motion: Approved to direct NDOM to proceed with the scope of work as presented with the even year and with the odd year projects.

Approved by: Dennis Bryan

Seconded by: Art Henderson

Unanimously passes

IV. STAFF REPORTS

- 1) Mining/Reclamation Bond Pool – Mike Visser. 127% funded, bond pool is healthy.
- 2) Update on proposed Mineral Withdrawals and Lands Bills – Mike Visser. Showed a map of land withdrawals vs. Historic Mining districts.
- 3) Legislative bill tracking including status of CMR bill AB 52 – Rich Perry. Gave an update on the Legislative bill tracking.

Dave Parker: What happened on the Lithium bill?

Rich Perry: The Lithium operator had opposed the bill. It is largely an exploration bill at this point. It ran into some resistance. The other concern was from the Nevada Mining Association that it should be in NDEP and not with us.

Art Henderson: Does NDEP want this to be in their regulations?

Rich Perry: No they don't.

COMMENTS BY THE GENERAL PUBLIC

No comments from the public.

COMMISSION BUSINESS

- A. Determination of time and place of next CMR meeting to be in Tonopah on August 24th and 25th, 2017

ADJOURNMENT

11:47pm.