

## NOTICE OF INTENT TO ACT UPON A REGULATION

### NOTICE OF HEARING FOR THE ADOPTION OF REGULATIONS OF THE COMMISSION ON MINERAL RESOURCES

**The Commission on Mineral Resources will hold a public hearing at:**

**TIME: 9:00 a.m.**  
**DATE: April 27, 2018**  
**PLACE: Nevada Legislative Building, Room 1214**  
**401 South Carson Street**  
**Carson City, Nevada 89701**

The purpose of the hearing is to receive comment from all interested persons regarding the adoption of regulations that pertain to chapter 534B of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

- 1) The need for and the purpose of the proposed adoption of regulation is to: establish language necessary to regulate the drilling and operation of dissolved mineral resource exploration boreholes and dissolved mineral resource exploration wells as required in Assembly Bill No. 52 of the 2017 Nevada Legislature. The proposed regulations are permanent, and can be found on the Legislative Counsel Bureau web site at: <https://www.leg.state.nv.us/Register/2017Register/R109-17RP2.pdf> . The regulations are also available on the website maintained by Division of Minerals at: <http://minerals.nv.gov/> Printed copies of the proposed regulations changes can be obtained by contacting the Nevada Division of Minerals by phone at: 775-684-7043 or by email at: [ndom@minerals.nv.gov](mailto:ndom@minerals.nv.gov)
- 2) Subjects and issues in the proposed adoption of regulation include: certain requirements and/or restrictions related to the notification, permitting, bonding, drilling, construction, reporting and plugging of dissolved mineral resource exploration boreholes and dissolved mineral resource exploration wells; the fee amount needed to accompany a well permit application; what information related to dissolved mineral resource exploration will be posted to the Internet website of the Division and the timing thereof; actions and/or penalties issued by the Division for violations of the regulations; and conditions for which a public hearing may be held and how it is to be conducted.
- 3) The estimated economic impact of the proposed regulation on the regulated industry includes the adverse impact of a new application fee, additional reporting and certain operational requirements which, on a per well basis, could increase drilling costs by 4 to 10%, but would be primarily limited to period of time during active drilling/plugging operations with no significant long-term costs. The beneficial effects on the regulated industry would be a clear and expeditious regulatory path for dissolved mineral resource exploration, which is anticipated to have both immediate and long-term effects of lessening the time needed for regulatory approval and potentially increasing exploration activities. The estimated economic impact of the regulation on the public includes no

adverse impacts, but has both immediate and long-term beneficial impacts of a robust and streamlined permitting and regulatory program that is adequately funded and ensure that dissolved mineral resource exploration boreholes and wells are drilled safely, are protective of groundwater, oil, gas and geothermal resources.

- 4) To determine the impact on a small business, the Division sent a questionnaire to 15 entities involved in dissolved mineral resource exploration in Nevada, soliciting comments and cost estimations for 11 potential actions included in the proposed regulation. The responses were tallied and utilized along with agency estimations, which were based on prevailing wage rates and equipment and service cost quotes solicited from vendors, to evaluate potential additional costs under three drilling scenarios.
- 5) The estimated additional cost to the agency for enforcement of the proposed regulation will be offset by permit fees.
- 6) The proposed regulation may duplicate or overlap federal regulations only on public lands administered by the U.S. Department of the Interior, Bureau of Land Management.
- 7) Federal law does not require adoption of the proposed regulation.
- 8) The proposed regulation is more stringent than current federal law under Title 43 Code of Federal Regulations Part 3800, in that the exploration of locatable minerals, under the General Mining Law of 1872, does not require the use of a licensed water well driller or the use of blow-out prevention equipment during drilling.
- 9) The proposed regulation establishes a fee amount, of \$1,000, for filing an application for a permit to drill a dissolved mineral resource exploration well. The requirement for the Commission on Mineral Resources to establish this fee by regulation is found in Section 19 of Assembly Bill No. 52, chapter 507, Statutes of Nevada 2017, at page 3414 (NRS 534B.100).

Interested persons wishing to comment on the proposed regulation may do so by appearing at the above-scheduled hearing or by submitting written comments to the Division of Minerals, 400 West King Street, Suite 106, Carson City, Nevada 89703 by 5:00 P.M. on or before April 20, 2018.

A copy of this notice and the proposed regulation can be reviewed at the Nevada State Library and Archives, 100 Stewart Street, Carson City, or the Division of Minerals Offices in Carson City (400 West King St., Suite 106, Carson City, NV 89703), and in Las Vegas (2030 E. Flamingo Rd., Suite 220 Las Vegas, NV 89119). The proposed regulation may also be reviewed on our web page at <http://minerals.nv.gov> . In all counties in which an office of the agency is not maintained, the proposed regulation may be reviewed and copied at the main public library, during business hours.

This notice and the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and may be viewed on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

As provided in NRS 233B.064 (2), the Division of Minerals, if requested to do so by an interested person, either before adoption of the regulation or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or will incorporate therein its reason for overruling the considerations against its adoption.