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**ASSEMBLY BILL 52: DISSOLVED MINERAL RESOURCES BILL FOR 2017 LEGISLATIVE SESSION**

Mineral exploration for lithium brine resources in Nevada has experienced significant activity in the past two years. Over 13,000 claims have been located on Federal lands in 18 basins by 25 exploration entities. Nevada has the only lithium brine mine operation in the U.S., near Silver Peak in Esmeralda County, which has operated since 1966.

Lithium is a locatable mineral under the general mining law; however, it is unlike locatable metals in that it may be entrained in a brine solution. The only statutory reference to "dissolved or entrained minerals" is in Nevada Revised Statute (NRS) 534A.010 (Geothermal Resources), where dissolved or entrained mineral recovery is allowed from geothermal solutions. At present, exploration for lithium brines involves drilling boreholes in playa sediments and decanting brine solution from samples collected while drilling. If samples indicate resource-grade lithium brine is present, then a well is permitted, drilled and completed to allow for pump tests of the brine aquifer. In the current statutes and code for water well drilling, boreholes can't be pumped to sample brines and a water right or waiver from NDWR is required to drill a well. Nevada has never had statutes or code regulating dissolved mineral brine exploration or production, so this activity currently defaults, in part, to water well regulations. This has resulted in confusion by the exploration community in how to properly permit, drill, and plug boreholes and wells, and may not be protective of groundwater in basins with both fresh and brine aquifers.

Assembly Bill 52 proposes to place the regulation of dissolved mineral brine boreholes and wells in the Division of Minerals of the Commission on Mineral Resources. If successful in the 2017 legislature, the Division of Water Resources (NDWR), Division of Minerals (NDOM), and Division of Environmental Protection (NDEP) would jointly develop regulations for dissolved mineral resource exploration boreholes, exploration wells, and production wells during the second half of 2017. The bill proposes to allow sampling the chemistry of brine in a borehole, and sampling and pump-testing of an exploration well using a limited amount of brine without the requirement of a water right or exploration waiver. The development of regulations would include input from industry, the environmental community and other stakeholders, including a required public workshop.

If consumptive use of water for an extraction process is required, an operator would follow the existing appropriation process through the NDWR. Plans of Operation (POO's) for processing and reclamation would continue to be permitted through the Nevada Division of Environmental Protection and Bureau of Land Management.

This change would not apply to hard-rock lithium exploration or production, only to exploration and production of dissolved minerals in brines.

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