Nevada Division of Minerals

FRTC EXPANSION AND EFFECTS ON MINERAL EXPLORATION;
DISSOLVED MINERAL RESOURCE EXPLORATION REGULATION DEVELOPMENT NDOM OPEN-DATA WEB SITE

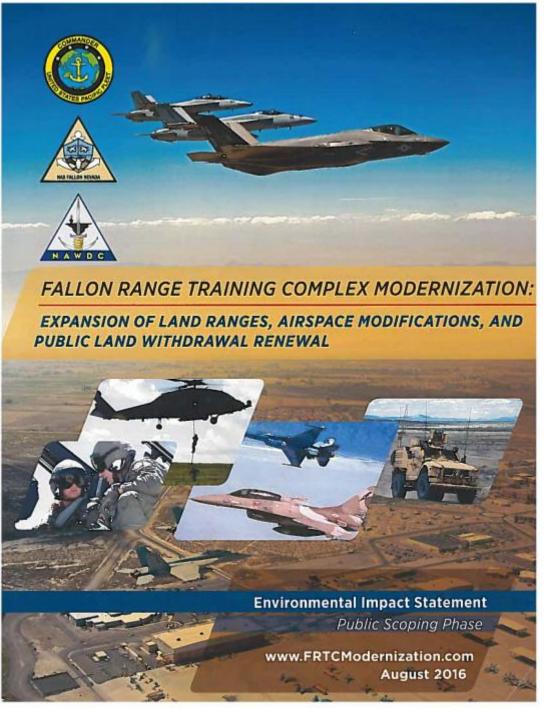
NEVADA MINERAL EXPLORATION
COALITION

October 10 2017

Rich Perry, Administrator

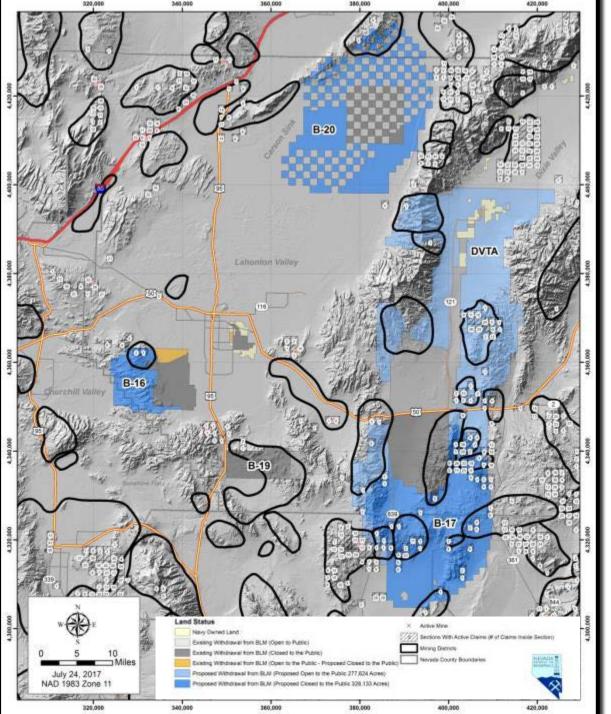






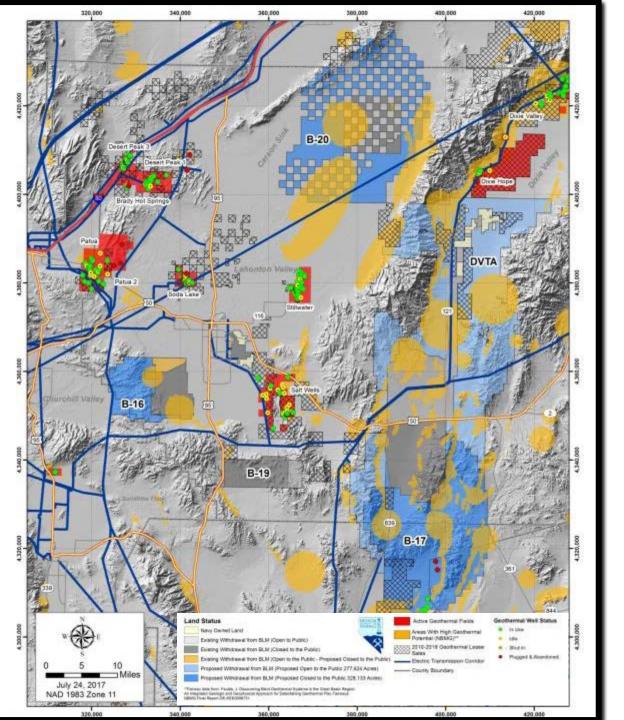
Renew land withdrawal of 202,859 acres (expires in 2021)

- Withdraw an additional 604,789 acres in Churchill, Pershing, Nye
- Acquire 65,160 acres of private land
- Expand airspace
- EIS led by Navy
 - Scoping comment period ended Dec 2016
- Cooperating agencies:
 - NDOW, NDOM, NDOT, NDA, NACO, Churchill, Mineral Eureka and Nye Counties
 - BLM, FAA, USFW, Tribes
- Compelling argument by Navy
- Requires Congressional approval and funding by late 2020



IMPACT ON MINERALS

- Expansion includes all or part of 18 historical mining districts, including the Fairview, Bell Mountain, Wonder and Eagleville Districts
- EIS proposes no access to dark blue (bombing) areas, limited public access in lite blue areas
- 688 active mining claims in proposed withdrawal area in 2017 assessment year
- Mineral and mining impact analysis required in EIS



OTHER POTENTIAL RESOURCE IMPACTS

- Withdrawal is in "heart" of geothermal development
 - Red = active geothermal fields
 - Cross-hatch = active
 Federal geothermal
 leases
 - Blue lines = energy transmission corridors
 - Tan = areas of high geothermal potential (DOE + NBMG study)

Current Status

- State has a coordinated effort amongst agencies to analyze and mitigate impacts. Impacts include minerals, geothermal, wildlife, hunting, recreation, grazing, energy transmission and transportation.
- 105 public comments on minerals and mining received in scoping phase. 7% of total comments.
- Governor has met with Navy to voice concerns on potential impacts to the State
- Draft EIS to public summer 2018

DISSOLVED MINERAL RESOURCE EXPLORATION – REGULATION UPDATE

- A.B. 52, proposed by the CMR through the Governor's office, passed on the last day of the 2017 legislative session
- Signed by Governor and assigned as a new chapter, NRS 507
- NDOM, NDEP, NDWR jointly responsible for developing regulations: NAC 507
- Commission on Mineral Resources is body that adopts regulations
- Statute becomes effective on 1/1/2018

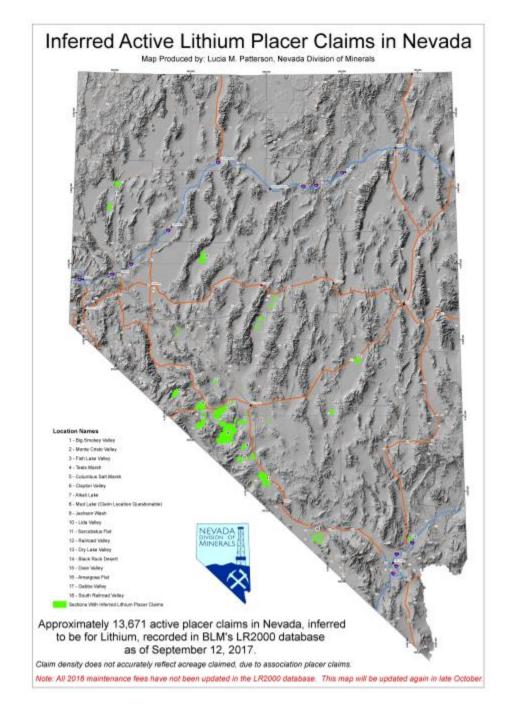
Why was A.B. 52 needed?

- Answer: To allow for sampling of brines in exploration boreholes and wells, and to develop regulations to ensure drilling for dissolved minerals is protective of groundwater and geothermal resources.
 - Only statutory reference in NRS to "dissolved or entrained minerals" in geothermal resources chapter
 - Nevada did not have statutes or regulations for exploration of dissolved mineral brines, it has been regulated under water law and water well drilling regulations
 - Litigation between adjacent land/claimholders
 - BLM, which permits exploration project surface disturbance on Federal lands, has no statutory authority on water and asked for guidance from the State

NEVADA'S LITHIUM EXPLORATION ACTIVITY

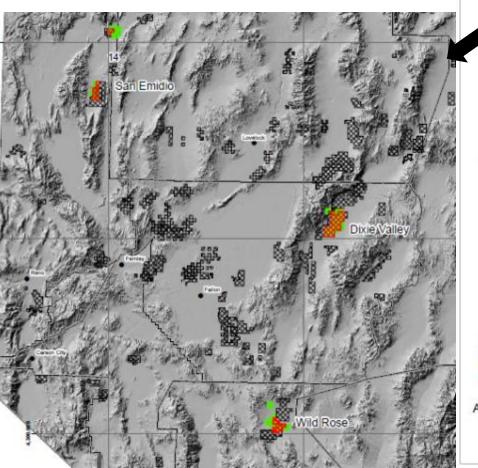
- 13,671 claims staked in playas
- 18 different hydrographic basins
- -27 different exploration entities and one producer

Current to 9-12-2017



POSSIBLE RESOURCE CONFLICT AREAS

24% or 65,244 acres of inferred active lithium placer claims have cross over with active geothermal leases/fields



Inferred Active Lithium Placer Claims Vs. Geothermal Fields/Leases Map Produced by: Lucia M. Patterson, Nevada Division of Minerals 2 - Monte Cristo Valle 3 - Fish Lake Vedes 4 - Teals Marsh 5 - Colombus Salt March 8 - Clayton Valley T-Abstlate 8 - Mud Lake 10 - Lida Valley 11 - Salcobatus Flat 12 - Rollroad Valley 15 - Dry Lake Valley 14 - Stack Rock Deser 15 - Done Valley 16 - Americana Flat 17 - Gabbs Wifey 15 - South Railroad Valley Sections With Inferred Lithium Placer Claims Active Geothermal Fields & Leasing UTM Nad 1983, Zone 11 Approximately 13,397 active placer claims in Nevada, inferred to be for Lithium, recorded in BLM's LR2000 database as of February 8, 2017

What does A.B. 52 address?

- A.B. 52 places regulation of dissolved mineral brine exploration boreholes and exploration wells within the Division of Minerals, which has expertise in fluid minerals and deep well drilling and completion.
 - This new statute, initially designated at NRS Chapter 507, has
 - Definitions of DMRE boreholes and wells distinct from hard-rock exploration boreholes and water wells
 - Allows for solution sampling of exploration boreholes
 - Defines "DMRE Projects" as a single notice or planlevel project on federal land or a designated project on non-federal lands

What does A.B. 52 address?

- Each "project" can have any number of boreholes
- Each "project" can have any number of wells, but a project is limited to 5 acre-feet of sampling and pump testing before a water right is required.
- Consultation with NDOM triggered when proposing boreholes or wells beyond a certain depth in areas of possible oil or geothermal resource conflicts.
- Requires a licensed water well driller to drill boreholes or wells to ensure protection of fresh water aquifers and plugging of boreholes/wells

A.B. 52 does not:



- Change procedures for appropriating water or create permanent water rights
- Determine who owns mineral rights
- Regulate production of dissolved mineral brines
- Change any regulations for permitting of surface disturbance or mining
- Allow for an exploration borehole or well to be used for dissolved mineral production
- Impede responsible exploration for lithium brines
- Allow for unlimited pumping or discharge of water in the exploration process

Lithium brine exploration, 2016



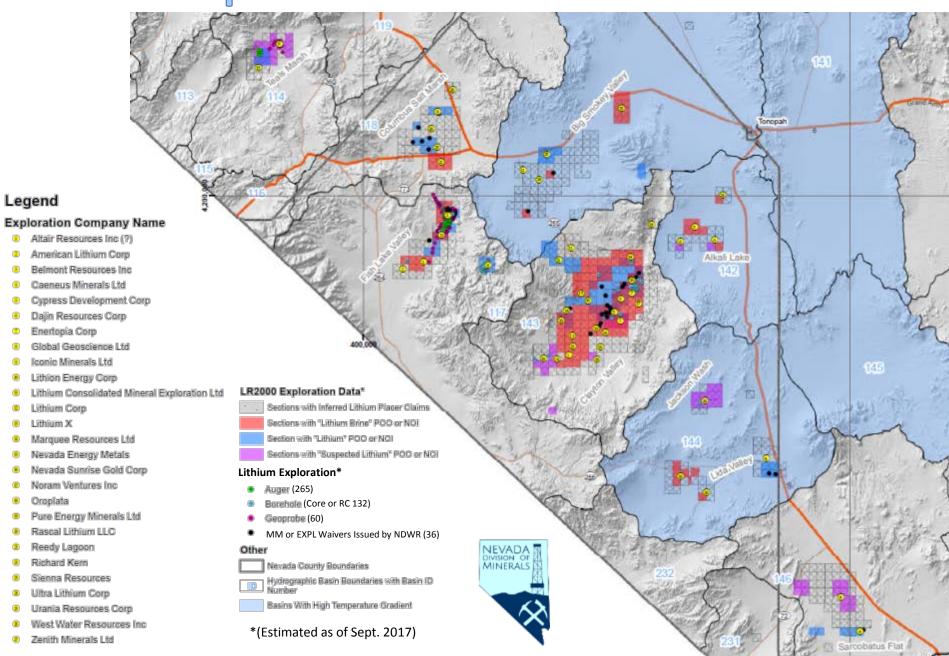
LITHIUM
BRINE
EXPLORATION,
2017



Lithium brine exploration, 2017



Lithium Exploration in Nevada



Schedule for regulation development

- Regulation development team began meeting July 11th.
- Working draft of Regulations and relevant forms presented at Stakeholder meeting – Aug. 23rd.
- Request for review of relevant sections by Commission Aug 24th.
- Second stakeholder meeting for input Sept 8th
- Submitted to LCB for legal review September 27th
- Public Workshop mid- late Nov. (?)
- Public Hearing and possible adoption by CMR Dec?
- Interim Legislative Committee Possible Adoption tbd
- Current draft of regulations (draft #4) and forms on NDOM web site at http://minerals.nv.gov/Programs/DMRE/DMRE/
- Statute becomes effective: 1/1/2018
- Roll-out and education to Industry, BLM, and licensed well MINISTRALS
 drillers 1st quarter of 2018



Mission: 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. This is the Nevada Division of Minerals' public platform for exploring and downloading our open data.

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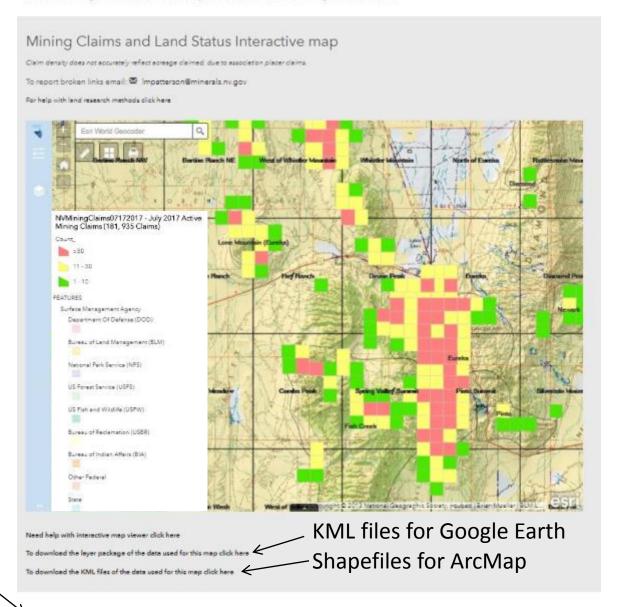






Nevada Mining Claims

Mining has played a significant role in Nevede's history and continues to be a major contributor to Nevede's economy. Over one million mining claims have been located in the state since the mining law of 1872 was passed. As of July, 2017 there were 181,935 active mining claims within the state.



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