

DISSOLVED MINERAL RESOURCE EXPLORATION REGULATIONS – PUBLIC WORKSHOP 12/21/17

- A.B. 52 passed in 2017 legislative session
- NDOM, NDEP, NDWR jointly responsible for developing regulations:
 - Began process in July 2017
 - Stakeholder meetings and input taken, draft to LCB Sept 27th
 - LCB draft issued Nov. 29, 2017: NAC 534B
- Commission on Mineral Resources (CMR) is body that adopts regulations
- Statute (NRS) becomes effective on 1/1/2018
- NAC becomes effective after approval by Legislative Commission and filing with Secretary of State



Public Workshop-Dissolved Mineral Resource Exploration



- Review of the LCB draft regulations today
- Accept verbal and written comments today, and written through 12/31/17
- Please submit speaker card to Secretary and step forward to podium for comments when called, leave written copy with Secretary
- Team that developed regulations is present to clarify language in draft regulations



What is in the statute ?

- Defines a “dissolve mineral exploration borehole”, and allows for sampling of water in exploration boreholes .
- Allows for permitting of “dissolved mineral resource exploration wells” by the Division of Minerals. Permit active for no more than 2 years with one possible 2 year extension.
- Defines a “dissolved mineral resource exploration project” as a notice or plan-level approved project on Federal lands (claims), or a defined project area on non-federal lands.
- Requires a Nevada licensed water well driller to drill boreholes, and to drill and complete exploration wells.



What is in the Statute?

- **An application and permitting process for wells**
- **State Engineer or Administrator may call a public hearing if they deem necessary.**
- **Allows for up to 5 acre-feet of water to be pumped for testing per project (not annually). No limit on the number of boreholes or wells. > 5 acre-feet requires a water right from NDWR.**
- **Must comply with NRS 445A for discharges during pump tests**
- **Does not change the appropriation procedures in NRS 533, 534**
- **Allows for fines up to \$1000 per day for violations**



Draft Regulations-boreholes

- **Boreholes: notice of intent form for drilling boreholes required 5 days before drilling.**
 - **GPS coordinates, BLM project #, map**
- **Consultation with NDOM triggered when proposing boreholes deeper than 1500 feet in areas of possible oil or geothermal resource conflicts, called “areas with limitations”- map on website.**
- **250’ setback from existing oil or geothermal well, 100’ from an existing water well**
- **No fee associated with boreholes, no limitation on number, but NOI must be approved by NDOM**
- **Must be plugged within 60 days of completion, unless application for a well permit is submitted**
- **Plugging log required to be submitted to NDOM**



Draft Regulations-wells

- **Application for a well includes project name, GPS, plan for managing fluids, monitoring and surety.**
- **Well setback minimums:**
 - 100' setback from claim or property boundary
 - 100' from an existing water well
 - 250' from an existing oil, gas or geothermal well
- **Consultation with NDOM required to drill >3000' if within an “area of limitations”.**
- **Operator proposes casing plan, must be protective of groundwater, seal artesian conditions**



Draft Regulations - wells

- **Requires BOPE if temperatures exceed 200 F**
- **Completed well(s) require water meters and monthly flow report(s)**
- **A water right issued by NDWR is required prior to exceeding 5 acre-feet of pumping (total within project)**
- **Wells must be plugged when permit expires**
- **Plugging log submitted to NDOM**



Draft Regulations - other

- **Bonding for boreholes and wells on Federal ground by BLM under notice or plan; no change from current**
- **No bonding for boreholes on private, NDOM required bond for wells on non-federal lands**
- **NDOM will have forms on web site, form-fillable, submit hard copy or electronically**
- **NOI's, well permits, plugging reports and monthly flow report summary posted on website**
- **Informal hearing can be called by Administrator or State Engineer, joint or separate, on an application for a permit to drill a well to gather facts.**

Question: Can a well drilled using a MM waiver from NDWR be re-permitted as a DMRE well after 1/1/2018?



- Section 25 -2 (p.16) yes, if well has active MM waiver, is in good standing, and <5 AF have been pumped within “project”.
- Inventory of MM waivers:
 - All MM waivers in Clayton Valley are expired now, two wells were re-permitted as monitoring wells by NDWR
 - Only unexpired MM waivers are in Columbus Salt Marsh and Stone Cabin Valley (=9). Not yet drilled. All expire by 7/14/2018.



Question:

- **If an operator has a water right, and is conducting dissolved mineral resource exploration, do they have to permit through NDOM ?**
- **Answer: No. Water rights are administered by DWR**

Question: Can an operator drill a dissolved mineral resource exploration borehole in reliance on existing water rights?

- **No. Water rights can not be transferred to a borehole**
- **DMRE boreholes are administered by NDOM under NAC 534B**



Workshop Comments

- Comment to the LCB draft regulations
- This is your opportunity to suggest changes to the LCB draft
 - Verbal or written comment
 - Written comment accepted through 12/31/17.
Send to NDOM via hard copy or by email to:
ndom@minerals.nv.gov