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Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
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COMMISSION ON MINERAL RESOURCES
Tonopah Convention Center
301 Brougner Ave. Tonopah, NV 89049

Thursday, August 24, 2017

1:00 P.M.

AGENDA

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

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 March 2, 2017 meeting minutes

FOR POSSIBLE ACTION

II. NEW BUSINESS

- A. Welcome by Chairman DeLong to new Commissioners Nigel Bain and Mary Korpi.

FOR DISCUSSION ONLY

- B. Resolution honoring Fred Gibson and John Mudge for their service as members of the Commission on Mineral Resources.

FOR POSSIBLE ACTION

- C. Presentation of the Legislatively-approved CMR/NDOM budget for 2018-19, covering the period from July 1, 2017 through June 30, 2019. The biennium budget that was approved by the CMR on August 25, 2016 was submitted to the Governor's office last September and approved by the Legislature in May with some modifications. Rich Perry will present a summary of the budget and work plan for the next biennium.

FOR DISCUSSION ONLY

- D. Legislative Summary

FOR DISCUSSION ONLY

Three bills proposed at the 2017 session had impacts to NDOM and required Staff testimony. These were AB 33 (MOAC), AB 52 (Dissolved Mineral Resources) and AB 159 (Prohibition on hydraulic Fracturing). Staff will discuss each bill and impacts on the Division.

E. Development of Dissolved Mineral Resource Exploration Regulations

FOR DISCUSSION ONLY

With the passage of Assembly Bill 52, the Commission on Mineral Resources, in coordination with the Division of Water Resources and Division of Environmental Protection are charged with adopting regulations to carry out a program for regulating the drilling and operation of dissolved mineral resource exploration boreholes and wells. This effort has started with a team formed from all three agencies. Staff will report on progress and timing.

III. OLD BUSINESS

A. Fiscal Year 2017 year-end summary

FOR POSSIBLE ACTION

Fiscal year 2017 has now ended and Deputy Administrator Mike Visser will present a summary of the revenues, expenditures and year-end reserve. The Division is seeking direction from the Commission on a possible claim fee decrease in 2018 if reserve levels are in excess of guidance.

B. Contract with NBMG for deliverables in the next biennium, and

FOR POSSIBLE ACTION

possible choice of a special study and report to be completed by the NBMG during FY 2018 (July 1, 2017 – June 30, 2018). At the May 4, 2017 CMR meeting the Commission approved a draft scope of work to be completed by the Nevada Bureau of Mines and Geology and directed staff to prepare a contract. The contract was accepted by the University and submitted to the Board of Examiners where it was approved on 8/8/17. One of the deliverables in the contract from the NBMG is a specific study or activity to be approved by the Commission in the odd years when the Exploration Survey is not required. Options discussed include 1. a report on toll processing or smelting of base metal concentrates, 2. a lithium occurrences in Nevada study, and 3. a project to update the NBMG web site to better enable the search for mineral exploration data.

C. Update on Mineral Withdrawals and Land Bills

FOR DISCUSSION ONLY

The Division has acted as a cooperating agency on the proposed Sagebrush Focal Area withdrawal and Fallon Range Training Complex Modernization withdrawal, along with other State agencies. A review of the status of both proposed withdrawals will be presented for discussion. Mike Visser

IV. STAFF REPORTS

- 1) Mining/Reclamation Bond Pool – Mike Visser
- 2) Update on oil, gas and geothermal drilling activity, field inspections and corrective actions – Lowell Price
- 3.) Update on summer AML program – Rob Ghiglieri

COMMISSION BUSINESS

- A. Determination of time and place of next CMR meeting
- B. Decide on a meeting date to choose the Chairman for the next two years
- C. Decide on a meeting date to conduct the two-year evaluation of the Administrator

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

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

Directly after the meeting, the Commission will receive a tour of the Tonopah Mining Park, where an AML-themed kiosk was recently constructed with Division assistance.

The Commission will be attending a field trip on Friday August 25, 2017. The Commission will depart from the Mizpah Hotel in Tonopah at 7:30 AM and drive to the Mineral Ridge Mine, where they will tour Scorpio Gold's Mineral Ridge Operation from 8:30-11 AM. The Commission will then travel to Uranium Resources Inc. Columbus Basin lithium brine exploration project 45 miles west of Tonopah to visit an active lithium brine exploration site.

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.

I. MINUTES

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 fencings 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.

II. NEW BUSINESS

II. A. Welcome by Chairman DeLong to new Commissioners Nigel Bain and Mary Korpi.

Nigel Bain



Large-Scale Mining

Nigel Bain graduated from the University of Otago in 1976 with a Bachelor of Science, with honors, majoring in Mineral Technology.

Nigel has worked in the US mining industry for over 35 years starting with mine engineering roles and progressing into roles in senior management. He is currently the Executive Director of Barrick Gold USA. His resume features roles with mining companies ranging from some of the smallest in the industry to some of the world's largest producers, in commodities ranging from industrial minerals to precious metals. Most recently he has managed gold mines in Nevada, specializing in underground extraction. Over his career, Nigel has helped to develop and implement new initiatives and technologies that have worked to improve safety, productivity, and the working culture of underground soft-rock excavation with great success.

He has been repeatedly recognized by a number of regional and national organizations for his leadership in underground mine safety. But he is proudest of the USA National Mining Association's Sentinel of Safety award, presented to the SSX mine where he was the General Manager. In addition to once receiving this prestigious award, Nigel has managed a number of different mines similarly nominated. In 2016 he was awarded the International Society of Mine Safety Professional's Leadership Award for his impact on mine safety.

Nigel is a past Chairman of the Nevada Mining Association and provides support to a number of community outreach and education initiatives in rural Nevada.

Mary Korpi



Public at Large

A graduate of Michigan Technological University in Houghton, Michigan, with a degree in chemical engineering, Mary Korpi began working for Newmont Mining Corporation in 1976 at Magma Copper Company in San Manuel, Arizona. She held various positions in the metallurgical services department including shift supervisor, quality control analyst, metallurgist and senior metallurgist of customer relations. She transferred to Newmont's Nevada operations in 1987 and served in a variety of capacities for Newmont, including Director of Metallurgical Services, Director of Loss Control, Leach and Mill Superintendent, and over the final years of her career, as Director of External Relations and Communications for North America. Korpi retired from Newmont Mining Corporation in January 2016 after almost four decades in the mining industry and continues her involvement and support of the industry.

Korpi has served in leadership roles on numerous non-profit and community based organizations in Northeastern Nevada such as the Northeastern Nevada Economic Development Authority, Elko Area Chamber of Commerce, and Northeastern Nevada Regional Hospital. She is also a member of several professional organizations where she has held leadership roles including Society for Mining, Metallurgy and Exploration; The Mining and Metallurgical Society of America; AIChE, Nevada Mining Association, Women's Mining Coalition and the American Association of University Women. Korpi was recognized in 2016 as the Distinguished Nevadan for her profound and lasting impact on the lives of all Nevadans.

**II. B Resolution honoring Fred Gibson and
John Mudge for their service as members
of the Commission on Mineral Resources.**

THIS SECTION IS INTENTIONALLY LEFT BLANK.
HAND OUTS AND PRESENTATION WILL BE GIVEN AT THE
MEETING.

II. C Presentation of the Legislatively- **approved CMR/NDOM budget for 2018-19**

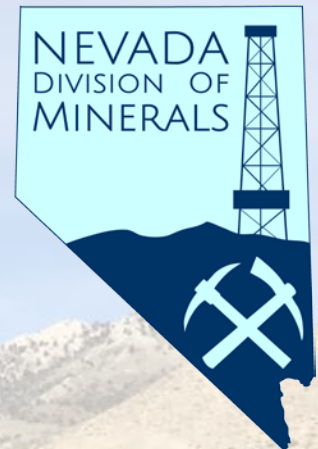
Nevada Division of Minerals

2018 – 2019 LEGISLATIVELY APPROVED BUDGET PRESENTATION

COMMISSION ON MINERAL RESOURCES QUARTERLY

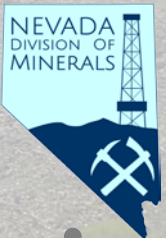
August 24, 2017

Rich Perry, Administrator



Nevada Division of Minerals (NDOM)

- State Agency and part of the Commission on Mineral Resources (7 members appointed by Governor)
- Administrator reports through Governor's office
- Mission Statement: *To encourage and assist in the responsible exploration for and the production of minerals, oil, gas, and geothermal energy which are economically beneficial to the State.*
- Offices in Carson City (8 employees) and Las Vegas (3 employees)
- No general fund monies, all revenue from mining claim fees, geothermal and oil permit and production fees, surface disturbance fee, reclamation bond pool administrative fee, BLM and USFS assistance agreements for AML securing activities



NDOM – what we do by statute

- **NRS 513**

- **Abandoned Mine Lands Program,**
- **Public information and minerals education,**
- **Annual mineral, geothermal and oil production reporting and maps**
- **Advise and recommend mineral policy to Governor and Legislature (*act as cooperating State agency on Federal Land withdrawals & NEPA actions when requested, develop policy maps using GIS*)**

NDOM – what we do by statute

- **NRS 517: Mining Claims, Mill sites and Tunnel rights**
- **NRS 519A.290: State Reclamation Bond Pool**
- **NRS 522 Oil and Gas**
 - **Well permitting, drilling, completion compliance, conservation of resource, correlative rights resolution**
- **NRS 534A : Geothermal Resources**
 - **Well permitting, drilling, completion compliance, conservation of resource**

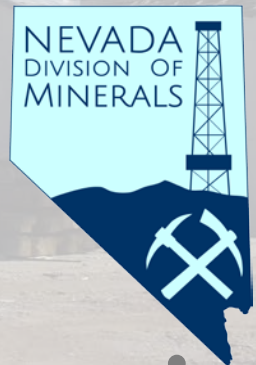




PERFORMANCE MEASURES	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 P</u>	<u>2018</u>	<u>2019</u>
ACTIVITY: <i>OGG Well and Resoruce Regulation</i>						
MEASURE: Percent of OGG Wells inspected per year	99.64%	33.69%	60%	48%	41%	41%
GOAL: 33% of all wells in state inspected per year						
ACTIVITY: <i>Mining Regulation and Fluid Management and Reclamation</i>						
MEASURE: Percent of Hazardous Abandoned Mine Openings Secured	79.06%	80.40%	80.97%	80.88%	80.95%	81.02%
GOAL: > 70% annually						
ACTIVITY: <i>Mining Regulation and Fluid Management and Reclamation</i>						
MEASURE: AML AND MINERALS EDUCATION PRESENTATION PER YEAR	196	192	252	267	220	220
GOAL: > 12 per employee per year						

ABANDONED MINE LANDS PUBLIC SAFETY PROGRAM

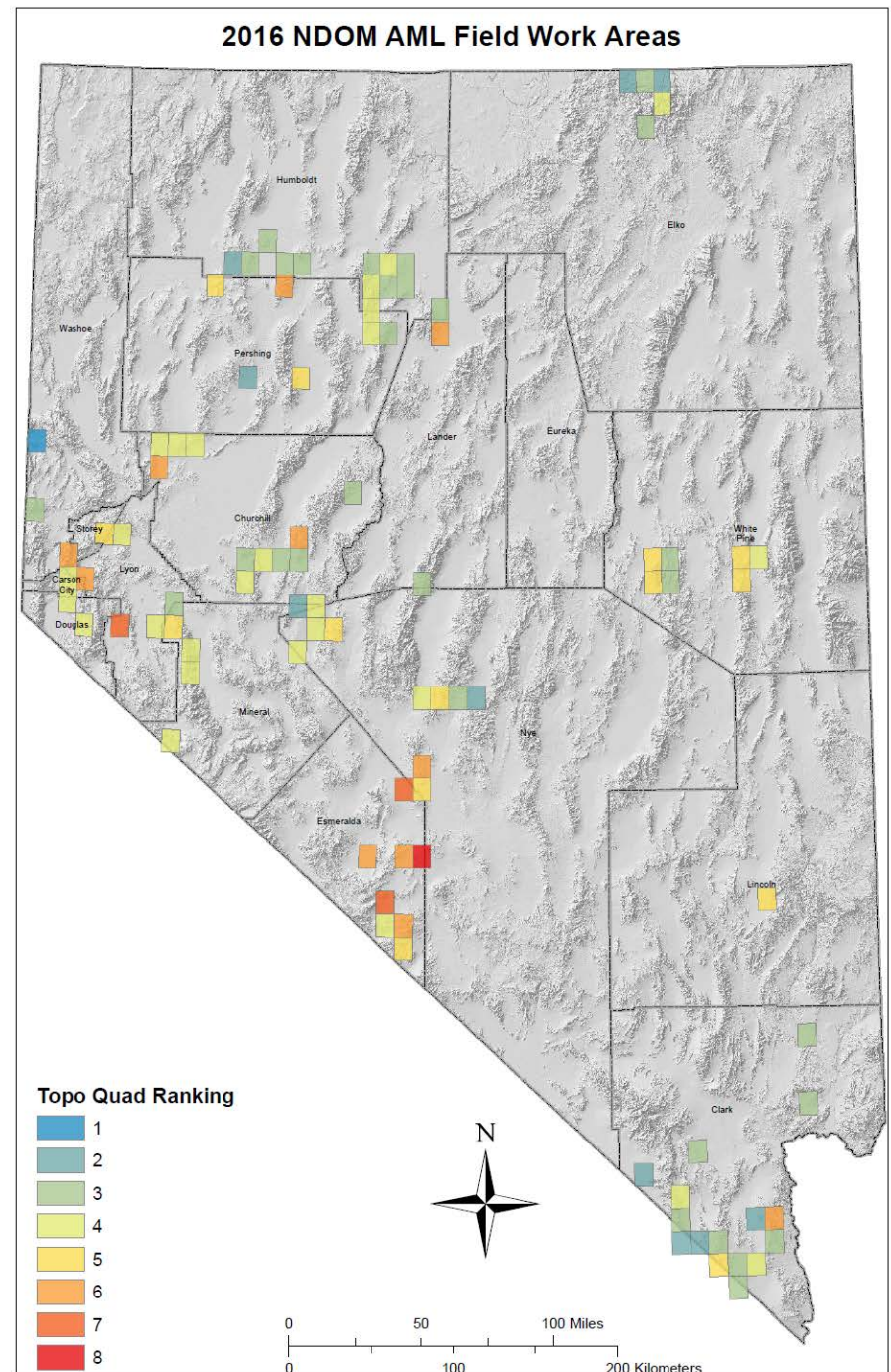
- **Created the Abandoned Mine Lands Program in 1987**
- **Regulated by NRS 513 and NAC 513**
- **Funded by claim fees**
- **Three program activities mandated:**
 - **Statewide Inventory of Sites**
 - **Securing of Hazardous Mines**
 - **Public Awareness Campaign**





NDOM AML PROGRAM

**EACH YEAR HAZARD
AREAS ARE
PRIORITIZED FOR FIELD
WORK BASED ON A
RATING SYSTEM
FOR DEGREE OF
DANGER AND
ACCESSIBILITY**



Over 20,000 Hazards Inventoried

- Since program inception in 1987, 20,076 abandoned mine hazards logged and 16,047 have been secured.

20,000th Logging



16,000th Securing



Hard Closure Projects

- **Backfills**



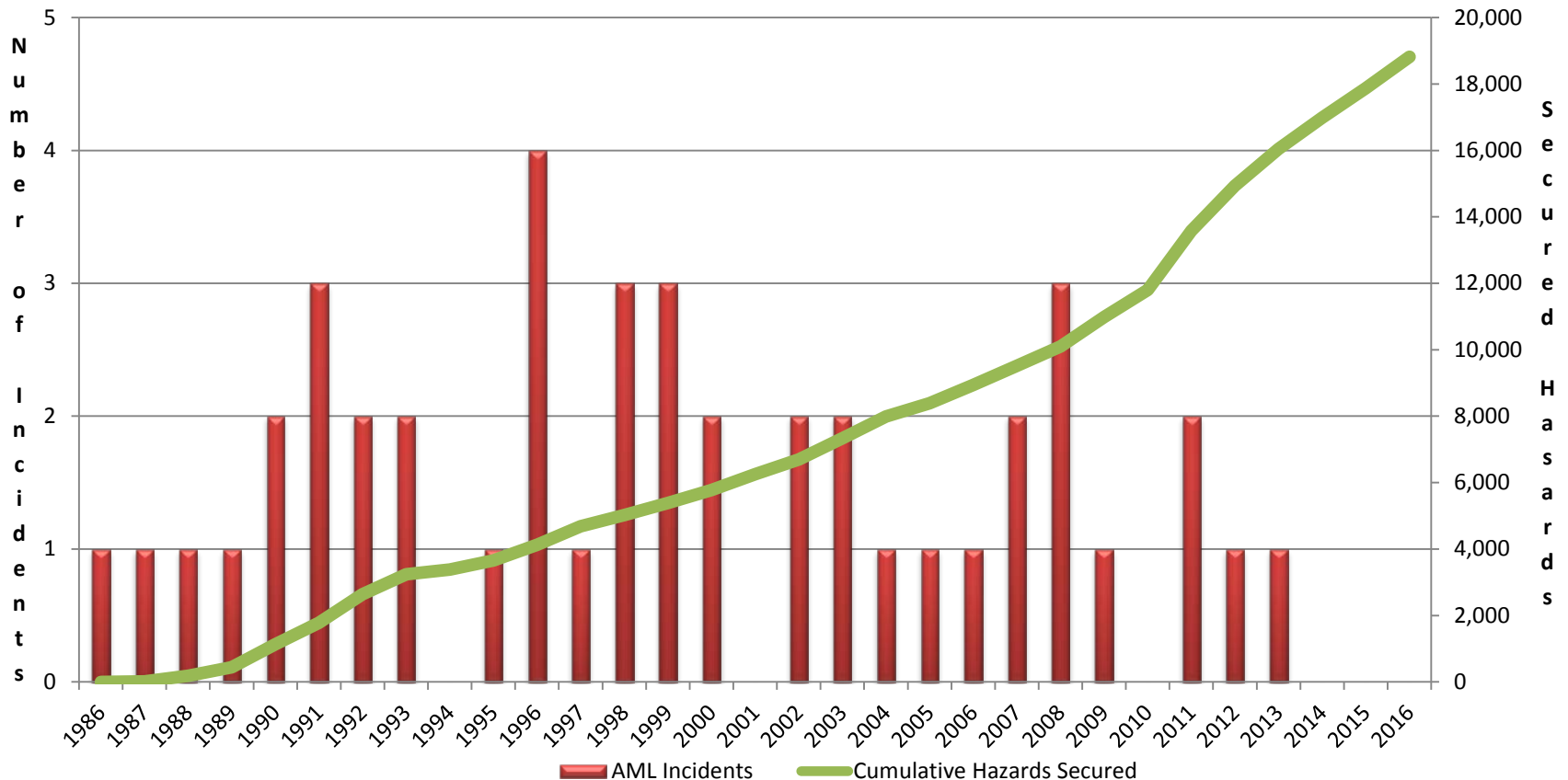
- **Bat Compatible Closures**



- **Polyurethane Foam Plugs**



Reported AML Incidents vs. Cumulative Hazards Secured



POSITIVE RESULTS: SECURING AND PUBLIC EDUCATION EFFORTS HAVE RESULTED IN “NO REPORTABLE ACCIDENTS OR INJURIES” AT AML FEATURES FOR PAST 3 YEARS.

CONCERN: INCREASING VANDALISM OF FENCING AND GATES REQUIRES RE-VISITS FOR MAINTENANCE

MINERALS EDUCATION STAFF PRESENTATIONS – CALENDAR YEAR 2016



- **267 PRESENTATIONS CONDUCTED**
 - 169 K-12 CLASSROOM PRESENTATIONS TO 5,698 STUDENTS
 - 25 PRESENTATIONS ON NEVADA MINING & OIL/GAS/GEOHERMAL PRODUCTION TO CIVIC GROUPS, CLUBS AND ORGANIZATIONS
 - 5 MEDIA PRESENTATIONS
 - 158 PRESENTATIONS IN NORTHERN NEVADA, 109 IN SOUTHERN NEVADA
- **CALL US IF YOU NEED A PRESENTATION FOR CLASSROOMS, PROFESSIONAL OR CIVIC GROUPS**
 - Classroom: minerals & rocks, geology, mining, abandoned mine safety
 - Civic group & trade associations: Nevada mineral production, geothermal/oil/gas production, lithium updates.

2018-19 Budget Special Projects

- **Deliverables from NBMG @ \$95K/yr both years**
 - Oil & gas cuttings archiving and well log scanning
 - Biennial Exploration survey, other study in even years
 - Annual Mineral Industry Report by Nov of following year
 - Printing of maps and reports for distribution
- **Mackay \$2 claim fee payment in 2018 @ \$334,937**
 - Final payment on 5-year agreement, none in 2019.
- **NVMA Teachers Workshop @ \$17,3199 both years**
- **PDAC Trade show booth space and professional display @ \$25,884**
 - Booth to be used by Nevada trade and government entities \$25,336/yr.
- **New Trade show Display Booths @ \$18,600**

2018-19 Leg. Approved Budget

- **Increase AML contracted hard closure work to address hazards near populated areas and trails + \$70,000/yr. in both years for total of \$120,000/yr.**
- **GIS and geodatabase training \$ 3,710/yr.**
- **Computer hardware and software replacements \$15,784 in 2018, \$18,786 in 2019**

2018-19 Approved Budget Personnel-related changes

- **2 unclassified position cap increases to enhance retention; benchmarked against similar classified positions in State**
- **3 percent per year salary increases for all State employees for both years**
- **Vacant position to be filled in Las Vegas, Sept. 2017**

EXPENDITURES			
Budget Period: 2017-2019 Biennium (FY18-19)			
Budget Account: 4219 DIVISION OF MINERALS			
Version: L01 LEGISLATIVELY APPROVED			
Catg	Description	FY 2018	FY 2019
1	PERSONNEL	1,205,166	1,205,825
2	OUT-OF-STATE TRAVEL	11,113	11,113
3	IN-STATE TRAVEL	16,865	16,865
4	OPERATING EXPENSES - CC Office	118,039	119,652
5	EQUIPMENT	300	0
8	BOARD TRAVEL	1,793	1,793
9	SPECIAL PROJECTS	486,999	143,062
14	LAS VEGAS OFFICE	33,224	33,994
17	OIL, GAS & GEOTHERMAL FEES	12,333	13,033
18	ABANDONED MINE SUPPORT	139,137	141,551
26	INFORMATION SERVICES	22,770	25,467
30	TRAINING	3,710	3,710
39	AML ENHANCEMENTS	120,000	120,000
87	PURCHASING ASSESSMENT	4,356	6,988
88	STATE COST ALLOCATION	72,604	72,604
89	AG COST ALLOCATION	21,838	0
	TOTAL	\$2,270,247	\$1,915,657

REVENUES		
DIVISION OF MINERALS		
101-4219		
SUMMARY		
	FY 2018	FY 2019
3578 - FED BLM CORPORATIVE AGREEMENT	50,000	50,000
3654 - OIL AND GAS PERMITS AND FEES	36,063	36,063
3717 - OIL PERMIT FEES & SUNDRY NOTICES	6,000	6,000
3718 - MINING REGULATION FEES	944,538	892,590
3727 - DANGEROUS MINE FEES	629,692	595,060
3736 - GEOTHERMAL FEES	175,000	175,000
3770 - AML SECURING FEE	45,100	45,100
4027 - PUBLICATION SALES	1,831	1,831
4311 - ROYALTY INCOME	98	98
4326 - TREASURER'S INTEREST DISTRIB	6,000	6,000
4620 - TRANSFER FROM RECLAMATION BOND POOL	88,269	88,269
Total	\$1,982,591	\$1,896,011.00



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Budget Account Line Item Summary

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Budget Account Line Item Summary

Budget Period: 2017-2019 Biennium (FY18-19)

Budget Account: 4219 DIVISION OF MINERALS

Version: L01 LEGISLATIVELY APPROVED

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Catg	Description	Grp	Actual	Work Pgm	Year 1	Year 2		
00	REVENUE	REV	1,907,836	3,011,237	2,968,194	2,593,958		
01	PERSONNEL	EXP	1,095,425	1,054,725	1,205,166	1,205,825		
02	OUT-OF-STATE TRAVEL	EXP	5,256	11,947	11,113	11,113		
03	IN-STATE TRAVEL	EXP	16,865	29,339	16,865	16,865		
04	OPERATING EXPENSES	EXP	103,609	106,306	118,039	119,652		
05	EQUIPMENT	EXP	0	0	300	0		
08	BOARD TRAVEL	EXP	1,793	2,914	1,793	1,793		
09	SPECIAL PROJECTS	EXP	388,535	403,309	486,999	143,062		
14	LAS VEGAS OFFICE	EXP	32,612	36,474	33,224	33,994		
17	OIL, GAS & GEOTHERMAL	EXP	9,535	20,149	12,333	13,033		
18	ABANDONED MINE SUPPORT	EXP	133,237	161,066	139,137	141,551		
26	INFORMATION SERVICES	EXP	18,724	32,453	22,770	25,467		
30	TRAINING	EXP	0	0	3,710	3,710		
39	AML ENHANCEMENTS	EXP	45,803	54,792	120,000	120,000		
86	RESERVE	EXP	0	985,603	697,947	678,301		
87	PURCHASING ASSESSMENT	EXP	1,149	1,448	4,356	6,988		
88	STATE COST ALLOCATION	EXP	0	37,608	72,604	72,604		
89	AG COST ALLOCATION	EXP	55,293	73,104	21,838	0		
Total Revenue			1,907,836	3,011,237	2,968,194	2,593,958		
Total Expenditures			1,907,836	3,011,237	2,968,194	2,593,958		
Difference			0	0	0	0		

Done

DIVISION OF MINERALS
101-4219

SUMMARY

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
RESOURCES:				
2511 BALANCE FORWARD FROM PREVIOUS YEAR	856,757	1,061,288	985,603	697,947
2512 BALANCE FORWARD TO NEW YEAR	-1,061,287	0	0	0
3578 FED BLM CORPORATIVE AGREEMENT	49,000	50,000	50,000	50,000
3580 USFS ASSISTANCE AGREEMENT	17,859	0	0	0
3654 OIL AND GAS PERMITS AND FEES	39,769	90,000	36,063	36,063
3717 OIL PERMIT FEES	4,100	6,000	6,000	6,000
3718 MINING REGULATION FEES	1,182,258	1,053,184	944,538	892,590
3727 DANGEROUS MINE FEES	492,608	438,827	629,692	595,060
3736 GEOTHERMAL FEES	163,900	120,750	175,000	175,000
3770 AML SECURING FEE	45,220	108,740	45,100	45,100
4011 PRINTING SALES	0	300	0	0
4027 PUBLICATION SALES	1,831	2,757	1,831	1,831
4203 PRIOR YEAR REFUNDS	26	0	0	0
4252 EXCESS PROPERTY SALES	21,604	0	0	0
4311 ROYALTY INCOME	98	1,550	98	98
4326 TREASURER'S INTEREST DISTRIB	5,824	2,041	6,000	6,000
4620 TRANSFER FROM RECLAMATION BOND POOL BA 4220	88,269	75,800	88,269	88,269
TOTAL RESOURCES:	1,907,836	3,011,237	2,968,194	2,593,958
EXPENDITURES:				
CATEGORY 01 PERSONNEL:				
5100 SALARIES	767,330	742,671	790,210	790,030
5170 SEASONAL	0	39,979	85,699	85,699
5200 WORKERS COMPENSATION	13,231	9,383	9,453	9,366
5300 RETIREMENT	127,409	133,595	141,272	141,246
5400 PERSONNEL ASSESSMENT	4,415	4,455	2,664	2,923
5440 PERSONNEL SUBSIDY COST ALLOCATION	249	246	2,253	2,441
5500 GROUP INSURANCE	81,401	92,301	98,076	97,801
5700 PAYROLL ASSESSMENT	1,042	1,042	877	913
5750 RETIRED EMPLOYEES GROUP INSURANCE	16,391	17,527	19,595	20,065
5800 UNEMPLOYMENT COMPENSATION	795	516	867	1,143
5810 OVERTIME PAY	26,566	0	40,502	40,502
5830 COMP TIME PAYOFF	2,046	0	0	0
5840 MEDICARE	11,698	10,770	11,458	11,456

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
5860 BOARD AND COMMISSION PAY	960	2,240	2,240	2,240
5880 SHIFT DIFFERENTIAL PAY	316	0	0	0
5929 ELIMINATE LONGEVITY PAY	0	-7,200	0	0
5930 LONGEVITY PAY	0	7,200	0	0
5960 TERMINAL SICK LEAVE PAY	28,065	0	0	0
5970 TERMINAL ANNUAL LEAVE PAY	13,511	0	0	0
TOTAL FOR CATEGORY 01:	1,095,425	1,054,725	1,205,166	1,205,825
CATEGORY 02 OUT-OF-STATE TRAVEL:				
6100 PER DIEM OUT-OF-STATE	3,100	6,239	6,808	6,808
6110 FS DAILY RENTAL OUT-OF-STATE	172	0	172	172
6115 NON-FS VEHICLE RENTAL OUT-OF-STATE	0	579	0	0
6120 AUTO MISC OUT-OF-STATE	121	55	121	121
6130 PUBLIC TRANS OUT-OF-STATE	78	134	78	78
6140 PERSONAL VEHICLE OUT-OF-STATE	276	377	276	276
6150 COMM AIR TRANS OUT-OF-STATE	1,509	4,563	3,658	3,658
TOTAL FOR CATEGORY 02:	5,256	11,947	11,113	11,113
CATEGORY 03 IN-STATE TRAVEL:				
6200 PER DIEM IN-STATE	11,226	15,889	11,226	11,226
6210 FS DAILY RENTAL IN-STATE	63	791	63	63
6215 NON-FS VEHICLE RENTAL IN-STATE	221	479	221	221
6220 AUTO MISC - IN-STATE	16	0	16	16
6230 PUBLIC TRANSPORTATION IN-STATE	0	78	0	0
6240 PERSONAL VEHICLE IN-STATE	953	1,831	953	953
6250 COMM AIR TRANS IN-STATE	3,307	10,271	3,307	3,307
7153 GASOLINE	1,079	0	1,079	1,079
TOTAL FOR CATEGORY 03:	16,865	29,339	16,865	16,865
CATEGORY 04 OPERATING EXPENSES:				
7020 OPERATING SUPPLIES	6,820	5,618	6,820	6,820
7027 OPERATING SUPPLIES-G	0	297	0	0
7030 FREIGHT CHARGES	504	0	504	504
7040 NON-STATE PRINTING SERVICES	34	0	34	34
7045 STATE PRINTING CHARGES	339	508	339	339
7048 ANNUAL REPORT PUBLICATION	0	1,991	0	0

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
7050 EMPLOYEE BOND INSURANCE	12	12	16	16
7051 AGENCY OWNED - PROP. & CONT. INSURANCE	41	0	0	0
7052 VEHICLE COMP & COLLISION INS	491	65	50	50
7054 AG TORT CLAIM ASSESSMENT	1,272	1,272	1,084	1,067
7059 AG VEHICLE LIABILITY INSURANCE	1,287	181	222	222
705A NON B&G - PROP. & CONT. INSURANCE	0	41	40	40
7060 CONTRACTS	4,134	0	20,834	20,834
7075 MED/HEALTH CARE CONTRACTS	156	0	175	175
7110 NON-STATE OWNED OFFICE RENT	47,220	47,620	48,719	49,968
7111 NON-STATE OWNED STORAGE RENT	2,040	2,040	2,040	2,040
7150 MOTOR POOL FLEET MAINTENANCE	64	250	64	64
7151 OUTSIDE MAINTENANCE OF VEHICLE	438	0	938	1,438
7153 GASOLINE	225	4,151	725	725
7154 VEHICLE OPERATION - A	0	6	0	0
7157 VEHICLE SUPPLIES - OTHER	4	0	4	4
7255 B & G LEASE ASSESSMENT	824	846	740	867
7280 OUTSIDE POSTAGE	0	135	0	0
7285 POSTAGE - STATE MAILROOM	2,899	5,922	2,899	2,899
7286 MAIL STOP-STATE MAILROM	4,366	0	4,366	4,366
7289 EITS PHONE LINE AND VOICEMAIL	0	0	2,615	2,369
7290 PHONE, FAX, COMMUNICATION LINE	123	29	123	123
7291 CELL PHONE/PAGER CHARGES	0	615	0	0
7292 EITS 18-19 ELIM (OLD EITS VOICEMAIL)	427	507	0	0
7295 EITS 18-19 ELIM (OLD EITS STATE PHONE LINE)	2,251	2,912	0	0
7296 EITS LONG DISTANCE CHARGES	522	620	522	522
7300 DUES AND REGISTRATIONS	370	2,000	0	0
7301 MEMBERSHIP DUES	7,500	12,500	7,500	7,500
7302 REGISTRATION FEES	4,000	4,296	1,500	1,500
7306 DUES & REG - EMPLOYEE REIMBURSEMENT	520	3,609	520	520
7320 INSTRUCTIONAL SUPPLIES	7,398	104	7,398	7,398
7370 PUBLICATIONS AND PERIODICALS	542	674	2,260	2,260
7430 PROFESSIONAL SERVICES	2,128	3,813	0	0
7630 MISCELLANEOUS GOODS, MATERIALS	379	0	379	379
7635 MISCELLANEOUS SERVICES	280	90	280	280
7637 NOTARY FEE APPLY OR RENEW	529	100	529	529
7980 OPERATING LEASE PAYMENTS	3,470	3,482	3,800	3,800
TOTAL FOR CATEGORY 04:	103,609	106,306	118,039	119,652

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
CATEGORY 05 EQUIPMENT:				
8241 NEW FURNISHINGS <\$5,000 - A	0	0	300	0
TOTAL FOR CATEGORY 05:	0	0	300	0
CATEGORY 08 BOARD TRAVEL:				
6200 PER DIEM IN-STATE	865	1,455	865	865
6230 PUBLIC TRANSPORTATION IN-STATE	0	23	0	0
6240 PERSONAL VEHICLE IN-STATE	50	336	50	50
6250 COMM AIR TRANS IN-STATE	878	1,100	878	878
TOTAL FOR CATEGORY 08:	1,793	2,914	1,793	1,793
CATEGORY 09 SPECIAL PROJECTS:				
7046 QUICK PRINT JOBS - CARSON CITY	59	0	59	59
7320 INSTRUCTIONAL SUPPLIES	12,819	16,016	12,819	12,819
7330 SPECIAL REPORTS	0	34,000	95,000	95,000
7370 PUBLICATIONS AND PERIODICALS	2,040	2,000	4,500	4,500
7630 MISCELLANEOUS GOODS, MATERIALS	548	0	25,884	25,884
8331 OFFICE & OTHER EQUIPMENT - A	0	0	13,800	4,800
8647 UNIVERSITY OF NEVADA RENO	373,069	351,293	334,937	0
TOTAL FOR CATEGORY 09:	388,535	403,309	486,999	143,062
CATEGORY 14 LAS VEGAS OFFICE:				
7020 OPERATING SUPPLIES	1,268	768	1,268	1,268
7045 STATE PRINTING CHARGES	64	20	64	64
7051 AGENCY OWNED - PROP. & CONT. INSURANCE	16	0	0	0
705A NON B&G - PROP. & CONT. INSURANCE	0	16	16	16
7060 CONTRACTS	195	0	0	0
7110 NON-STATE OWNED OFFICE RENT	23,472	29,808	25,260	25,980
7111 NON-STATE OWNED STORAGE RENT	3,051	2,448	2,400	2,400
7255 B & G LEASE ASSESSMENT	328	336	294	344
7290 PHONE, FAX, COMMUNICATION LINE	2,004	1,342	2,004	2,004
7296 EITS LONG DISTANCE CHARGES	293	161	293	293
7306 DUES & REG - EMPLOYEE REIMBURSEMENT	50	0	50	50
7980 OPERATING LEASE PAYMENTS	1,575	1,575	1,575	1,575

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
8241 NEW FURNISHINGS <\$5,000 - A	296	0	0	0
TOTAL FOR CATEGORY 14:	32,612	36,474	33,224	33,994
CATEGORY 17 OIL, GAS & GEOTHERMAL:				
6200 PER DIEM IN-STATE	3,154	20,000	3,154	3,154
7046 QUICK PRINT JOBS - CARSON CITY	526	0	526	526
7052 VEHICLE COMP & COLLISION INS	0	0	50	50
7059 AG VEHICLE LIABILITY INSURANCE	0	0	222	222
7151 OUTSIDE MAINTENANCE OF VEHICLE	33	0	533	733
7153 GASOLINE	1,721	0	1,721	1,721
7154 VEHICLE OPERATION - A	25	0	25	25
7156 VEHICLE REPAIR & REPLACEMENT PARTS	1,019	0	2,519	3,019
7157 VEHICLE SUPPLIES - OTHER	115	0	115	115
7176 PROTECTIVE GEAR	0	149	0	0
7291 CELL PHONE/PAGER CHARGES	622	0	648	648
7302 REGISTRATION FEES	1,850	0	1,850	1,850
7306 DUES & REG - EMPLOYEE REIMBURSEMENT	470	0	970	970
TOTAL FOR CATEGORY 17:	9,535	20,149	12,333	13,033
CATEGORY 18 ABANDONED MINE SUPPORT:				
6200 PER DIEM IN-STATE	35,408	35,559	42,127	42,127
6210 FS DAILY RENTAL IN-STATE	64	0	64	64
6211 FS MONTHLY VEHICLE RENTAL IN-STATE	0	0	0	2,757
6215 NON-FS VEHICLE RENTAL IN-STATE	44	0	44	44
6240 PERSONAL VEHICLE IN-STATE	114	252	114	114
6250 COMM AIR TRANS IN-STATE	0	564	0	0
7000 OPERATING	0	0	0	1
7020 OPERATING SUPPLIES	5,787	11,285	5,787	5,787
7023 OPERATING SUPPLIES-C	2,371	1,054	2,371	2,371
7027 OPERATING SUPPLIES-G	552	53	552	552
7030 FREIGHT CHARGES	20	0	20	20
7045 STATE PRINTING CHARGES	0	3,248	0	0
7046 QUICK PRINT JOBS - CARSON CITY	8,183	3,693	8,183	8,183
7049 AGENCY PUBLICATION PRINT CHARGES	732	4,658	732	732
7051 AGENCY OWNED - PROP. & CONT. INSURANCE	2	0	0	0
7052 VEHICLE COMP & COLLISION INS	0	454	250	250

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
7059 AG VEHICLE LIABILITY INSURANCE	0	1,264	1,107	1,107
705A NON B&G - PROP. & CONT. INSURANCE	0	2	2	2
7070 CONTRACTS - J	0	3,021	0	0
7073 SOFTWARE LICENSE/MNT CONTRACTS	2,375	0	3,750	3,750
7111 NON-STATE OWNED STORAGE RENT	1,020	1,020	1,020	1,020
7150 MOTOR POOL FLEET MAINTENANCE	795	963	795	795
7151 OUTSIDE MAINTENANCE OF VEHICLE	3,103	272	3,103	3,103
7153 GASOLINE	10,716	20,325	10,716	10,716
7154 VEHICLE OPERATION - A	30	951	30	30
7156 VEHICLE REPAIR & REPLACEMENT PARTS	7,925	10,401	7,925	7,925
7157 VEHICLE SUPPLIES - OTHER	986	2,213	986	986
7176 PROTECTIVE GEAR	484	1,055	484	484
7255 B & G LEASE ASSESSMENT	47	48	42	49
7280 OUTSIDE POSTAGE	0	40	0	0
7285 POSTAGE - STATE MAILROOM	103	5,284	103	103
7291 CELL PHONE/PAGER CHARGES	6,748	5,941	6,748	6,748
7300 DUES AND REGISTRATIONS	566	0	566	566
7301 MEMBERSHIP DUES	250	0	350	0
7302 REGISTRATION FEES	0	350	0	0
7306 DUES & REG - EMPLOYEE REIMBURSEMENT	325	0	325	325
7320 INSTRUCTIONAL SUPPLIES	11,546	3,525	11,546	11,546
7430 PROFESSIONAL SERVICES	1,080	0	0	0
7460 EQUIPMENT PURCHASES < \$1,000	210	0	0	0
7528 EITS 18-19 ELIM (OLD EITS DISK STORAGE)	75	0	0	0
7531 EITS DISK STORAGE	0	0	32	32
7548 EITS VIRTUAL SERVER HOSTING	0	0	2,930	2,930
7558 EITS 18-19 ELIM (OLD EITS VIRTUAL SERVER)	5,243	0	0	-1
7970 MATERIALS	26,333	17,084	26,333	26,333
8310 PICK-UPS, VANS - NEW	0	26,487	0	0
TOTAL FOR CATEGORY 18:	133,237	161,066	139,137	141,551
CATEGORY 26 INFORMATION SERVICES:				
7070 CONTRACTS - J	0	5,042	0	0
7073 SOFTWARE LICENSE/MNT CONTRACTS	323	0	853	0
7532 EITS SHARED WEB SERVER HOSTING	1,873	5,200	842	842
7533 EITS EMAIL SERVICE	532	550	2,098	2,097
7545 EITS 18-19 ELIM (OLD EITS VPN SECURE LINK)	331	0	0	0

DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
7554 EITS INFRASTRUCTURE ASSESSMENT	1,633	1,701	2,154	2,327
7556 EITS SECURITY ASSESSMENT	1,071	1,172	1,039	1,415
7558 EITS 18-19 ELIM (OLD EITS VIRTUAL SERVER)	0	5,143	0	0
7771 COMPUTER SOFTWARE <\$5,000 - A	754	2,197	133	1,365
8371 COMPUTER HARDWARE <\$5,000 - A	12,207	11,448	15,651	17,421
TOTAL FOR CATEGORY 26:	18,724	32,453	22,770	25,467
CATEGORY 30 TRAINING:				
7306 DUES & REG - EMPLOYEE REIMBURSEMENT	0	0	3,710	3,710
TOTAL FOR CATEGORY 30:	0	0	3,710	3,710
CATEGORY 39 AML ENHANCEMENTS:				
7060 CONTRACTS	42,803	50,000	120,000	120,000
7465 EQUIP > \$1,000 LESS THAN \$5,000 - A	3,000	0	0	0
7970 MATERIALS	0	4,792	0	0
TOTAL FOR CATEGORY 39:	45,803	54,792	120,000	120,000
CATEGORY 86 RESERVE:				
9178 RESERVE - BAL FWD TO SUBSEQUENT FY	0	985,603	697,947	678,301
TOTAL FOR CATEGORY 86:	0	985,603	697,947	678,301
CATEGORY 87 PURCHASING ASSESSMENT:				
7393 PURCHASING ASSESSMENT	1,149	1,448	4,356	6,988
TOTAL FOR CATEGORY 87:	1,149	1,448	4,356	6,988
CATEGORY 88 STATE COST ALLOCATION:				
9159 STATEWIDE COST ALLOCATION	0	37,608	72,604	72,604
TOTAL FOR CATEGORY 88:	0	37,608	72,604	72,604
CATEGORY 89 AG COST ALLOCATION:				
7391 ATTORNEY GENERAL COST ALLOC	55,293	73,104	21,838	0

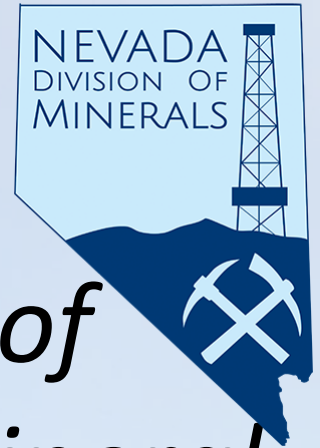
DIVISION OF MINERALS
101-4219

	2015-2016 ACTUAL	2016-2017 WORK PROGRAM	2017-2018 LEGISLATIVE Y APPROVED	2018-2019 LEGISLATIVE Y APPROVED
TOTAL FOR CATEGORY 89:	55,293	73,104	21,838	0
TOTAL EXPENDITURES:	1,907,836	3,011,237	2,968,194	2,593,958
PERCENT CHANGE:		57.84%	-1.43%	-12.61%
TOTAL POSITIONS:	11.00	11.00	11.00	11.00

II. D Legislative Summary

THIS SECTION IS INTENTIONALLY LEFT BLANK.
HAND OUTS AND PRESENTATION WILL BE GIVEN AT THE
MEETING.

II. E Development of Dissolved Mineral **Resource Exploration Regulations**



Update on Development of Regulations for Dissolved Mineral Resource Exploration

*Richard Perry, Administrator
Nevada Division of Minerals*

Development of Regulations for Dissolved Mineral Resources



- A.B. 52 from 2017 legislative session directed NDOM, NDEP and NDWR to jointly develop regulations for dissolved mineral resources
 - Allows for sampling of brines from boreholes
 - Requires a permit to drill a dissolved mineral resource exploration well; one-time 5 acre-foot test is allowed per project
 - Requires a licensed water well driller for boreholes and wells to ensure protection of fresh water and geothermal resources
 - Restrictions on drilling in active geothermal areas being developed in regulations
 - Regulation development in progress, legislation becomes active 1-1-2018

NEVADA'S LITHIUM EXPLORATION ACTIVITY

>13,381 claims staked
in playas

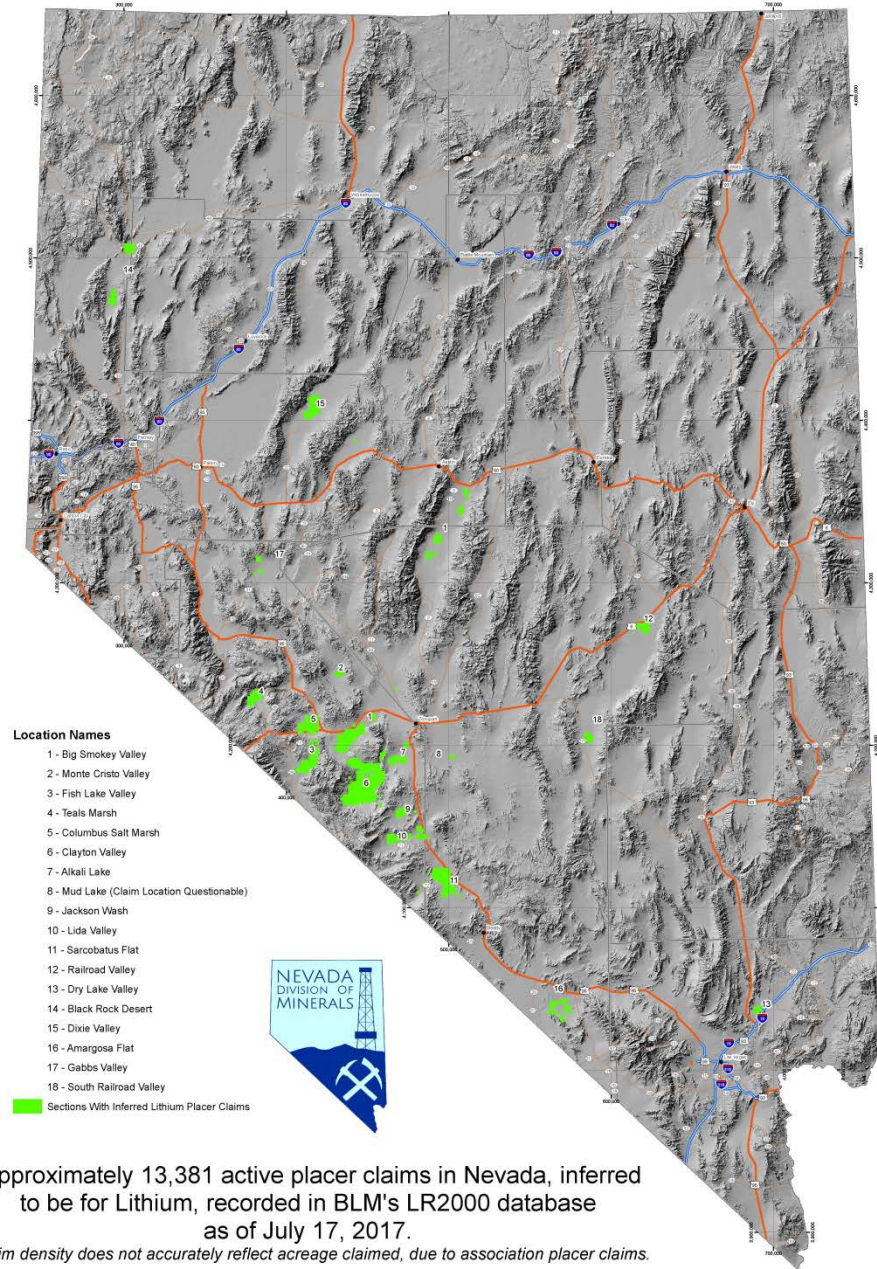
- 18 different
hydrographic basins

-25 different
exploration entities and
one producer

Current to 7-17-2017

Inferred Active Lithium Placer Claims in Nevada

Map Produced by: Lucia M. Patterson, Nevada Division of Minerals



Schedule for regulation development

- Regulation team began meeting weekly on July 11th. *Regulation Development Team: Tim Wilson-NDWR, Bruce Holmgren-NDEP, Nick Brothers-NDEP, Lowell Price-NDOM, Courtney Brailo-NDOM, Mike Visser-NDOM, Rich Perry-NDOM, Bryan Stockton-AG*
- *Working draft of Regulations and relevant forms presented at Stakeholder meeting – Aug. 23rd.*
- *Second stakeholder meeting for comments and discussion – 1st week of September.*
- *Submit to LCB for legal review – end of September*
- *Public Workshop – October*
- *Public Hearing and possible approval – November, 2017 (at next CMR meeting)*
- *Interim Legislative Committee Possible Adoption – December, 2017*
- *Roll-out and education to Industry and BLM – Jan/Feb 2018*

Assembly Bill No. 52—Committee
on Government Affairs

CHAPTER.....

AN ACT relating to water; defining certain terms relating to dissolved mineral resources; setting forth certain provisions relating to the drilling and operation of a dissolved mineral resource exploration well; establishing certain requirements for an application to drill a dissolved mineral resource exploration well; providing that certain losses of water by a dissolved mineral resource exploration project are not subject to certain appropriation procedures; requiring the Commission on Mineral Resources to establish a fee for the issuance of a permit to drill a dissolved mineral resource exploration well; requiring the Commission, in coordination with the Division of Water Resources and the Division of Environmental Protection of the State Department of Conservation and Natural Resources, to adopt certain regulations; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill establishes provisions governing exploration for dissolved mineral resources. **Section 1.4** of this bill provides that the provisions of this bill apply only to the exploration for dissolved mineral resources and not the ownership of such resources. **Sections 3, 12 and 14** of this bill define the terms “dissolved mineral resource,” “dissolved mineral resource exploration borehole” and “dissolved mineral resource exploration well.” **Sections 16 and 17** of this bill provide for the issuance by the Administrator of the Division of Minerals of the Commission on Mineral Resources of a permit to drill a dissolved mineral resource exploration well. **Section 18** of this bill provides that the reasonable loss of water of not more than 5 acre-feet during the testing and sampling of water pumped within a dissolved mineral resource exploration project is not subject to the appropriation procedures of chapters 533 and 534 of NRS, but a dissolved mineral resource exploration project that pumps more than 5 acre-feet of water is required to follow such procedures. **Section 18** also defines the term “dissolved mineral resource exploration project.” **Section 19** of this bill requires the Commission on Mineral Resources to establish a fee of not more than \$1,500 for the issuance of a permit to drill a dissolved mineral resource exploration well. **Section 20** of this bill requires the Commission, in coordination with the Division of Water Resources and the Division of Environmental Protection of the State Department of Conservation and Natural Resources, to adopt regulations to carry out a program for regulating the drilling or operation of dissolved mineral resource exploration boreholes and dissolved mineral resource exploration wells. **Section 21** of this bill provides that a person who violates any provision of this bill or any regulations adopted pursuant thereto or an order of the Division of Minerals is subject to a penalty.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. (Deleted by amendment.)

Sec. 1.2. Title 48 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 1.4 to 21, inclusive, of this act.

Sec. 1.4. *1. The provisions of this chapter govern exploration for dissolved mineral resources.*

2. Ownership of dissolved mineral resources is determined by the applicable federal and state laws or regulations.

3. Except as expressly provided, nothing in this chapter shall be construed to abrogate the provisions of chapter 445A, 519A, 533, 534 or 534A of NRS.

Sec. 1.6. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 2 to 15, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 2. *“Administrator” means the Administrator of the Division of Minerals of the Commission on Mineral Resources.*

Sec. 3. *“Dissolved mineral resource” means all dissolved or entrained minerals that may be obtained from the naturally occurring liquid or brine in which they are found, including, without limitation, lithium. The term does not include a geothermal resource as defined in NRS 534A.010.*

Secs. 4-11. (Deleted by amendment.)

Sec. 12. *“Dissolved mineral resource exploration borehole” means a penetration in the ground that is made to sample or obtain water or chemical, geologic, geophysical or geotechnical information about a dissolved mineral resource and which cannot be pumped as a well.*

Sec. 13. (Deleted by amendment.)

Sec. 14. *“Dissolved mineral resource exploration well” means a well drilled to measure, test or sample water, including, without limitation, pumping tests, to determine whether dissolved mineral resources are present in concentrations and volumes sufficient to justify production.*

Sec. 15. *“Division” means the Division of Minerals of the Commission on Mineral Resources.*



Sec. 16. 1. *A person may not drill a dissolved mineral resource exploration well without first obtaining a permit from the Administrator and complying with the conditions of the permit.*

2. To obtain a permit to drill a dissolved mineral resource exploration well, a person must submit an application for a permit to the Administrator in the form and containing such information as prescribed by the Administrator in accordance with regulations adopted pursuant to this chapter.

3. An application submitted pursuant to subsection 2 must include:

(a) The location, design and expected depth of the well;

(b) The materials of construction for the well;

(c) The status of the land on which the well will be constructed;

(d) A plan for monitoring the well and a plan for plugging and abandoning the well in accordance with any regulations adopted pursuant to this chapter;

(e) A plan for managing any fluids generated as part of testing or sampling, which must include, without limitation, a description of how the fluids will be managed in accordance with the requirements of chapter 445A of NRS and as required by the Division of Environmental Protection of the State Department of Conservation and Natural Resources; and

(f) Any other reporting, information or analysis necessary to prevent the migration of fluids between aquifers and the degradation of the water quality in accordance with any regulations adopted pursuant to this chapter.

4. In addition to any other requirement of this section, a dissolved mineral resource exploration well or a dissolved mineral resource exploration borehole must be drilled by a person who is licensed to drill wells pursuant to NRS 534.140.

5. The issuance of a permit pursuant to section 17 of this act does not authorize a person to produce dissolved mineral resources without a water right.

Sec. 17. 1. *The Administrator shall approve or reject an application for a permit to drill a dissolved mineral resource exploration well within 30 days after the Administrator receives an application in proper form, unless the Administrator determines that the application conflicts with the requirements of NRS 445A.300 to 445A.730, inclusive, and any regulations adopted pursuant thereto, or any other laws and regulations administered by the Division of Environmental Protection of the State Department of Conservation and Natural Resources.*



2. *A permit issued pursuant to this section must not be effective for more than 2 years, but may be extended one time by the Administrator for an additional 2 years if he or she determines that the permit complies with the requirements of this chapter and any regulations adopted pursuant thereto.*

3. *The Administrator and the State Engineer may hold public hearings jointly or separately to gather such evidence or information as they deem necessary for a full understanding of all the rights involved and to properly guard the public interest. The Administrator must notify the applicant, the State Engineer and the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources in advance of any hearing held pursuant to this section.*

4. *A permit issued pursuant to this section must include any conditions and reporting requirements deemed necessary by the Administrator.*

5. *The holder of any permit issued pursuant to this section must comply with the requirements of NRS 445A.300 to 445A.730, inclusive, and any regulations adopted pursuant thereto.*

6. *The Administrator shall post any permit which has been approved pursuant to this section on the Internet website of the Division of Minerals within 5 days after the permit has been approved.*

Sec. 18. 1. *The appropriation procedures of chapters 533 and 534 of NRS do not apply to the reasonable loss of water of not more than 5 acre-feet during the testing and sampling of water pumped within a dissolved mineral resource exploration project.*

2. *Any water pumped in excess of 5 acre-feet within a dissolved mineral resource exploration project is subject to the appropriation procedures of chapters 533 and 534 of NRS. An operator of a dissolved mineral resource exploration project must ensure that the project is in compliance with the appropriation requirements of chapters 533 and 534 of NRS before the project exceeds the threshold of 5-acre-feet.*

3. *As used in this section, "dissolved mineral resource exploration project" means a project, which may consist of one or more dissolved mineral resource exploration wells or boreholes or both, that is conducted on:*

(a) Private land owned or controlled by a natural person or an exploration or mining company; or

(b) A mining claim on public land that is identified in an approved notice or plan required pursuant to 43 C.F.R §§



3809.300 to 3809.336, inclusive, or 3809.400 to 3809.434, inclusive.

Sec. 19. *1. The Commission on Mineral Resources shall, by regulation, establish a fee to be collected by the Division for examining and filing an application for a permit to drill a dissolved mineral exploration well. The fee must not exceed \$1,500.*

2. The money collected pursuant to this section:

(a) Must be deposited with the State Treasurer for credit to the Account for the Division of Minerals created in the State General Fund pursuant to 513.103.

(b) May be used only to administer the provisions of this chapter.

Sec. 20. *The Commission on Mineral Resources:*

1. Shall, in coordination with the Division of Water Resources and the Division of Environmental Protection of the State Department of Conservation and Natural Resources, adopt regulations to carry out a program for regulating the drilling and operation of dissolved mineral resource exploration wells and dissolved mineral resource exploration boreholes; and

2. May adopt any other regulations necessary to carry out the provisions of this chapter.

Sec. 21. *Any person who willfully violates any provision of this chapter or any regulation adopted pursuant thereto or an order of the Division issued pursuant to this chapter is subject to a penalty of not more than \$1,000 for each act or violation and for each day that the violation continues.*

Sec. 22. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2018, for all other purposes.

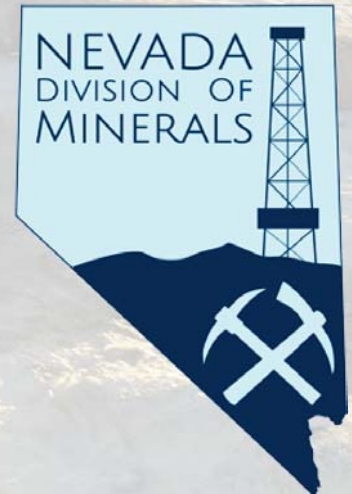


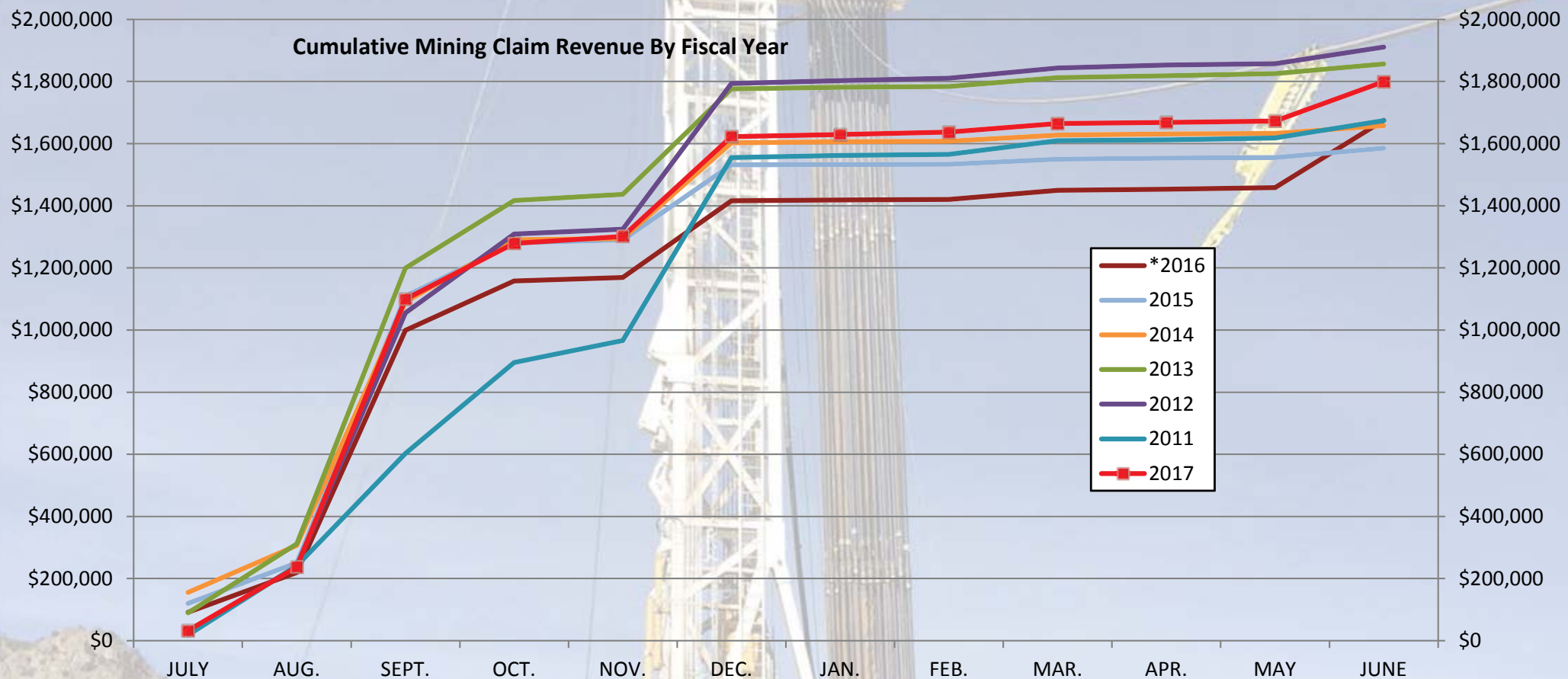
III. OLD BUSINESS

III. A. Fiscal Year 2017 year-end summary

***Agency Forecast of Revenue and Expenditures
Fiscal Years 2017-2019
Commission on Mineral Resources
Division of Minerals***

Mike Visher, Deputy Administrator
August 24, 2017





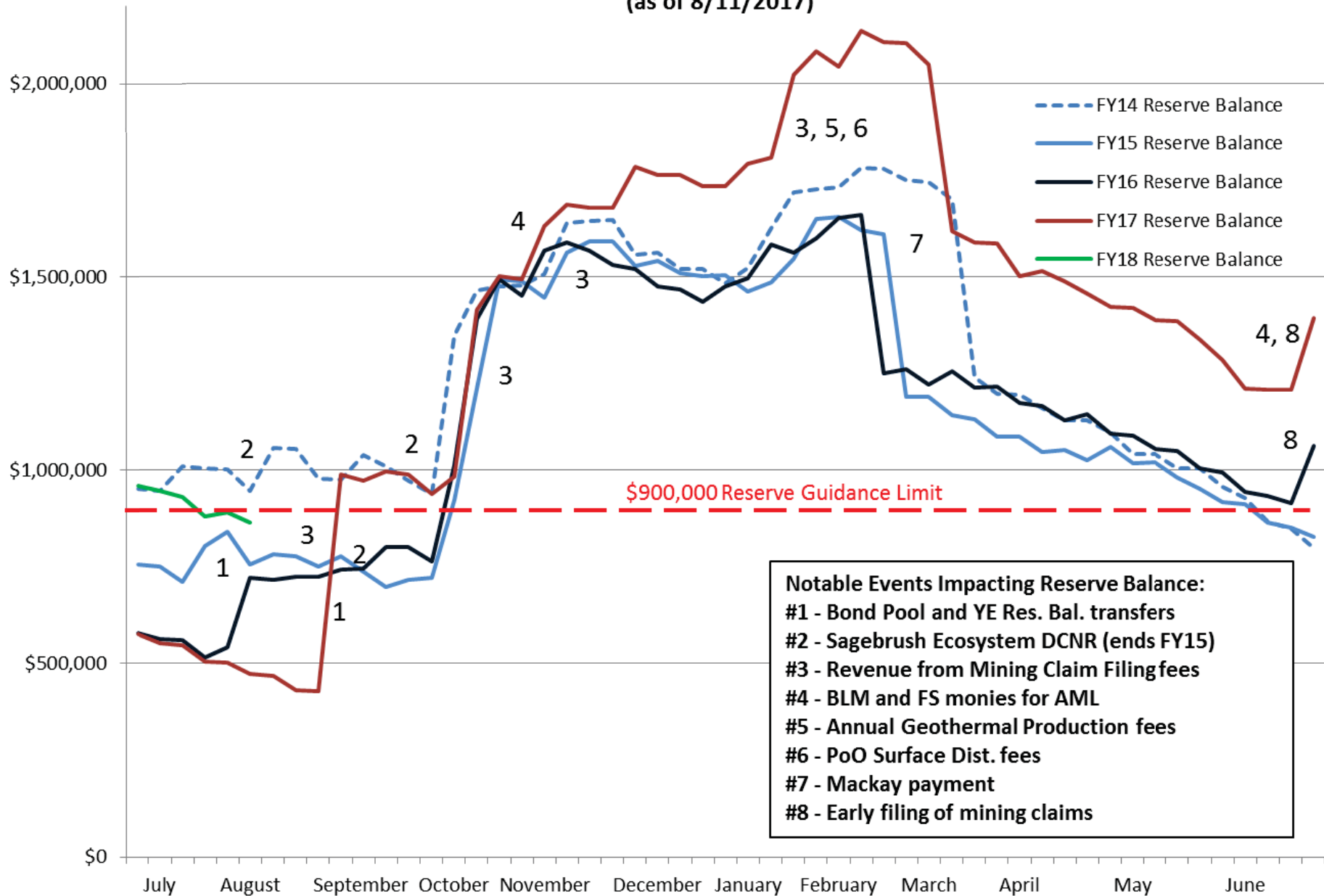
- **Revenue from mining claim filings are 75-80% of total agency revenue.**
- **>90% of FY total is received by end of January with county Q2 payments.**
- **Filings correlate directly to commodity prices and exploration interest in Nevada.**
- **Filings peaked in 2012 at 224,772 and decreased to 186,534 by 2015; 17% decrease.**
- **This represented a \$325,000 decrease in funding and prompted changes to expenditures.**

Response to Revenue Decrease 2014 – 2016

- Delayed the backfill of two staff positions after retirements (CAT 01)
- Contracted through Manpower for part-time CC front desk assistance (CAT 04)
- Reduced discretionary spending under CMR-directed Special Projects (CAT 09)
- Significantly reduced contracted AML work (CAT 39)
- Initiated Rulemaking in FY16 for fee increases in OGG to adequately cover program costs; effective January 1, 2016
- Initiated Rulemaking in FY16 for \$1.50 claim filing fee increase; effective July 1, 2016
- CMR increased guidance amount for Reserve (Balance Forward) to \$900,000; = 6 months of non-discretionary agency expenses

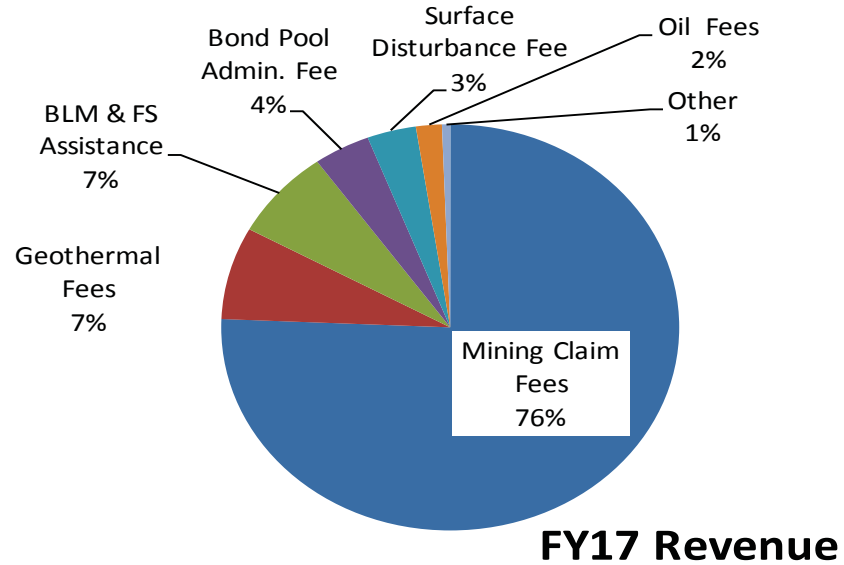
NDOM Reserve Balance by Week for FY14 - FY18

(as of 8/11/2017)

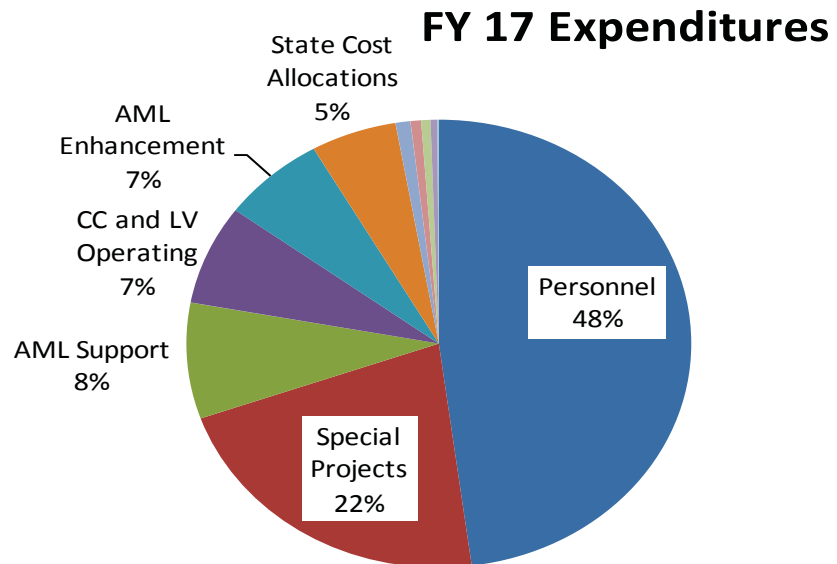


FY 2017 REVENUE AND EXPENDITURE SUMMARY

Revenue Categories	FY17 Revenue	% YOY
Mining Claim Fees	\$1,799,045	7%
Geothermal Fees	\$175,050	7%
BLM & FS Assistance	\$169,975	77%
Bond Pool Admin. Fee	\$94,841	7%
Surface Disturbance Fee	\$82,040	81%
Oil Fees	\$43,464	-1%
Other	\$13,722	-53%
Total	\$2,378,136	16%



Expenditure Categories	FY 17 Expenditures	% YOY
Personnel	\$979,757	-11%
Special Projects	\$442,935	14%
AML Support	\$170,883	28%
CC and LV Operating	\$146,959	8%
AML Enhancement	\$135,778	28%
State Cost Allocations	\$112,160	99%
Computer and IT	\$19,577	5%
In-State Travel	\$13,699	-19%
OGG Support	\$12,209	28%
Out-of-State Travel	\$8,904	69%
CMR Travel	\$1,882	5%
Total	\$2,044,743	7%



FY 2018-19 Forecast - Revenues

- Base budget built from FY 2017 actuals**
- Assumes 2% decrease in claim filings; average of 2016 & 2017 was -1.5%**
- Assumes 2% annual increase in geothermal revenue**
- Oil production and permit fees declining 5%/yr**
- BLM Cooperative agreement \$50K/yr**
- FS Cost-Sharing agreement \$17K and \$18K**
- New DMR permit fees; \$6K and \$12K**

FY 2018-19 Forecast - Expenditures

- 10.75 FTE's, with CC front desk ½ time from Manpower
- 8 AML interns 13 weeks in summer, 3 weeks in winter
- \$2/claim final payment to Mackay in February, 2018 (\$359,812)
- Contracted AML work increases to \$120K/yr
- NBMG “directed reports and deliverables” \$85K/yr in 2018 and 2019. *(Annual MI report, updated maps, scanning and archiving, bi-annual Exploration Survey, Special Study, Special Maps as needed)*

FY 2018-19 Forecast

- Barring any unforeseen significant decreases to the number of mining claim filings, the Division is again well-positioned to fulfill its mission statement**
- The changes made to revenue and expenditures over the last three years were successful in seeing us through a difficult financial period**
- However, by FY 2019 and going forward, our revenues will outpace our expenditures and grow our Reserve**

Forecast Reserve – Balance Forward Amounts and Recommendations For Decrease

- **Forecast Reserve without adjustments:**
FY 2018: \$1,315,645 FY 2019: \$1,547,005
- **Recommendations:**
Provide \$100,000 towards the Arden Mine Closure project and initiate through Rulemaking a \$1 per claim fee reduction (NAC 517.200)
FY 2018: \$1,215,645 (Arden) FY 2019: \$1,374,225 (fee red.)
- **Projection of these two adjustments to the end of FY 2022, with no significant changes to other revenue or 2019 expenditures, results in a Reserve of \$975,203**
- **Additional one-time discretionary AML Enhancements and/or other contracted work should be considered once FY18's claim fee revenue is better forecast (October 2017 - BLM)**

III. B. Contract with NBMG for deliverables in the next biennium

Date: _____

CONTRACT SUMMARY

(This form must accompany all contracts submitted to the Board of Examiners (BOE) for review and approval)

I. DESCRIPTION OF CONTRACT1. Contract Number: **18958**Agency Name: **COMMISSION ON MINERAL
RESOURCE**Agency Code: **500**Appropriation Unit: **4219-09**Is budget authority
available?: **Yes**If "No" please explain: **Not Applicable**Legal Entity
Name: **Board of Regents-UNR**Contractor Name: **Board of Regents-UNR**Address: **UNR Controller's Office
Mail Stop 0124**City/State/Zip: **Reno, NV 89557-0124**Contact/Phone: **Thomas Landis 775-784-4040**Vendor No.: **D35000816**NV Business ID: **NV20161295653**To what State Fiscal Year(s) will the contract be charged? **2018-2019**

What is the source of funds that will be used to pay the contractor? Indicate the percentage of each funding source if the contractor will be paid by multiple funding sources.

General Funds	0.00 %	Fees	0.00 %
Federal Funds	0.00 %	Bonds	0.00 %
Highway Funds	0.00 %	X Other funding	100.00 % Mining Claims

RECEIVED

2. Contract start date:

a. Effective upon Board of
Examiner's approval? **Yes** or b. other effective date: **NA**Anticipated BOE meeting date **08/2017**Retroactive? **No**

If "Yes", please explain

Not Applicable**APPROVED BY THE
BOARD OF EXAMINERS****GOVERNOR'S FINANCE OFFICE
BUDGET DIVISION****AT
THEIR AUG 08 2017**3. Termination Date: **06/30/2019**Contract term: **1 year and 333 days**4. Type of contract: **Interlocal Agreement**Contract description: **Industry Reports**

5. Purpose of contract:

This is a new contract to provide for the publication of annual mineral industry related reports and for the curation and associated database management by the Nevada Bureau of Mines and Geology of oil, gas, and geothermal drill cuttings and well information generated by operators under permits issued by the Division.

6. NEW CONTRACT

The maximum amount of the contract for the term of the contract is: **\$170,000.00**

Other basis for payment: Fixed price; \$85,000 for Fiscal Year 2018 and \$85,000 for Fiscal Year 2019.

II. JUSTIFICATION

7. What conditions require that this work be done?

Under the authority of NRS 522.040 and pursuant to NAC 522.215 and NAC 522.510 two sets of drill cuttings and one copy of all logging surveys are to be filed by oil and gas operators with the Nevada Bureau of Mines and Geology (NBMG) to be made available for public inspection when the records are no longer confidential. Similar requirements exist for geothermal operators under the authority of NRS 534A.090 and pursuant to NAC 534A.310 and NAC 534A.550. The curation and public availability of these records are critical to further exploration of oil, gas and geothermal resources in Nevada. Under authority of NRS 513.073, the Division is to encourage exploration of oil, gas, and geothermal energy and minerals within this State and collect and disseminate information pertaining to any program administered by the Division.

8. Explain why State employees in your agency or other State agencies are not able to do this work:

For curation and public availability of oil, gas, and geothermal records, the Nevada Bureau of Mines and Geology (NBMG) utilizes the same staff, student resources, scanning equipment, tracking software, online services and warehouse space as is currently utilized for general geological information, maps, samples and reports. The Division does not have sufficient staff, expertise, and resources necessary to publish mineral industry and exploration reports and certain special reports which may be requested from the Commission on Mineral Resources.

9. Were quotes or proposals solicited? No

Was the solicitation (RFP) done by the Purchasing Division? No

a. List the names of vendors that were solicited to submit proposals (include at least three):

Not Applicable

b. Solicitation Waiver: **Professional Service (As defined in NAC 333.150)**

c. Why was this contractor chosen in preference to other?

At the March 2, 2017 quarterly public meeting of the Commission on Mineral Resources, the Commission discussed the need for these services and approved funding a contract with the Nevada Bureau of Mines and Geology for \$85,000 in fiscal years 2018 and 2019, Item II. C. in attached minutes of that meeting.

d. Last bid date: Anticipated re-bid date:

10. Does the contract contain any IT components? No

III. OTHER INFORMATION

11. a. Is the contractor a current employee of the State of Nevada or will the contracted services be performed by a current employee of the State of Nevada?

No

b. Was the contractor formerly employed by the State of Nevada within the last 24 months or will the contracted services be performed by someone formerly employed by the State of Nevada within the last 24 months?

No

c. Is the contractor employed by any of Nevada's political subdivisions or by any other government?

No If "Yes", please explain

Not Applicable

12. Has the contractor ever been engaged under contract by any State agency?

No If "Yes", specify when and for which agency and indicate if the quality of service provided to the identified agency has been verified as satisfactory:

Not Applicable

13. Is the contractor currently involved in litigation with the State of Nevada?

No If "Yes", please provide details of the litigation and facts supporting approval of the contract:

Not Applicable

14. The contractor is not registered with the Nevada Secretary of State's Office because the legal entity is a:

Governmental Entity

15. Not Applicable

16. Not Applicable

17. Not Applicable

18. Agency Field Contract Monitor:

19. Contract Status:

Contract Approvals:

Approval Level	User	Signature Date
Budget Account Approval	dvisher	07/05/2017 09:20:03 AM
Division Approval	dvisher	07/05/2017 09:20:06 AM
Department Approval	dvisher	07/05/2017 09:20:09 AM
Contract Manager Approval	dvisher	07/05/2017 09:20:13 AM
Budget Analyst Approval	Pending	
BOE Agenda Approval	Pending	
BOE Final Approval	Pending	

Exhibit A
Scope of Work for contract between the Nevada Division of Minerals (NDOM)
and Nevada Bureau of Mines and Geology (NBMG)

NBMG agrees to complete the following work in fiscal years 2018 and 2019 in cooperation with the Nevada Division of Minerals and Commission on Mineral Resources. NBMG serves as the state geological survey and is a public service unit of the University of Nevada, Reno. State statutes require that NBMG “serve as a bureau of information and exchange on Nevada’s mineral industry, mineral resources, and geology”. The projects will produce reports or make available data on Nevada’s mineral and energy resources, which help to stimulate exploration and development in Nevada. The total request is for **\$170,000** (\$85,000 per fiscal year). Four primary continuing projects are proposed. Table 1 provides itemized budgets for the projects in each fiscal year.

Project 1 – Sample Curation (\$20,000 per year): The GBSSRL serves as a repository for oil, gas and geothermal (OGG) well cuttings and well logs. Specific deliverables include:

- Cataloguing and curation of all new OGG well cuttings and core.
- Digitizing oil, gas, and geothermal well logs into a searchable database
- One annual report listing the cuttings and well logs that have been archived and digitized, including any back-log.

Project 2 – Publication of the annual Nevada Mineral Industry Report (\$35,000 per year): NBMG produces an annual report on activities of the mining and energy industries in Nevada. Specific deliverables:

- Nevada Mineral Industry Report in each fiscal year (by November 15 each year).
- Update the Active Mines and Energy Producer Maps by November 15, 2018 (every other year).

Project 3 – Exploration Survey (\$30,000 in FY 2019): This project involves preparing a third edition in FY19 of exploration activities conducted in Nevada. Funds will be allocated toward a survey of mineral and geothermal exploration completed by companies in 2018. Periodic assessments are critical for defining industry trends, which will provide insights into future economic impacts on the State. In addition to a traditional survey being distributed to mining and exploration companies, information on exploration activities and expenditures will be compiled from company websites and stock exchange filings. Specific deliverable:

- Report will be completed prior to the 2019 legislative session (by February 28, 2019) and thus available for consideration for any resource-related legislation.

Project 4 – Special Reports Requested by CMR (\$30,000 in FY 2018): This project involves conducting a special study and report which will be chosen from a list of options by the Commission on Mineral Resources at their August, 2017 quarterly meeting. Specific deliverable: Official report or publication on study chosen by the CMR.

Table 1. Budgets for Proposed Projects

Fiscal Year	Project 1 Sample Curation and Well log Scanning/ Database	Project 2 MI Reports	Project 3 Exploration Survey	Project 4 CMR Study and Report	Total
2018	\$20,000	\$35,000	--	\$30,000	\$85,000
2019	\$20,000	\$35,000	\$30,000	-	\$85,000
Total – Each Project	\$40,000	\$70,000	\$30,000	\$30,000	\$170,000

III. C. Update on Mineral Withdrawals and Land Bills

This page is intentionally left blank. The maps that are provided to the commission can be found on our website on this page:

[http://minerals.nv.gov/home/features/Information Related to Proposed Land Withdrawals/](http://minerals.nv.gov/home/features/Information%20Related%20to%20Proposed%20Land%20Withdrawals/)

IV. STAFF REPORTS

Reclamation Bond Pool Status Report			Current to:	8/10/2017							
Plan-level Bonds -Company		Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole	Premium Schedule	Current thru
Custom Details		Bovie-Lew	11/17/2006	\$24,364.00	0.77%		\$ 12,217.11	\$19,887.86	131.8%	\$182.73 quarterly	9/30/2017
New Gold Nevada (formerly NV Rae)		Black Rock Canyon	4/15/2005	\$709,941.00	22.55%		\$ 404,828.37	\$310,437.19	100.8%	\$5,234.56 quarterly	9/30/2017
So. NV Liteweight		Money Pit	5/21/2004	\$430,088.00	13.66%		\$ 233,171.91	\$247,031.58	111.7%	\$3,225.66 quarterly	9/30/2017
Western Pacific Clay		Fallon Bentonite	12/11/1997	\$209,900.00	6.67%	terminated	\$ 31,485.00	\$185,648.94	103.4%		
Western Mine Dev.		Victorine Mine	5/24/2000	\$45,875.39	1.46%	terminated	\$ -				
Western Mine Dev.		Kingston Mill	5/24/2000	\$100,450.00	3.19%	terminated	\$ -				
Western Mine Dev.		Manhattan Mill	5/24/2000	\$114,288.77	3.63%	terminated	\$ -				
TNT Venture		Big Canyon	1/27/2010	\$78,161.00	2.48%		\$ 39,615.03	\$41,530.75	103.8%	\$586.21 quarterly	6/30/2017
Dun Glen Mining		Dun Glen	8/11/2014	\$373,981.00	11.88%		\$ 200,648.22	\$108,678.84	82.7%	\$8,780.45 quarterly	9/30/2017
Statewide Notice-Level		Various	various	\$1,060,767.00	33.70%	81 Notice-level bonds				Premiums due	
Total Bonded Amount				\$3,147,816.16	100.00						
Cash in Pool's Account				\$3,969,220.05							
Unfunded Amount				-\$821,403.89							
Percent funded				126.1%							

OIL, GAS, AND GEOTHERMAL ACTIVITY

2017 Permitting and Drilling Activity (Through August 11, 2017)

Permit Type	Issued 2014	Drilled 2014	Issued 2015	Drilled 2015	Issued 2016	Drilled 2016	Issued 2017	Drilled 2017
Geothermal - Ind Production	5	5	10	7	9	10	---	---
Geothermal - Ind Inj	2	2	1	2	3	1	3	3
Geothermal - Observation	10	3	1	1	2	4	2	---
Geothermal - TG	---	---	5	5	---	---	14	10
Geothermal - Com	---	---	---	---	---	---	---	---
Geothermal - Dom	8 ¹	4	8 ²	5	---	4	2	2
Geothermal - Project Area	1	---	1	---	---	---	1	---
Geothermal - Total	27	15	26	20	14	19	22	15
Oil & Gas	16	5	4	2	3	1	0	0

¹Includes 4 wells previously drilled and completed; ²Includes 2 wells previously drilled.

Activity	Geothermal	Ormat Nevada	During 2017 Ormat Nevada has completed the drilling of the Tungsten Mountain 75B-22 production and 24(44)-22 injection wells, New York Canyon 68(72-11)-2 production well, McGinness Hills 57C-22 and 57(67)-22 injection wells, Dixie Meadows 75(53)-4 injection well, and Dixie Comstock 35(24)-14 and 37(27)-14 TG wells (located a few miles north of Dixie Meadows and south of Terra-Gen's Coyote Canyon area). Ormat performed a directional redrill of the 68-1 injection well at Wild Rose, new well 68(62-12)-1 during April and May. The permitted Dixie Meadows 17(87-7)-8 injection well has yet to be drilled.
		US Geothermal	Three observation wells were deepened in a southwest extension of the San Emidio Field during June. The wells had favorable results. This new extension of the field is expected to add ~47MW generation capacity through a to be constructed San Emidio II Power Plant. The San Emidio I Power Plant is currently generating ~10 MW.
	Oil	Makoil	The Munson Ranch 12-23X and 13-34 permits were approved in 2015, but have not been drilled. The two permits expire on June 12, 2017. The permitted Murphy Gap 14-23, located in Coal Valley, has not been drilled. This permit expires in March 2018.
		Noble Energy	NDOM and the BLM have approved plugging and abandonment sundries for the four wells Noble drilled in Elko County. Plugging operations are to begin on August 14 th .
		Major Oil International	NDOM and the BLM are currently reviewing three drilling permit applications for Major Oil's federal leases in Hot Creek Valley.

Summary of Geothermal and Oil Well Inspections for Fiscal Year 2017

FY 2017 Well Inspections	Total Wells	Wells Needed for FY17	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal (25 Locations)	446	149	232	156.1%	
Oil (19 Locations)	128	43	120	281%	
Totals	576	192	352	184%	-161

I will be witnessing the plugging and abandonment operations of the four Noble wells in Elko County starting the week of August 14th. I also intend on inspecting the Tuscarora and Blue Mountain Fields during this trip.

Databases

Lucia and I are continuing to compile geothermal (pre 2009) and oil (pre 1999) production and injection data for the two databases. We are obtaining the older data from scanned pdf files on the NBMG web site. Once compiled, the data will be appended to the databases. Receipt of cuttings by the Sample Library at NBMG will also be included in the databases.

Sundry Notice Activity: April 1, 2017 to August 11, 2017

Twenty-eight oil sundry notices were approved, most of which were for operators to maintain shut-in status of inactive wells. Some of the well maintenance issues to put a portion of the wells back on production are being currently being addressed. Most of the wells are shut-in due to low oil prices. The cost of electricity to run the pumps is too high for many of the marginal wells at the current ~\$50 oil price. Twenty-one geothermal sundry notices were approved.

BLM Lease Sales

The BLM Battle Mountain District held a lease sale on June 13th. There were 106 parcels offered, where three NGO's each protested all 106 parcels. The BLM did not remove any parcel due to protests. Three parcels were sold during the competitive lease sale on the 13th, and four parcels were sold during the non-competitive lease sale on the 14th. A total of \$55,627 was collected by the BLM for the two lease sales. The BLM will be holding an oil and gas lease sale for the Battle Mountain District on September 12th. The next geothermal lease sale for Nevada is scheduled for October 24th. Only three parcels, totaling 3680 acres, will be offered during this sale. All three parcels have been protested by numerous NGO's. The BLM has not removed any of the three parcels due to protests to date. The Forest Service was unable to provide leasing concurrence in time for the BLM NEPA and Sale Notice deadlines, but they are continuing to work on their parcels. The BLM is planning to have parcels related to Forest Service managed lands offered in a sale next spring.

Dissolved Minerals Exploration Regulations

NDOM began meeting with Bryan Stockton, Tim Wilson (DWR), Greg Lovato (NDEP), Bruce Holmgren (NDEP), and Nick Brothers (NDEP) on July 7th to begin writing regulations for dissolved minerals exploration. The group has continued to meet on a weekly basis to discuss and write the proposed drilling related regulations for boreholes and exploratory wells.

TOPCORP

I attended my final TOPCORP course, the last of three courses, in Austin, Texas during late May. The title for this course is Emerging Topics & Communications. The course centered primarily on proper communication skills needed in discussions with operators, land owners, and people representing outside interests. Courtney Brailo should be starting the three course series this fall, attending the Petroleum Engineering and Geology course at the Colorado School of Mines in Golden, Colorado.

2010-2017

Carson City

8/17/2012-Tour in Yerington

12/11/2014

5/19/2016

11/1/2016

Virginia City

Elko

08/29/2014-Newmont LeeVile Mine

08/27/2015-Noble Energy's

Huntington

K1L Well & General Molly Mt. Hope

Reno

5/12/2010

10/19/2010

4/29/2011

7/27/2011 – Tour of Bat Cupola in VC

11/2/2011

5/03/2012- Virginia City

11/09/2012

5/03/2013- Hazen and Olinghouse

10/10/2013

05/09/2014- EP Minerals; Nevada
Cement Plant and Mine.

05/01/2015

11/05/2015-Bishop Manogue H.S.

05/04/2017-Tour of Tesla

Las Vegas

2/11/2010 – Tour of the McCaw

School of Mines - Henderson

2/07/2011 – Tour of Molycorp Mine

2/27/2012 – Searchlight Area

2/21/2013

2/14/2014- Tule Springs Park

2/24/2015

2/03/2016- Simplot Silica

3/02/2017

Battle Mountain

July 30, 2010 – Tour of Newmont Phoenix Mine

Tonopah

8/15/2013 - Solar Reserve Plant

8/16/2013 - Tonopah Mining Park

8/25/2017 – Mineral Ridge Mine and Uranium Resources Inc.

Wendover

8/25/2016- Graymont's Pilot Peak, Newmont Long Canyon Mine

