

# Nevada Division of Minerals

*NAC 513 Regulation Workshop*

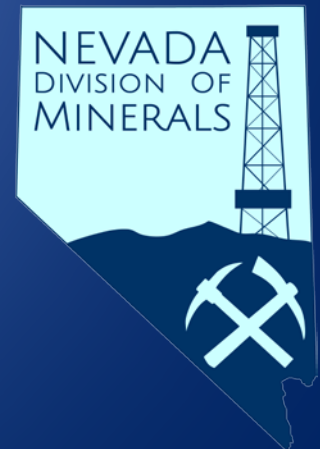
**February 16, 2016 in Carson City**

**February 18, 2016 in Elko**

**Richard Perry, Administrator**

**Mike Visher, Deputy Administrator**

**Rob Ghiglieri, AML Program Chief**



# NDOM Public Workshop

- Presentation by NDOM Staff on
  - NDOM statutes, performance measures and regulation updates
  - AML (abandoned mine lands) program funded under NRS 513.094 (\$4/claim-currently at \$2.50)
  - NDOM and AML program funding
  - Proposed changes to NAC 513
  - NDOM activities funded under NRS 517.185 (\$6/claim-currently at \$6)
- Public Comment on proposed changes to NAC 513

# ACTIVITIES DEFINED BY STATUTES

- “Encourage and assist in the exploration for and production of oil, gas, geothermal energy and minerals within this state” – NRS 513
  - Commission recommends policy relating to minerals to Governor and Legislature
  - Record annual production of mines, oil & gas, and geothermal energy
  - Supply information on the minerals industry
  - Minerals Education to public, schools, organizations
  - Abandoned Mine Lands Program – public safety
- Mining Claims, Mill Sites and Tunnel Rights NRS 517
- State Reclamation Bond Pool NRS 519A.290
- Permit Oil and Gas drilling & production NRS 522
- Permit Geothermal drilling & production NRS 534A

# AGENCY PERFORMANCE MEASURES

(As submitted to, and approved by, the 2015 Nevada Legislature)

ACTIVITY	DESCRIPTION	FY-14 ACTUALS	FY-16 MINIMUM	FY-17 MINIMUM
<b>Outreach &amp; Education</b>	Number of AML and minerals education presentations	196/11 FTE's = 17.8	12	12
<b>AML</b>	Number of hazardous abandoned mine openings secured, expressed as % of total number inventoried	14,492 secured/18,331 inventoried = 79.1%	70%	70%
<b>Oil, Gas and Geothermal</b>	Number of oil, gas and geothermal wells inspected, expressed as % of total wells permitted	556 wells inspected of 558 wells permitted = 99.6%	33%	33%



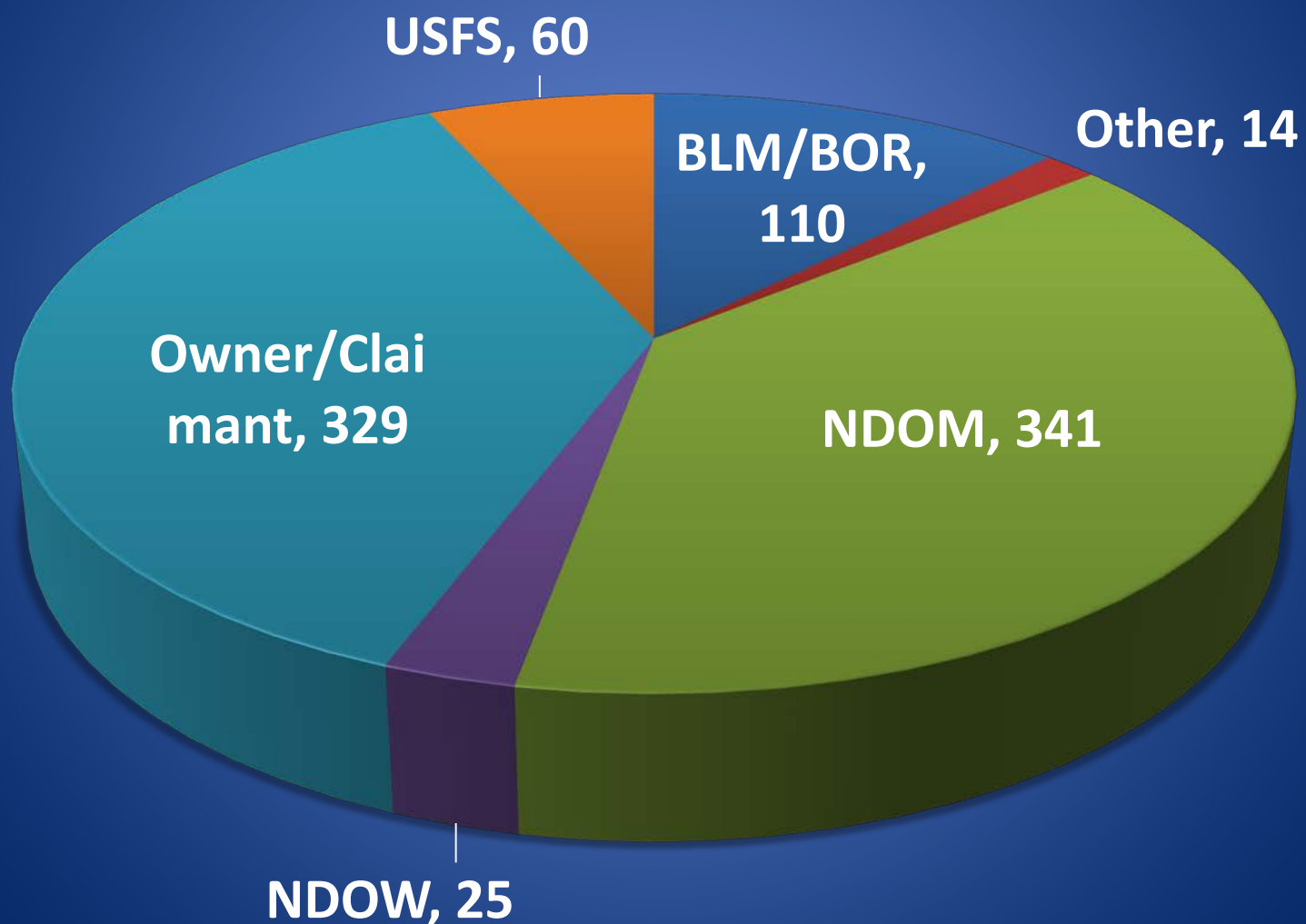
# NDOM REGULATION UPDATES

- State agencies required to review and update regulations every 10 years (NRS 233.050 (e))
- NDOM updated the following regulations in the past 2 years:
  - NAC 522 Oil and Gas, to include hydraulic fracturing and fees in 2014 and 2015
  - NAC 534A Geothermal Resources, including fees, in 2015
  - NAC 519A Reclamation bond pool, in 2014
  - NAC 517 Mining Claims, update of all forms, 2015
  - NAC 513 is final Chapter to be updated

# ABANDONED MINE LANDS (AML) PROGRAM

- Statutory requirement to inventory and secure dangerous physical safety conditions resulting from historic mining operations: (NRS 513.094)
- Estimated 50,000 dangerous enough to cause injury or death, of which 19,365 have been logged, 15,685 secured
- Securing efforts by claimants, owners, and the agency address a public safety concern and assist the industry with receiving the necessary social license to operate
- The AML program in Nevada is a nationally recognized collaborative effort between the agency, federal land managers, claimants, property owners, and other stakeholders
- Statewide AML efforts and accomplishments are published in annual reports

# Securings by Agency or Owner, 2015





- There were NO reported injuries or fatality reported in 2015! This is the second year in a row without an incident.

Nevada Division of Minerals Abandoned Mine Lands  
2015 Summer Intern Program

2015 Accomplishments

Logged:  
4,233 Non-Hazards

Identified:  
329 New Hazards

Secured:  
190 Hazards

Revisited/Repaired:  
214 Hazards

Thank You Interns!!!

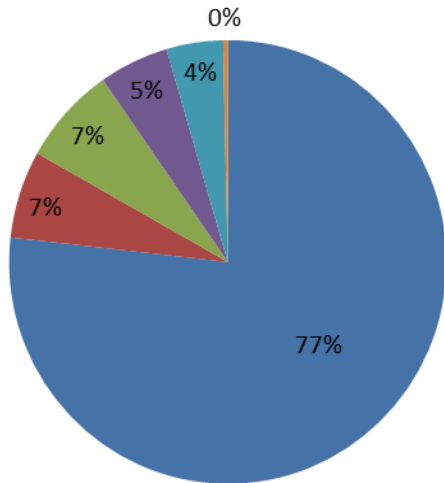
Thank You Interns!!!





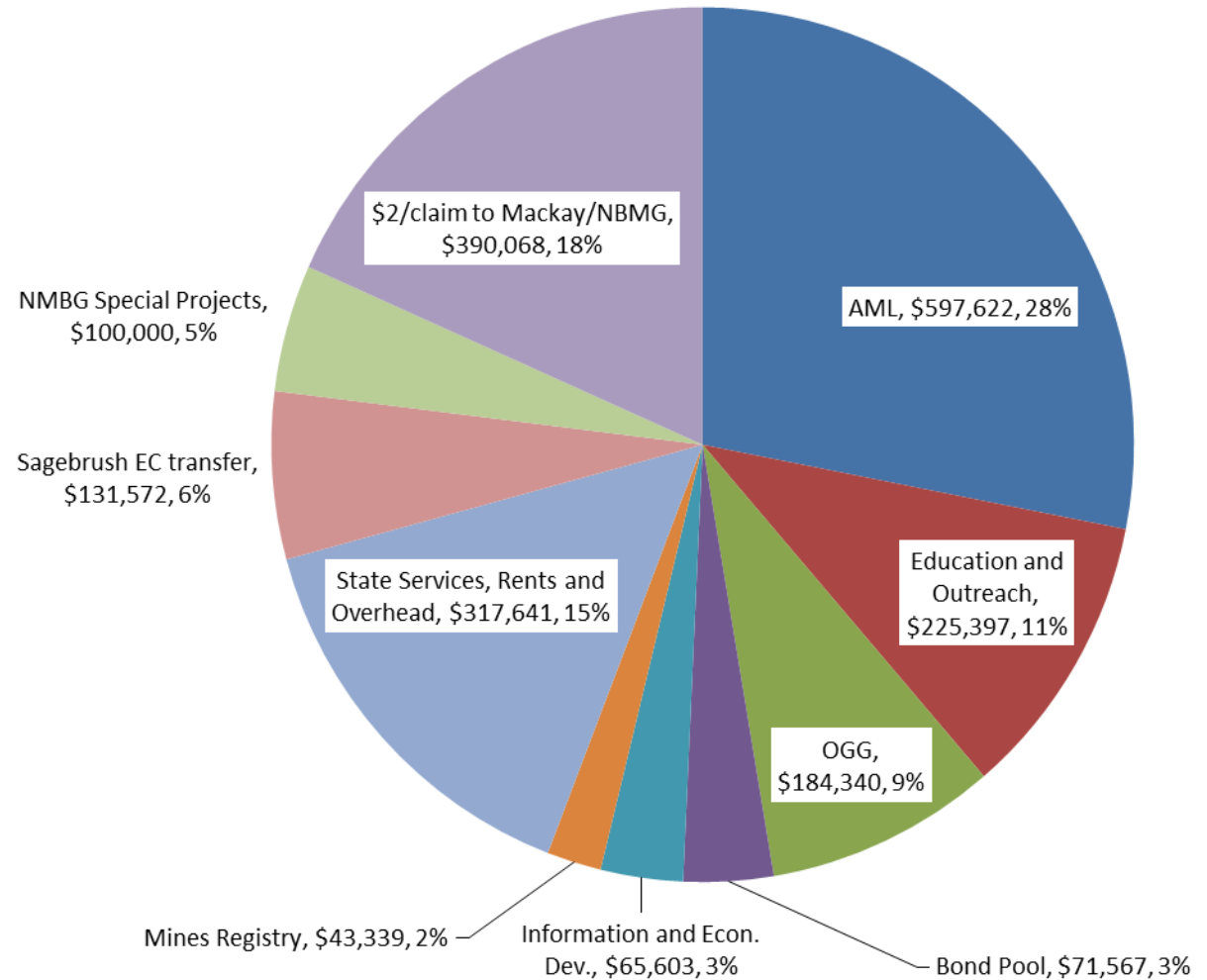
# NDOM REVENUES AND EXPENDITURES, 2015

**FY 15 Revenue**  
**\$2,065,292**



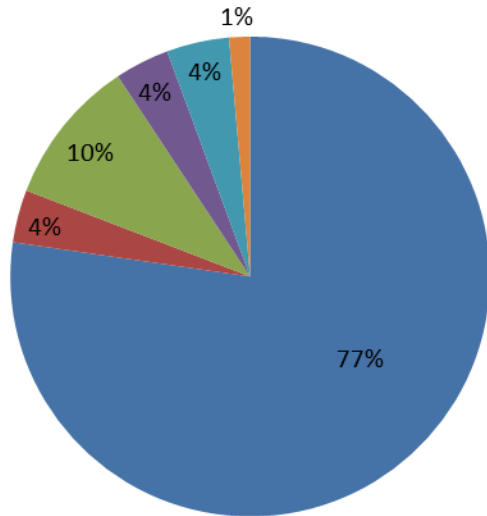
- Mining Claim Fees (\$8.50/claim)
- BLM and USFS AML Assistance
- Oil, Gas and Geothermal Fees
- Surface Disturbance Fee (\$20/acre)
- Bond Pool Admin. Fee (3%)
- Other

**FY15 Expenditures**  
**\$2,127,150**



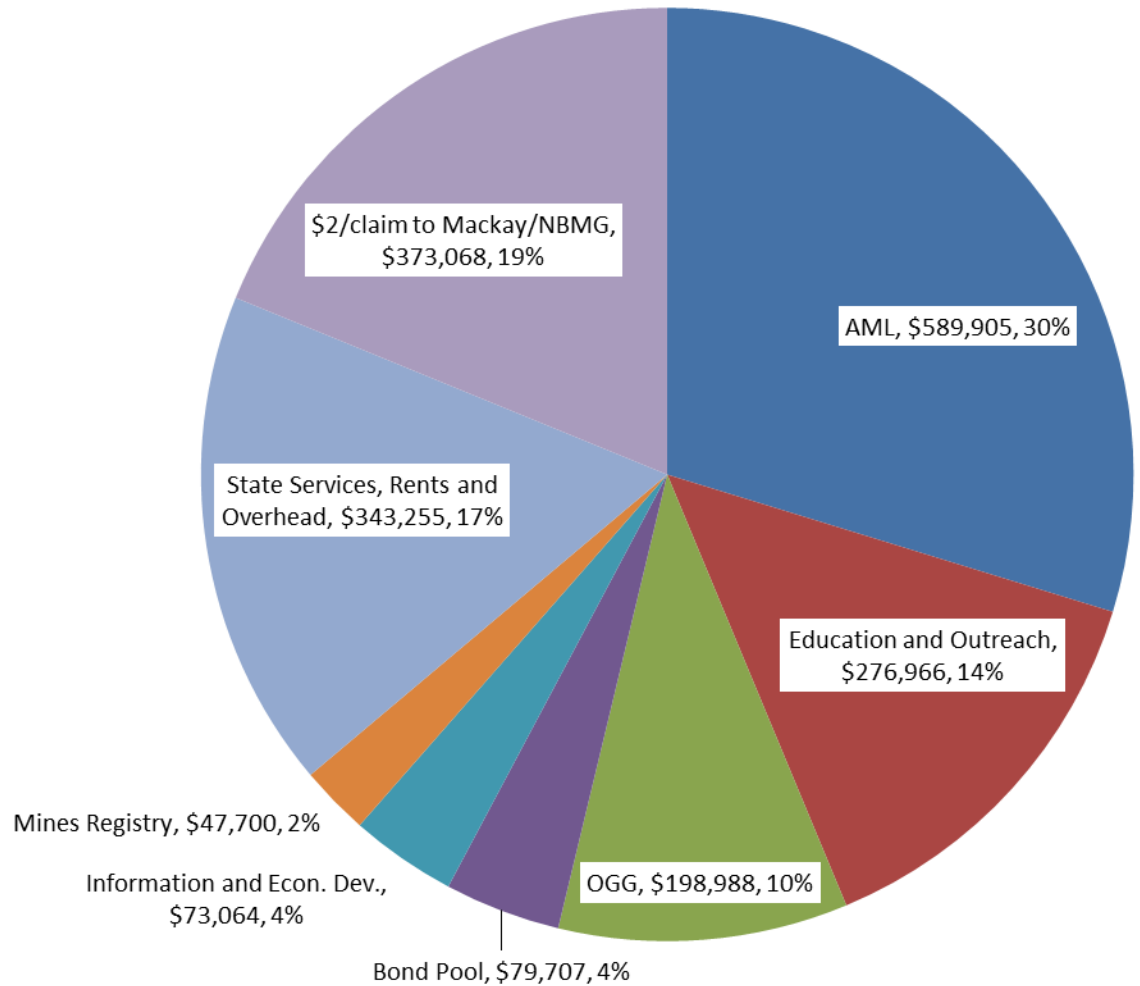
## NDOM REVENUES AND EXPENDITURES, 2016

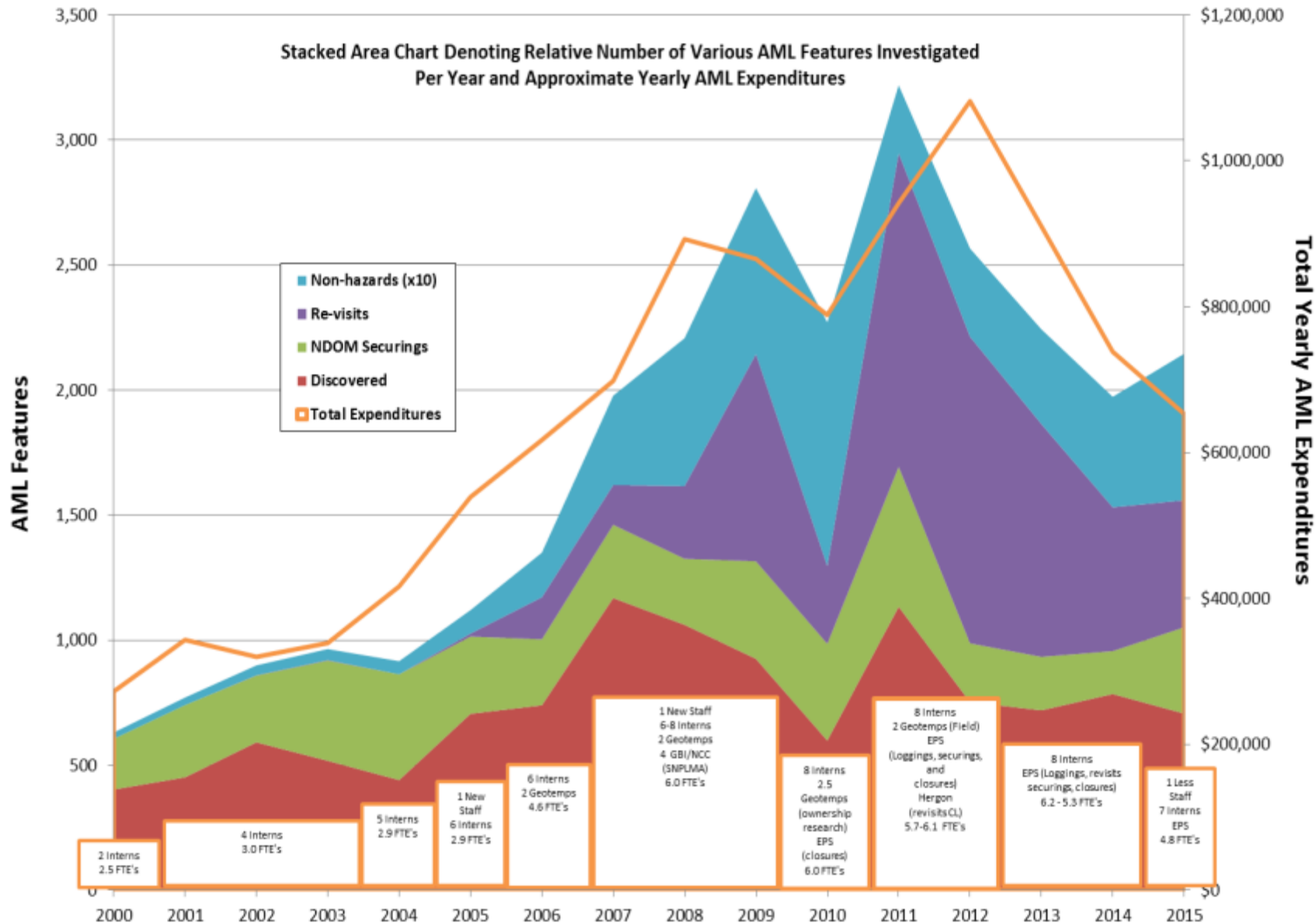
### FY 16 Revenue (Forecast) \$1,908,024



- Mining Claim Fees (\$8.50/claim)
- BLM and USFS AML Assistance
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- Bond Pool Admin. Fee (3%)
- Other

### FY 16 Expenditures (Forecast) \$1,970,278





# PROPOSED CHANGES TO NAC 513

- Increases 513.094 fee from \$2.50 to \$4.00/claim annually to fund AML program
- Allows Administrator to assign hazard rating under certain circumstances (NAC 513.330)
- Extends duty to secure a hazardous condition to owner
- Warning sign within 180 days for a dangerous condition ranked as minimal hazard (NAC 513.380)

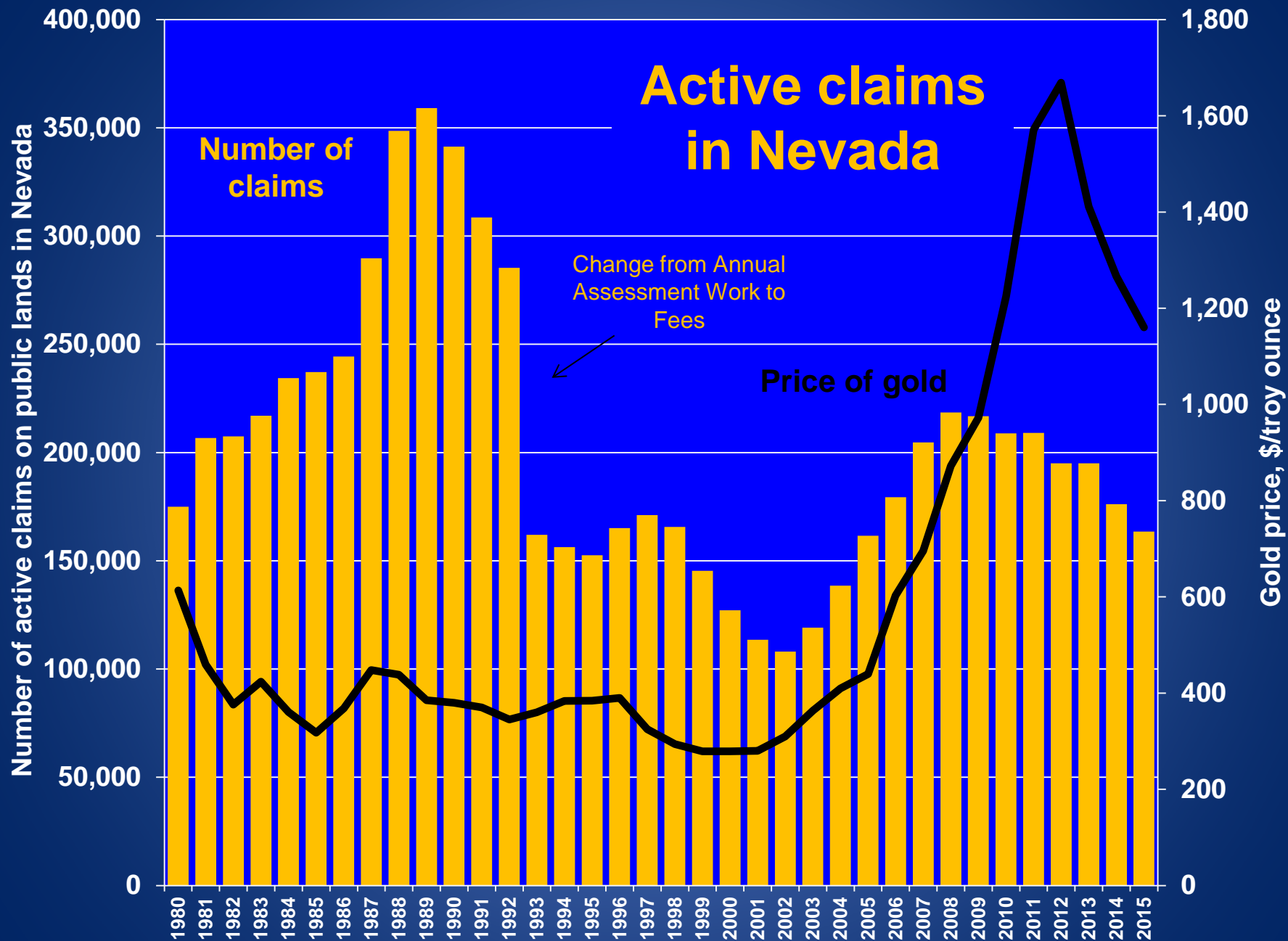
# PROPOSED CHANGES TO NAC 513

- Revises list of methods to secure hazard (NAC 513.390)
- Allows Administrator to approve modifications to securing site-specific features (NAC 513.390)
- Eliminates “fence” definition and requirement to post warning sign on “orange post” (NAC 513.260 and .370)



# WHY IS THE \$1.50 INCREASE NEEDED?

- NDOM reserve has been depleted (end of year reserve of \$750,000 is required, current forecast below this at end of FY 2017)
- Number of claims has declined by 25% since 2008
- AML program is at a minimum, if we don't keep it funded we are not adhering to the statute
- 70% AML securing legislative performance measure
- NDOM AML expenditures/staffing have been reduced back to 2006 levels (4.8 fte's)
- There has not been an increase that funded NDOM AML activities since 1999
- Increase is 0.9% of annual claim holding fee  
( $\$1.50 / \$155 \text{ BLM} + \$8.50 \text{ NDOM} + \$2 \text{ County} = 0.9\%$ )



# \$1.50 fee increase impacts

- 163,542 claims for 2016 assessment year
- 1,968 entities hold claims
- 63% have 10 or fewer claims, average impact is \$5.39 per year per claimant
- 86 claimants are operating mining entities, average impact is \$1,240.24 per year
- \$1.50 increase expected to generate \$240,000 in FY 2017 (begins with 2017 assessment year)

# NDOM ACTIVITIES FUNDED UNDER NAC 517.185

## CMR RECOMMENDATIONS TO GOVERNOR AND LEGISLATURE



**BRIAN SANDOVAL**  
*Governor*

STATE OF NEVADA  
COMMISSION ON MINERAL RESOURCES  
**DIVISION OF MINERALS**  
400 W. King Street, Suite 106  
Carson City, Nevada 89703  
(775) 684-7040 • Fax (775) 684-7052  
<http://minerals.state.nv.us/>

**Las Vegas Branch:**  
2030 E. Flamingo Rd.  
Suite #220  
Las Vegas, Nevada 89119  
(702) 486-4343  
Fax (702) 486-4345

**RICHARD M. PERRY**  
*Administrator*

July 8, 2015

Governor Brian Sandoval  
State Capitol Building  
101 N. Carson Street  
Carson City, Nevada 89701

Dear Governor Sandoval,

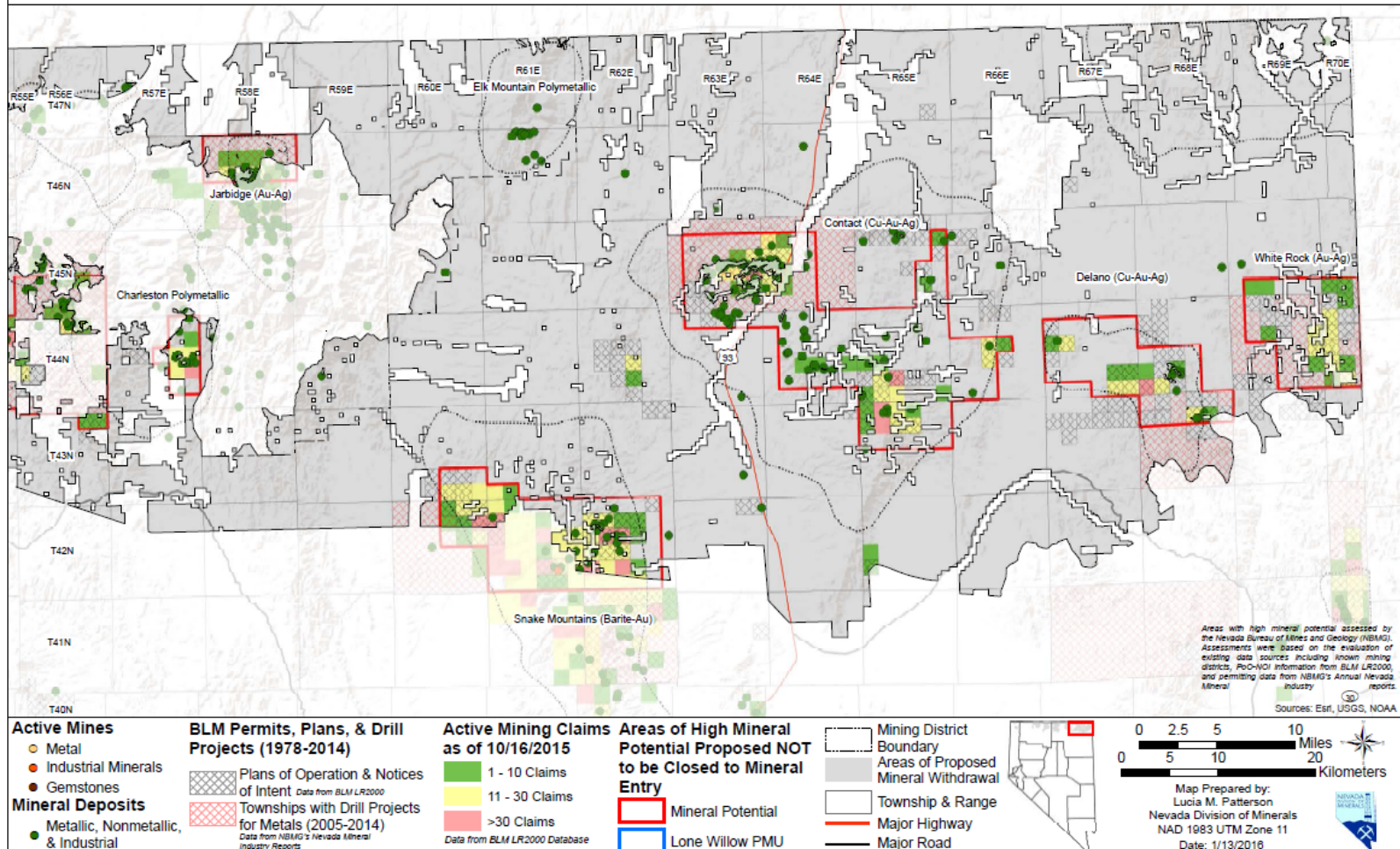
The Commission on Mineral Resources has a statutory duty under NRS 513.063 to advise and make recommendations to the Governor concerning policy relating to minerals. The Commission supports the 2014 Nevada Greater Sage-grouse Conservation Plan (State Plan) developed by the Sagebrush Ecosystem Program, including the Conservation Credit System.

The Commission has reviewed the Nevada and Northeastern California Greater Sage-Grouse Proposed Land Use Plan Amendment (LUPA) and Final Environmental Impact Statement (FEIS) by the Bureau of Land Management (BLM), and has prepared a list of comments and recommendations for consideration in the Governor's consistency review. The Commission believes that the proposed land use plan is inconsistent with the Federal Land Policy and Management Act (FLPMA), The General Mining Law, and the State Sage-Grouse Conservation Plan. The Commission believes that the Governor should utilize all provisions under 43 Code of Federal Regulations (CFR) 1610.3-2 to ensure that the State Plan is appropriately incorporated in to the LUPA.



# Assist Governor's office in Comment letters concerning Federal lands

Area 4: Areas of High Mineral Potential in Nevada's Sage Brush Focal Areas with Outlined Areas Proposed NOT to be Closed to Mineral Entry

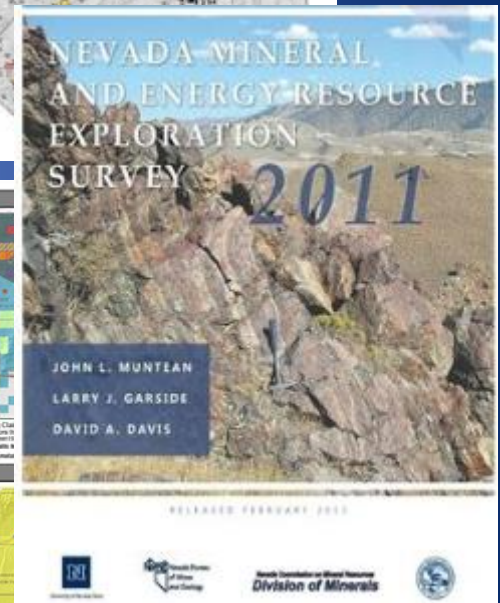
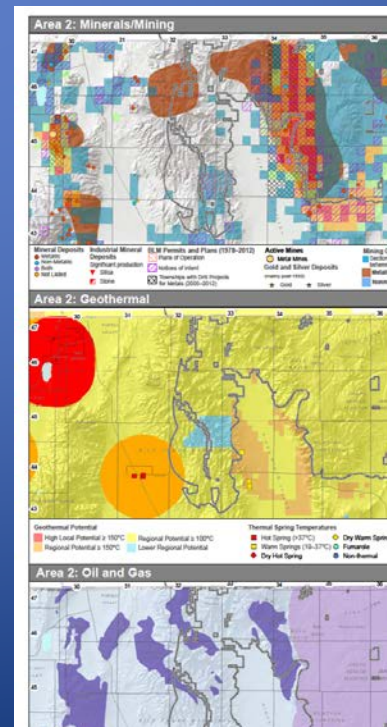
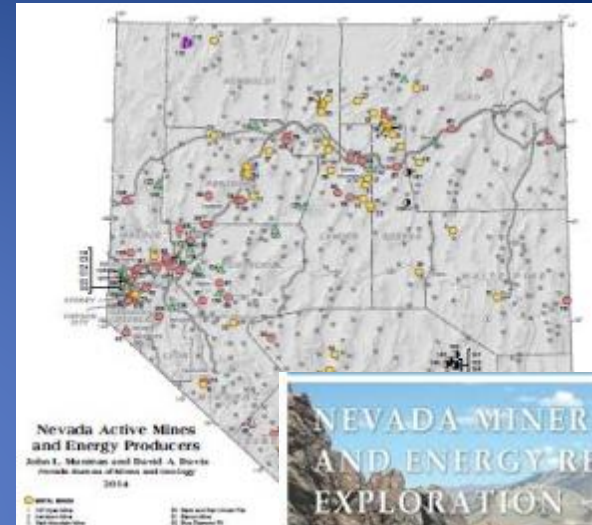




# INFORMATION OF AND FOR THE NEVADA MINERAL INDUSTRY

- MAJOR MINES OF NEVADA PUBLICATION
- ACTIVE MINES AND ENERGY PRODUCERS MAPS
- MINERAL EXPLORATION SURVEY
- MAPS SHOWING THE MINERAL RESOURCE POTENTIAL IN SFA'S AND RMP'S
- THIS INFORMATION REGARDING IMPACTS TO AND BY THE MINERAL INDUSTRY IS PROVIDED TO GOVERNOR'S OFFICE AND STATE LEGISLATORS AS WELL AS TO THE PUBLIC ON OUR WEBSITE

(ALL IN COLLABORATION WITH NBMG)



# **PUBLIC OUTREACH AND EDUCATION**

## **STAFF PRESENTATIONS - CALENDAR YEAR 2015**

- **192 PRESENTATIONS MADE**
  - **17.5 PRESENTATIONS PER STAFF MEMBER**
- **2 PRESENTATIONS ON NEVADA MINING AND OGG PRODUCTION TO 2015 LEGISLATURE**
- **114 CLASSROOM PRESENTATIONS TO 5,710 STUDENTS**
- **41 PRESENTATIONS ON NEVADA MINING AND OGG PRODUCTION TO CIVIC GROUPS, CLUBS, ORGANIZATIONS**
- **5 MEDIA PRESENTATIONS**
- **10 PRESENTATIONS TO SCOUT TROOPS AND YOUTH ORGANIZATIONS**
- **11 AML SAFETY TRAINING PRESENTATIONS TO EAGLE SCOUT SERVICE PROJECT PARTICIPANTS**
- **112 PRESENTATIONS IN NORTHERN NEVADA**
- **76 PRESENTATIONS IN SOUTHERN NEVADA**
- **4 PRESENTATIONS OUT OF STATE (AEMA CONFERENCE – SPOKANE)**
  - **Administrator chairs State and Province Reports at AEMA**
- **EARTH SCIENCE EDUCATION WORKSHOPS FOR TEACHERS JOINTLY FUNDED AND STAFFED BETWEEN NVMA AND NDOM.**

# EDUCATION AND OUTREACH

(Top) Boy Scout Troop 932 meeting - 11/10/2015  
(Bottom) Sandy Miller Elem. School – 10/11/2015



(Top) Gordon McCaw Elem. School – 10/12/2015  
(Bottom) Lawrence Jr. High School – 11/17/2015







State of Nevada  
Commission on Mineral Resources  
**Division of Minerals**



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Cortez open pit Barrick Gold Corp. - Lander County, NV



#### Current Information

- [Information Related to Sage Grouse Management Plan and Proposed Mineral Withdrawal](#)
- [Agency Update, presented at NMEC Annual Meeting - 11/6/2015 \(contains corrected slide 17\)](#)

#### Important Links

- [State and Federal Permits Required Before Mining or Milling Can Begin - February 2015](#)
- [NDOM YouTube Channel](#)
- [Nevada Bureau of Mines and Geology](#)

#### Public Workshop(s) and Hearings(s)

- **Nevada Division of Minerals Regulatory Workshop, 02/16/2016 02:00 PM**
  - Legislative Counsel Bureau - 401 South Carson Street Room #2134 - Carson City
  - (video conf) Legislative Counsel Bureau - 555 E. Washington Ave, Room #4412E (Grant Sawyer State Office Building) - Las Vegas
- **Nevada Division of Minerals Regulatory Workshop, 02/18/2016 10:00 AM**
  - Suite 102 - 540 Court St. (Nannini Administration Building) - Elko