

**STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
SUBCOMMITTEE MEETING
Thursday, January 16, 2014 – 9:00 a.m.
Legislative Counsel Bureau
401 South Carson Street
Room #2135
Carson City, Nevada**

Subcommittee Members in Attendance:

Art Henderson (Chairperson)
Richard DeLong
Dennis Bryan
John Snow
Rich Perry – Secretary/Administrator - NDOM

Also in Attendance:

Mike Visher – NDOM
Lowell Price – NDOM
Bryan Stockton (Deputy Attorney General)
Valerie Kneefel - NDOM

CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE– Chairperson Henderson called the meeting to order at 9:01 a.m., with a quorum of five members present. The Pledge of Allegiance was conducted.

COMMENTS BY THE GENERAL PUBLIC – Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person. **ACTION WILL NOT BE TAKEN.**

There were no public comment requests.

I. NEW BUSINESS

A. Discussion of existing NDOM Oil and Gas fees, and revenues to-date – Chairperson Henderson noted the current permit fee for drilling is \$200, per NAC 522.212. Rich Perry stated the fee was last changed in 1999. The fee had been increased from \$50 to \$200. At the same time, the administrative fee increased from \$0.05 to \$0.10 per barrel, and remains the current fee. The administrative fee was due to the State joining the Interstate Oil and Gas Compact Commission in 2005, with NDOM, beginning in 1999, as the entity to pay those fees each year. Chairperson Henderson reviewed NAC 522.230 regarding bonds and deposits.

Commissioner DeLong clarified the \$200 application fee and the barrel production fee is paid to the Division for operating expenses. Bond and deposits, in his opinion, he would view as a reclamation bond, with funding used for abandonment if the operator does not appropriately abandon the well.

Commissioner Bryan asked about the expenditures of NDOM. Chairperson Henderson stated, in 2013, the total Oil and Gas Program costs for NDOM staff was \$148,236 for 16 permits issued, 56 sundry notices, and 118 well inspections. Action was taken on the 56 sundry notices and the 118 well inspections at no cost. Administrative fees were at \$34,153; oil was at approximately 340,000 – 360,000 barrels, which was a decrease from 2012; revenue from oil and gas fees was at \$4,600; and, 23 permit applications were received. There was \$148,236 expended and \$38,753 in revenue, so there is a deficit of \$110,000 in revenue. Estimated costs for the two Noble wells are approximately \$14,855.

Lowell Price reported costs for the two Noble wells include approximately 14 ½ days in the field. On the first well, Mr. Price stated he witnessed the BOP testing, surface and production casing run and its related cement job. On the second well, he

witnessed the same activity, but it took approximately 6 ½ days compared to the eight days on the first well. In the office, he reviewed sundries, forwarded them for approval, reviewed reports for various cement jobs, and reviewed the cement bond logs, both CBOs and the cast log. Linda Wells contributed approximately two days, primarily in processing sundries, obtaining daily reports and saving them to hard drives, printing reports and filing.

Chairperson Henderson asked if time spent on the Noble wells was because there was concern about the wellbore integrity of the well for future hydraulic fracturing alterations or is this activity conducted on all wells that are being drilled. Mr. Price stated, with these two wells being among the first two approved wells for unconventional drilling and hydraulic fracturing completions, it was primarily to witness that the wellbore integrity was or was not there. From what he witnessed, he was satisfied with the wellbore integrity for the wells.

Chairperson Henderson noted more time is needed on completion of the wells. Mr. Price replied that is correct. There will be several days per each well related to the completion of the well.

Chairperson Henderson stated, on an unconventional well, there was approximately \$7,400 in costs being incurred by NDOM at this time. The only fees that will be received at this time are \$200.

Commissioner Snow asked for a breakdown of the \$148,236 as it relates to processing the paperwork. Lowell Price stated, in his estimation, the amount of time was relatively minor compared to the overall time spent on the two wells. Chairperson Henderson stated there were three people from NDOM that worked on administrative duties; Lowell Price spent 56% of the time; Mike Visher spent 12% of the time; and Linda Wells spent 15% of the time. Approximately \$30,000 was spent for administration. Lowell Price stated he spent approximately 65% of his time on the fluid side of the Division, which includes inspections of other companies besides Noble and 35% of his time was spent on geothermal. In prior years, he spent more time on geothermal. Chairperson Henderson noted 2013 costs for oil and gas was \$148,000 and \$102,000 for geothermal.

Commissioner Snow commented he wanted to understand the cost for inspection. Chairperson Henderson stated, this year, they wanted to inspect all oil and gas wells and that to-date, all oil and gas wells have been inspected. Lowell Price clarified 121 wells have been inspected; of which, 119 wells are active. He has inspected all active wells. Two other wells have been temporarily abandoned. He has visited one of those wells in the last year, but he has not conducted an official inspection. He intends to return to this location either tomorrow or Saturday when he visits McGinnis Hills for a blow-out prevention test. He will visit the other temporary abandon well the next time he goes to Noble. The two temporary abandoned wells have cement plugs in the open hole and a cement plug over the last casing point, but no top plug.

Commissioner Snow asked what percentage of the 119 active wells inspected was on private land. Lowell Price replied approximately 98-99% was on public land. There were only three wells that were on private land.

Chairperson Henderson added, this year, 100% of wells were inspected, but the percentage may decrease in the future.

Rich Perry stated inspections this year were largely driven by the legislative audit, which questioned if oil and geothermal wells were only inspected when there was a problem. A timeline will be developed for inspecting all oil, gas, and geothermal wells in the State on some periodic basis.

Lowell Price added there is always “down” time in the field when he has to wait for drilling activity to be completed, which can be from 8-10 hours. During the “down” time, he looks for issues in the oil fields. Of the 119 wells he has inspected, there have only been some signage issues. He has also inspected 295 of the approximately 430 geothermal wells. The main issue is signage; however, there are five wells with some water in the cellar. The operators and BLM have been notified of those wells.

Chairperson Henderson noted \$20,000 of the \$148,000 was used for travel expenses in 2013.

Commissioner Snow explained the Memorandum of Understanding (MOU) with the BLM regarding inspection of geothermal wells. He stated the MOU had a strong inspection component in the past based on the Department of Interior’s INE Program which required a strategy to inspect wells on a regular basis, in accordance with site security, production verification, and general well “housekeeping” site regulations. The Division of Minerals agreed to inspect public land in the western half of the State and BLM would inspect private land in the eastern half of the State and address any issues that rose between the two departments. The BLM also had for, at least twenty-five years, an inspector station in Ely that conducted inspections.

Lowell Price noted that the BLM has requested primacy on any corrective actions, which the Division of Minerals has agreed to. Commissioner Snow stated that, in his opinion, the past practices were a highly successful approach because the federal regulations meet and exceed the State regulations in every aspect.

Lowell Price clarified the BLM has allowed him to take immediate action on a situation he may come across on a federal lease.

Commissioner Snow stated that can be referred to as the “one or two pickup” option, because the theory behind the cooperative agreement with the BLM is that 98% of these wells belong to them. He questioned if it makes good governance to send someone from the Division of Minerals to conduct the same activity.

Rich Perry noted they had sixty days to respond to the Legislative Counsel Bureau’s Audit Committee on how they will address deficiencies. He stated it was his understanding that the Legislative auditors interpreted that, if NDOM is the regulators in the State for oil, gas, and geothermal, there should be some periodicity to inspections of those wells regardless of whether the wells are on private or public land. There is an opportunity to work with the BLM on a program where inspection information and documentation is shared between the two divisions.

Chairperson Henderson summarized, in the State of Nevada, there are more dry holes than wells that produce, which is the reason why the cost for the two Noble wells were broken out for the Division to manage. They would like more of the burden of costs to be on the drilling permit fee rather than the cost per barrel.

Commissioner Snow noted there is an opportunity that the current fee may be self-healing in this new frontier and provided an example from the previous Grant Canyon oil field.

B. Discussion of procedure for changing or adding NDOM Oil and Gas fees – Chairperson Henderson stated the only fee increase that can be implemented without changing statute is to the administrative fee cap from \$0.10 per barrel to \$0.20 per barrel.

Commissioner DeLong stated he was in favor of not increasing the fee given the limited information on production expenditure costs for the Division.

C. Discussion of possible changes or additions to NDOM Oil and Gas fees – Chairperson Henderson stated there are three types of drilling permit fees to be addressed for possible changes: 1) conventional wells; 2) unconventional wells on public property; and, 3) unconventional wells on private property. BLM is charging \$6,500 for a drilling permit on unconventional wells on public property, which is in line with the Division costs to review the conventional well drilled by Noble on private land. He suggested increasing the drilling permit fee on all three types based on a sliding scale. In his opinion, the operator on public land should not have to pay \$6,500 to the BLM on top of charges to NDOM and that wells on private property do not have to pay for inspection costs. He suggested the following increases:

- \$200 increased to \$500 for conventional wells
- \$200 increased to \$3,500 for unconventional wells on public property
- \$200 increased to \$4,500 for unconventional wells on private property

He clarified, in the geothermal regulations, fees are allowed to be charged for each sundry notice and provided an example.

Commissioner Snow asked how “unconventional well” is defined. Chairperson Henderson stated there is a box on the application that must be checked if the operator plans to hydraulically fracture the well. If checked, the well is considered unconventional. The fee increase is needed because the inspector will need to verify if the well is horizontal or vertical.

Commissioner Snow asked if a sundry notice fee would make up the cost difference. Chairperson Henderson stated, if the same geothermal fee structure was adopted, the answer would be no. It will be up to the operator to know in advance if the well is going to be unconventional. If a change is needed, an extra cost will be needed.

Commissioner Snow stated he likes the logic, but the process needs more work.

Lowell Price added a reclassification fee may need to be considered from a conventional well to an unconventional well, if occurred at a later date through a sundry.

Commissioner Bryan asked if an operator can choose at any time to have an unconventional well or does this classification need to be known at the beginning of the drilling program. Chairperson Henderson explained it is important to know a well will be hydraulically fractured up front, but there may be cases where it is not known until a later time.

Commissioner Bryan asked if operations will need to be restarted if an operator decides to hydraulically fracture a well at a later time. Chairperson Henderson replied no. An operator will have to ensure all casings meet hydraulic fracturing requirements and that the well is inspected by NDOM.

Commissioner DeLong asked if BLM inspections, as part of the management of the workload, will be included in the tiered permitting fees. Rich Perry replied yes, but it will need to be worked out in the MOU. Common files will also be needed. He added it would reduce the travel costs if the inspection responsibility is a shared responsibility.

Commissioner DeLong asked if there was enough BLM staff for those inspections. Lowell Price stated, normally, the BLM uses a Petroleum Engineer Technician (PET) for inspections, but they have difficulty in keeping a PET in Nevada, so most of the workload will fall on the Division. Chairperson Henderson added S.B. 390 charges the Division of Minerals and the Nevada Department of Environmental Protection with protecting the ground water in the State of Nevada on public and private property; therefore, inspections will always be conducted.

Rich Perry noted the BLM currently does not have a PET.

Commissioner Snow stated a PET can be brought in from another state. A PET also conducted all inspections in accordance with the National INE Plan for the last two fiscal years. He suggested adding deep well and a depth cut off on the sliding scale. Most conventional wells drilled in the State are just shy of 5,000 feet. Chairperson Henderson noted other states currently implement that information, so it can be reviewed.

Rich Perry added, if fee changes are adopted, it will increase the workload for NDOM, because water is the driving force and protecting it for the State on both private and public land is the responsibility of NDOM. Therefore, requirements will be more stringent than BLM requirements. He explained he calculated the proposed fee increases to the work completed last year and that it would have totaled \$50,000 compared to the \$4,600 that was collected for permitting fees.

Commissioner Snow asked if a refund on the \$3,500 permit fee would be given to those wells that are not hydraulically fractured in the end and provided an example. Chairperson Henderson suggested adding refund language.

Bryan Stockton, Deputy Attorney General, reminded a vote is needed for any recommendations to be presented to the Commission.

Commissioner DeLong suggested voting on recommendations at the end of today's discussion.

Chairperson Henderson requested to know the fee recommendation for wells greater than 5,000 feet. Lowell Price stated he had no problem with the sliding scale fee. He suggested it be broken into three increments: 1) 0 to 5,000 feet; 2) 5,000 to 10,000 feet; and 3) 10,000 feet or more.

Commissioner Snow noted he picked 5,000 feet specifically, because that is the cut-off between statewide 40-acre and statewide 160-acre well density spacing, and because most of the existing production in railroad and Pine Valley comes from a depth less than 5,000 feet.

Chairperson Henderson reviewed the sliding scale established in Louisiana.

Commissioner Snow stated he liked Mr. Price's suggestion, because more work will be required the deeper the well goes.

Rich Perry suggested charging \$500 for wells up to 5,000 feet deep that are drilled conventionally on public or private land and an increase of \$200 to \$1,000 for conventional wells that are drilled on public or private land greater than 5,000 feet.

Commissioner Snow suggested doing a projection on the revenue these increased fees may bring to NDOM.

Chairperson Henderson suggested a projection be completed and presented at the February Commission meeting.

Commissioner DeLong noted he would like to see a three-tiered system and that Rich Perry suggested a two-tiered system.

Rich Perry stated his two-tiered system was suggested based on Commissioner Snow's point that existing regulations with regards to well spacing are based on less than 5,000 and more than 5,000. A two-tier system would make it easier.

Commissioner Snow stated, in his opinion, Mr. Price's suggestion of a three-tiered system would be appropriate, because a well going beyond 10,000 feet would go beyond the 30-day drilling time and require an additional inspection; therefore, the \$500 increase would be appropriate.

Chairperson Henderson suggested a proposal that would allow the Commission to increase the cap on administrative fees in the future from \$0.20 per barrel to \$0.50 per barrel, because it is very low in comparison to other agencies.

Commissioner Snow noted federal oil and gas leases pay a basic royalty; are subject to the State net proceeds of mineral tax; and, to the Division of Minerals production fee of \$0.10 per barrel. The largest operator and producer has paid over the years under protest because they believe it is a double taxation when geothermal does not have a double fee. He cautioned that there may be some push back from operators if the fee was increased.

Chairperson Henderson stated they are not proposing a fee increase at this time, but on placing a cap, which would give the ability to increase the fee in the future.

Rich Perry commented the state does not have a large oil industry at this time. The current \$0.10 per barrel fee covers the IOGCC fee and will be sufficient if there is an increase in production activity.

Commissioner DeLong commented that, being a representative of large scale mining, he was sensitive to the fee versus tax issue, which the Mining Industry faced in the past with the Legislature. He stated a fee on production appears to be legal, but a tax on production above and beyond the proceeds may not be legal, so the Subcommittee needs to be cognizant of the fact that the fee on production needs to be tied to an actual direct cost rather than appearing like a general tax. He was in favor of the cap, but with the proviso that what is charged needs to be reviewed relative to the true cost of implementing that portion of the program.

Lowell Price stated the Commission can also look at lowering the cost per barrel to cover activities related to the oil industry.

Commissioner Snow noted NDOM is a non-general fund agency, but is self-sustaining. The oil and gas industry generates a considerable amount of revenue that reverts back to the State and the Treasurer from monies collected from the leasing of federal oil and gas rights on public lands in the State of Nevada. Past legislative actions have channeled some of that money to administrative activity. He has reviewed the oil and gas leasing impact that the BLM has had on the State of Nevada and it is substantial on leasing than on royalties. In his opinion, it is possible that monies collected by the BLM be reviewed to come back to support the program and not to increase fees on production.

Commissioner DeLong commented that the Legislature may view that as NDOM requesting to receive general fund money, which would not be possible; therefore, he would not vote for that recommendation.

Chairperson Henderson suggested making a recommendation to increase the cap of the administrative fee from \$0.20 per barrel to \$0.50 per barrel with a requirement to not collect administrative fees greater than oil and gas costs audited at the first CMR meeting of each new year.

Commissioner Bryan stated NDOM already has the ability to double the fees. The perception in the industry to increase the cap by 500% higher than what it is currently and also to increase permit fees could be detrimental. He suggested leaving the cap at \$0.20 per barrel since it is currently not in use.

Chairperson Henderson stated the reason this issue is being addressed is to prepare for a possible increase in productivity and to have the resources to keep up with the increase.

Commissioner Snow suggested grandfathering existing production and establishing a new production structure.

Chairperson Henderson stated his clause was not to collect fees greater than costs. Currently, costs are not being covered at \$0.10 per barrel, but they do not want to increase to \$0.20 per barrel at this time because they are sensitive to oil and gas producers in the State.

Commissioner DeLong commented that, in his review of the numbers, in his opinion, \$0.20 per barrel would not cover costs.

Mike Visher clarified NRS 522.150 covers administration expenses of the Division. One additional expense are the dues to the Interstate Oil and Gas Compact Commission, which is tiered, meaning the more production, the more funding that is paid. Therefore, the Division currently has the statutory authority to raise the fee to cover expenses, but the permit fee is not set up to cover administrative costs.

Commissioner Bryan asked, if the permit fee was increased to what is being proposed, but keep the \$0.10 per barrel fee, how far underwater would the Division be. Rich Perry stated it depends on future activity.

Commissioner Bryan suggested new producers pay at a rate of \$0.15 per barrel and keep current producers at \$0.10 per barrel.

Chairperson Henderson noted increasing to \$0.20 per barrel will not cover costs for 2013.

Commissioner Snow asked if the \$148,000 projection includes the new staff member. Chairperson Henderson replied no.

Rich Perry commented that it may be difficult to request a higher statutory limit from the Legislature when the Division is not currently at that limit.

Chairperson Henderson commented that, if drilling activity cannot be supported, there will not be increased drilling production. He stated there are increased costs to the Division to protect the groundwater, as established by S.B. 390; therefore, the Division needs the ability to balance the budget with oil and gas revenue and not take revenue from other streams of income.

Commissioner DeLong noted the Legislature has directed the Division to establish a regulatory program for the future, which includes changing the cap.

Commissioner Bryan asked if this issue will be addressed in a public workshop. Bryan Stockton, Deputy Attorney General, clarified legislative changes are not addressed in a public workshop, but go through the legislative process. There will be a public hearing during a future Commission meeting to vote on suggesting a bill draft.

Commissioner Snow commented that, in his opinion, the current assessment fee is not in line with the basic overhead for the program. He is prepared to make a recommendation for an increase to reflect a base overhead that would support the program given the decline in oil and gas.

Lowell Price stated he did not receive the December numbers, but there is an 8% decline in oil and gas.

Commissioner Snow suggested recommending a base limit of \$50,000.

Chairperson Henderson noted \$0.50 per barrel would cover costs for 2013.

Commissioner Snow stated the structure is great, but he was not in support of having the legacy producers pay more to support the inspection program for two wells. He agreed the \$0.10 per barrel is not sufficient for baseline overhead.

Commissioner DeLong stated, in his opinion, the \$148,000 covered permitting and maintenance of production through inspections. The per barrel fee should be covering the production-based inspection part of the program and the permitting side should be covered by the permitting fees.

Rich Perry stated the Division can come up with a per barrel and permit fee recommendation in table form before the February Commission meeting based on last year's numbers.

Chairperson Henderson commented on an oil spill response tax in other states. He stated he was not proposing a similar tax for the State of Nevada at this time, but that it may be considered for the future.

Commissioner DeLong stated he did not believe there was any statutory authority to regulate spills. It may be an NDEP issue. Lowell Price concurred and provided an example.

Chairperson Henderson reviewed sundry fees for geothermal under NAC534A.540. He noted no fees were charged for the 56 sundry notices submitted to the Division in 2013. He suggested a charge be established for sundry notices that are presented to the Division for approval.

Commissioner Snow stated he would be in support of that recommendation.

Chairperson Henderson commented there are laws in the State of Nevada regarding disclosure of trade secret chemicals used for hydraulic fracturing. He suggested establishing a \$500 fee for every trade secret that the operator wants to submit for hydraulic fracturing. He noted other states have established similar fees.

Commissioner Snow asked how a trade secret is determined. Chairperson Henderson stated a list of chemicals will be established. Lowell Price clarified the chemical constituency will be requested, not the recipe mixture.

Mike Visher stated he was in favor of an increase in fees for administrative costs, because it will cover additional costs and administering the evaluation of the claim as well as keeping track of confidential information.

Commissioner Snow commented he did not consider a fee for tracking and identifying chemicals until today.

Commissioner Bryan asked for clarification that this is only for unconventional drilling. Rich Perry stated this was only a recommendation to the CMR and that, if approved, will result in a bill draft request. He was concerned this bill draft request may create more negativity from the Legislature.

Chairperson Henderson stated he was suggesting a fee on trade secrets because it may prevent them from being used for hydraulic fracturing.

Commissioner Snow questioned how implementing a fee would be interpreted.

Chairperson Henderson commented that he would prefer there not be trade secrets in hydraulic fracturing, but companies are allowed to have trade secrets, by State law, and there will be a cost to track this information.

Commissioner DeLong asked if there will be chemicals that may not be disclosed to the Division or not disclosed to the public. Chairperson Henderson replied the public. NDOM will know the chemical, but the public will not be given this information.

Commissioner Snow asked how trade secrets will be governed. Commissioner DeLong stated, under State law, a company has the ability to declare a trade secret. The Division cannot control that. The Division can only figure out how to deal with it. Bryan Stockton, Deputy Attorney General, clarified all information is made public record, unless made confidential by statute. Trade secrets have their own separate category where they are not subject to public disclosure; therefore, this information will need to be kept separate from public records. He did not know the liability for disclosure of trade secrets.

Commissioner Snow commented on the need for a good set of rules at NDOM to keep this information confidential.

Lowell Price commented NDOM only requires a list of the chemicals and not the formula for using those chemicals and this information can be kept separate from the well file.

Chairperson Henderson commented that procedures will need to be implemented that follow State law and that costs for those procedures should be recovered by a fee.

Commissioner Snow commented that frac focus is a choice. There does not need to be a procedure within the Division that requires submission of that information.

Chairperson Henderson stated the Division has to have the list of chemicals and chemicals need to be reported to Frac Focus within sixty days of completion of the frac job.

Commissioner Bryan asked for clarification that Frac Focus has provisions for trade secrets and if trade secrets have to have an MSD sheet. Chairperson Henderson stated, even if it is a trade secret at the well site, the MSD sheet must be presented in the well area. The MSD sheet is not sufficient because it only relates to exposure to chemicals.

Chairperson Henderson noted some states charge plugging and abandonment fees, but he does not believe the State of Nevada needs to charge these fees.

Commissioner Snow suggested establishing new injection well permits to lower the fee.

Lowell Price commented an injection well would be drilled on a conventional basis and would be a \$500 fee.

Commissioner Snow stated, in his opinion, injection wells will continue to be stimulated and fractured as the need for them grows. He also suggested a fee for the cuttings that are submitted for each well.

Rich Perry clarified the original projection of \$148,000 includes \$30,000 for curation.

Commissioner DeLong commented Mr. Snow's suggestion of a cutting fee makes sense.

Lowell Price noted nine wells were drilled for oil in 2013.

Chairperson Henderson commented that would be approximately \$3,500 for each well that was drilled to support the entire program.

Commissioner DeLong asked for clarification that the \$30,000 was an annual fee for maintenance or to curate annual as the material comes in. Mike Visser stated he believed it was an annual fee. Rich Perry stated it is a part of the \$100,000 that is provided to the Nevada Bureau of Mines every year. He suggested the sundry fee and the cutting fee be combined.

Commissioner Snow stated he believes a sundry would imply action needs to be taken and approved. A cutting, by rule, is to be submitted and should be submitted with a \$500 fee.

At this time, Chairperson Henderson opened discussion to public comment. There were no public comment requests.

D. Subcommittee recommendations for fee changes to Commission – Chairperson Henderson summarized the following recommendations:

- A sliding scale, three-tier drilling fee: 0-5,000 feet = \$500; 0-10,000 feet = \$1,000; and, 0-10,000+ = \$1,500 for a conventional well on public or private land
- Increase the drilling fee for unconventional wells on public property from \$200 to \$3,500
- Increase the drilling fee for unconventional wells on private property from \$200 to \$4,500
- A reclassification fee to either \$3,500 for an unconventional well on public property minus the fee already paid or \$4,500 for an unconventional well on private property minus the fee already paid.
- The Division to review the increase of the cap to \$0.50 with a requirement to not collect administrative fees greater than oil and gas costs audited at the first Commission meeting of each new year and to present this at the next CMR meeting.
- Administration of chemicals used in hydraulic fracturing claiming trade secrets would be \$500.
- Cutting fees: \$500.
- Sundry Fees: NDOM to propose utilizing the current geothermal regulations to be used in oil and gas with the oil and gas nomenclature to be presented at the next Commission meeting.

Richard DeLong moved to approve the recommendations. Dennis Bryan seconded the Motion. Motion carried unanimously.

COMMENTS BY THE GENERAL PUBLIC – Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person. **ACTION WILL NOT BE TAKEN.**

There were no public comment requests.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:33 a.m.

Dennis Bryan moved to adjourn the meeting. Richard DeLong seconded the Motion. Motion carried unanimously.