



BRIAN SANDOVAL
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
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RICHARD PERRY
Administrator

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COMMISSION ON MINERAL RESOURCES
West Wendover City Hall Council Chambers #137
1111 N. Gene L. Jones Way, West Wendover NV 89883

Thursday August 25, 2016

1:00 P.M. MST

Agenda

CALL TO ORDER

The Agenda for this meeting of the Commission on Mineral Resources has been properly posted for this date and time in accordance with NRS requirement.

ROLL CALL

PLEDGE OF ALLEGIANCE

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

I. MINUTES

A. Approval of the May 19, 2016 meeting minutes

FOR POSSIBLE ACTION

II. NEW BUSINESS

A. Draft language for a bill draft request (BDR) to enable the permitting and regulation of dissolved mineral resource wells within the geothermal statutes (NRS 534A). 30 minutes Rich Perry

FOR POSSIBLE ACTION

III. OLD BUSINESS

A. NDOM fiscal year 2016 recap and fiscal year 2017 forecast presentation. Fiscal year 2016 closed June 30, 2016. The 2017 forecast includes impacts from changes in claim fees approved at the last CMR meeting. 15 minutes. Mike Visher

FOR DISCUSSION ONLY

B. Presentation of 2018-19 biennium budget and plan. During the May 2016 meeting draft budget assumptions were presented to the CMR and priorities were developed. The budget has been prepared based on current forecast assumptions and priorities developed by the CMR. Budgets are due to the Finance Office by September 1, 2016. 30 minutes. Mike Visher and Rich Perry

FOR POSSIBLE ACTION

C. BLM proposed mineral withdrawal update.

FOR DISCUSSION ONLY

NDOM developed maps and backup information on areas of high mineral potential to assist the Governor's office. NDOM has acted as a cooperating agency in the EIS process, with the intent of removing these areas of high mineral potential from the withdrawal. 15 minutes. Rich Perry

IV. STAFF REPORTS

- 1) Mining/Reclamation Bond Pool – Mike Visser
- 2) Update on 2016 Summer Intern Program – Mike Visser
- 3) Correspondence – Rich Perry

COMMISSION BUSINESS

- A. Determination of time and place of next CMR meeting

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**

ADJOURNMENT

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Division of Minerals, 400 W. King Street, suite 106, Carson City, NV 89701 or contact Valerie Kneefel at (775) 684-7043 or Email Vkneefel@minerals.nv.gov

The Commission will be attending a field trip on Friday August 26, 2016. The Commission will tour the Graymont's Pilot Peak Lime operation at 8:30 AM PST and Newmont's new Long Canyon Mine at 11 A.M. PST. We will be departing Wendover at 7:30 AM PST. Members of the public may attend but must provide their own transportation and safety equipment. Advanced notification is required. Please call Valerie Kneefel at (775) 684-7043.

I. MINUTES



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COMMISSION ON MINERAL RESOURCES

Legislative Counsel Bureau-401 South Carson Street, Carson City, NV 89701 Room #4100

Thursday, May 19 2016

1:00 P.M. – 4:30 P.M.

Minutes

COMMISSIONERS IN ATTENDANCE	STAFF IN ATTENDANCE
Richard DeLong (Chairman) Dennis Bryan John Snow David Parker Art Henderson John Mudge and Fred Gibson not in attendance	Richard Perry Valerie Kneefel Mike Visher Bryan Stockton (Senior Deputy Attorney General) Bill Durbin Lowell Price

CALL TO ORDER

Meeting was called to order at 1:05 PM

The Agenda for this hearing of the Commission on Mineral Resources was properly posted for this date and time in accordance with NRS requirement.

ROLL CALL:

Valerie Kneefel took roll call:

Richard DeLong, Dennis Bryan, David Parker, and John Snow. (John Mudge and Fred Gibson were not in attendance)

PLEDGE OF ALLEGIANCE:

Led by Richard DeLong

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.

Pam Robinson: Governor Sandoval's policy director, made a comment. She stated she has the privilege to be a part of the senior staff the Commission works with at the Governor's office. She stated she has had a long history working in Natural Resources and was pleased to join the team. She said she meets with Rich Perry regularly, and has met with the Chairman Rich DeLong. She wanted to give the Commission an update on the greater sage grouse EIS which has had a great impact on the industry (Mining and Exploration) in Nevada. The Governor took it very seriously when the second EIS came out on mineral withdrawal and what it should look like in his

opinion. We looked at the significant impact to the exploration industry in particular and mining industry in general. The Governor asked that we get the agency heads together and figure out an alternative. Rich Perry has been instrumental in this exercise along with Tony Wasley the director of Wildlife and Jim Lawrence and others at DCNR have added expertise. We took a strategic look at the sagebrush focal areas, which includes 3 million acres in Nevada. They looked at where the mining claims are and where companies want to expand and explore. We also looked at the mineral potential. NDOM team looked at very specific and strategic areas that should be withdrawn from consideration. Then Tony Wasley went to work with his team and took a really sharp pencil to the areas that they don't believe have the same kind of Sage grouse habitat that the Secretary of the Interior's office has put forward in EIS. They looked at areas that might have better capacity to protect habitat and achieve the goals of the EIS, which is protecting habitat, increasing the birds. After many meetings, maps and GIS work, we came up with what we thought was a great package that eliminated 98% of our claims. As they entered into negotiations with the secretary's office, The Governor sent his response to the EIS and then met with the Secretary to discuss what this all means to the industry. They were asked by the Secretary to go back and put more information regarding the mining impact. This has now been refined to show more specific dollar amounts and a more detailed report as to what goes into a mining claim. We now have a solid package for the Governor to go to the Secretary with. The Governor is very committed to this and wants to express his gratitude to the commission and Rich and his staff. Thank you for your engagement, the information you have provided has been very much appreciated.

I. Minutes

A. Approval of the February 4, 2016 meeting minutes

Motion: approval of minutes with no changes was made by Dennis Bryan

Seconded: by John Snow

Unanimously carried

II. New Business

A. Attracting mineral exploration and development capital to Nevada:

A report on Nevada's presence at the Prospectors and Developers Association of Canada (PDAC) conference in Toronto, and Association for Mineral Exploration BC Roundup in British Columbia. Sheldon Mudd, GOED and Dave Shaddrick, Nevada Mineral Exploration Coalition.

Sheldon Mudd: Mining Industry specialist for the Governor's Office of Economic Development. He gave a synopsis of PDAC 2016 Convention of this year. They have a membership of over 8,000, primarily known for their annual convention. It is the premier event for mineral exploration. There were over 22,000 people in attendance, with over 100 countries represented. There were 16 national mine ministers, 25 federal parliamentarian and 6 provincial/territorial ministers. There were over 750 trade show booths, 626 plus investor exchange booths and over 504 speakers. As far as the United States goes, there were only 3 states represented at this convention; Alaska, Minnesota and Nevada. For such a worldwide event, there was very little representation from the United States. He showed several pictures of the other booths, to show the high tech show stopping displays, some with interactive kiosks. Some pictures showed the amount of people who were there looking for investments. The Nevada booth, as compared to the other represented countries, was minimal and does not really represent Nevada very well. There were many people interested in Nevada, and the outcome was 16 countries that will be coming to the Mining Expo in Las Vegas. GSN, NVMA just do not have the resources to put together an appropriate booth. He would like to see a consolidated effort from all of those in the industry to present in the same manner as the other countries.

Dave Shaddrick: Nevada Mineral Exploration Coalition. We had a 10 x 20 booth, which we only paid half the price we normally pay for. Normally, we get a 10 x 10 booth, but it is just not big enough. Costs: 10 x 20 booth is \$2,815., Minimal Furnishings and Wi-Fi: \$2,600, Graphics: \$500. 20 x 20 islands: \$5,630. Proper booth set up with captivating displays and furnishing is estimated to cost: \$20,000 - \$30,000.

Chairman DeLong: When you say no one has the numbers, does that mean you haven't asked for the numbers?

Dave Shaddrick: No, I've asked for the numbers, but they won't give us any information until we have a detailed idea of what we want and after July 15th for next year.

Chairman DeLong: asked if like other trade shows, do they have a waiting list?

Dave Shaddrick: there is a waiting list. GSN has a 10 x 20 locked in now. We would like an island.

Chairman DeLong: when would they let you know if you have the 20 x 20?

Dave Shaddrick: September. You apply in July and they let you know in September if you have the island or are on the waiting list. The PDAC is a convention where you have 2 billion dollars running around looking for a place to go. During Roundup, that is more of a capital investment kind of show.

Dennis Bryan: Does the \$20,000 - \$30,000 include the 20 x 20 island fee?

Dave Shaddrick: no that is just the structure. The island doesn't come with carpet either.

Dennis Bryan: is this a onetime cost?

Dave Shaddrick: it could be, some people do this every year and change their display for this event every year. I would suggest we get someone to house our display there in Toronto to save on the expense of shipping it there every year.

Dennis Bryan: we would not be able to use this at Roundup then.

Dave Shaddrick: we already have a room at Roundup. (20 x 30).

Dennis Bryan: what are you exactly asking us for?

Rich Perry: He stated he invited Sheldon to the Commission meeting to show us the PDAC convention. We are getting ready to put together the budget and thought it would be a good idea to have them do a presentation for us.

Chairman DeLong: Appreciated the presentation and felt it was important for the State to recognize that we are in a global competition for exploration and development dollars in the mining industry. He also stated that we have not been making ourselves attractive to that industry where the deals are made and PDAC and Roundup are very good places for Nevada to attend. We need to give some serious consideration to attend and promoting the State.

B. Strategic Planning Session for Fiscal Years 2018-19

The State budget kickoff meeting was held on March 9th, with directions and schedules from the Governor's finance office. The Governor's Office provided a new Strategic Planning framework document outlining a vision, mission and strategic priorities for State Agencies, Boards and Commissions. Division Staff held a meeting on April 1 to develop budget assumptions and possible initiatives to align with the Governor's Strategic Planning Framework.

Rich Perry will present assumptions and possible initiatives, and schedule for completing the budget process.

Rich Perry: Administrator for Nevada Division of Minerals. Gave a PowerPoint presentation on Budget and Strategic planning for the FY 2018-19. Governor's Strategic Planning Framework Goals and objectives for the next 5 years: 8 Essential Core Functions of Government, Quantitative performance measures for objectives, each primary activity must have at least one performance measure (efficiency, outcome or effectiveness). Budgets and Plans must align with the Governor's initiatives. He went through Priorities and core functions: Educated and healthy citizenry; education and workforce development, health services, and human services. This for NDOM would be Minerals education in schools and summer college internship program NRS 513. Efficient & responsive state government; state support services. For NDOM it is their web-site delivery of fillable-forms and information to public and businesses. Safe & livable communities, public safety and resource management. For NDOM it is the AML Program and the Oil, Gas and Geothermal well permitting and conservation of resource NRS 522 and NRS 534A. Vibrant & sustainable economy: business development & services, infrastructure & communications. NDOM-Industry outreach, Mines registry, record annual production, collect and disseminate information, trade shows, NRS 517 (Claims), NRS 519A (bond pool).

He went on to state that the Governor is asking agencies to consider the following challenges to make state government more effective and efficient: what activities do you perform you would stop if you could? What results could be obtained by reprioritizing those resources? What new initiatives would you propose? What results would they achieve? How would success be measured? What low-cost or no-cost policy or operational ideas would you propose? He mentioned that most industrial sectors are near their pre-recession levels. In building the budget: Agency budgets must: Align with Governor Strategic framework, be consistent with legislation passed in 2015, Use 2016 as the base budget, Reconcile positions, revenues and expenditures Include justifications and explanations, Budget submission/Agency Request: Sept. 1 Certification letter for budget submission must be signed by Director or Chairman. A few future changes taking place in NDOM: Migrate to fleet services for replacement trucks in 2018 – evaluation indicates lower overall costs to own. Move to new State building in LV if approved and completed – reduce storage rents.

No BDR's planned for 2017 session. 2019? No planned rulemaking, all chapters were updated in last 2 years. Some budget decisions: 5-year extension of MSM \$2 claim fee ends Feb. 2018. Use funds, if available depending on claim fees, to Improve Nevada Presence at Exploration trade shows to attract investment capital –

PDAC and Roundup, Fund specific reports, on an annual CMR approval basis, at NBMG: Exploration Survey, Update M.I. Map, Annual M.I. Report, curation of cuttings, etc.

Increase AML hard closure contracted work, Fill Field Specialist vacancy, Reduce Claim fee by some amount.

CMR Discussion: Performance measures adequate? Initiatives CMR would like to see addressed by NDOM staff over next 2 years? Assist in implementation of a state multiple use lands policy and a statewide land use plan and process... (7.1.2 of Strategic Plan).

John Snow: As we heard in the Hearing earlier this morning, 3,000 claims in one month in Esmeralda County, are these projections due to Lithium claims?

Rich Perry: No, but we can get some estimates though

Rich DeLong: a 7% decrease in 2017 seemed appropriate several months ago, but maybe we're seeing a positive turn around. With new claims in Mineral County, that -7% could be an over estimate.

Dennis Bryan: Let's ask Dave, Dave is -7% realistic or could it be rosier, or worse?

Dave Shaddrick: We are on the leading edge of some kind of boom. It's not just lithium but gold as well. Things are starting to pick up. My estimation is that negative 7% is probably a little high. I think we will have enough new claims to cover in lieu of raising fees. Gold will take at least 3 years to build it up and see a profit.

Dennis Bryan: My concern is the increased regulatory environment. He asked Dave what kind of impact the 2.7 million acres that the BLM is wanting to withdraw would have.

Dave Shaddrick: It will have a strong impact, but I think there's also other places to explore. I think we are in for a mini boom that will last 3- 4 years.

Rich Perry: So what I'm hearing is that -7% is too much and that we should back off that. We'll look at that and shave it.

Dennis Bryan: I just want to remind the Commission that the 2 dollar claim fee, was set up by us when we reached out to the industry to help support for the Mackay School of Mines. We've got to think that through carefully because we have an agreement with the University as a whole. We might have to go back to industry to discuss where the funds are going. We don't want to hurt Mackay if we don't have to. We need to decide this by September 1, right?

Rich Perry: We need to put something into this budget and it will go through a lot of scrutiny. We can certainly be flexible because we don't know what our revenue is going to be. We need to have something in there that we are actually going to do and have a line item in there for it.

Rich DeLong: Regarding the money going to Mackay to pay salaries of teachers; I think we are getting clear direction from the administration that this is a use of our funds that is maybe not the best allocation of our resources. Salaries should be paid by the University not by other state agencies. We can still utilize the University for exploration surveys and activities that NBMG does. I think there's a way to make sure we get what we need to meet our statutory requirements and the Mackay School still seeing some funding from us.

Dennis Bryan: agreed with DeLong but we shouldn't be using the \$2.00 claim fee to add men to NDOM.

Rich DeLong: The agreement took place under the Gibbons administration but the playing field has changed and we need to recognize that, in how we establish a budget and allocate those funds.

Art Henderson: if we keep the \$2.00 claim fee then we should increase the reserve. \$750,000 is too low, maybe increase it to 1 million. We need to consider this for the budget.

John Snow: would like to see NDOM restore use of 8 interns instead of the 6 interns. He is very leery of the truck allocation from Fleet Services and joining NDEP in the LV building might be a significant increase.

Dave Parker: If we went to industry originally to negotiate the \$2.00 fee, would we need to go back to industry for the fee allocation?

Bryan Stockton: Not sure, that it's a legal issue. Social license is what you are getting. You do not need to go back to industry for approval. As a policy, you may want to, but there is not a legal issue.

Rich Perry: reiterated the concerns and/or suggestions: Increasing interns, look at the vehicle allocation, and build the reserve.

Rich DeLong: Exploration Survey needs to be provided to the legislature more often.

Dennis Bryan: Speaking of the Exploration Survey, I thought we were given assurances that this was going to be funded and completed in time for the next session, have you heard anything about this?

Rich Perry: I've not gotten any confirmation.

John Snow: Is the Oil, Gas and Geothermal metric based on permitted wells, or on wells drilled?

Rich Perry: It's actually wells drilled, so that was a mistake on the slide.

Dennis Bryan: The presentation we heard on PDAC and the Vancouver Roundup, I'd like to see us look into this for budgeting purposes. He suggested having a task force to look into PDAC and Roundup options.

Art Henderson: I'd also like to see a continued effort into evaluating thorium for our energy needs in the future.

Task Force for PDAC and Roundup options: Rich Perry, Dennis Bryan, Dave Parker, Sheldon Mudd, Dave Shaddrick and Dana Bennett

C. Presentation on Nevada Mineral, Geothermal and Oil production for 2015.

Production reporting for CY 2015 is now complete and will be presented.

Mike Visher: Gave a PowerPoint presentation.

John Snow: The geothermal numbers from Taxation are not accurate and I can talk to you later to better explain.

Dennis Bryan: Where are you getting your production numbers for the industrial minerals?

Mike Visher: From the annual status and production reports submitted by the operators as required.

Dennis Bryan: can the production numbers be confidential?

Mike Visher: No, the name of the operator, amount of production and number of employees cannot be held confidential. Other information can be if it is stamped confidential.

III. Old Business

A. NDOM fiscal year 2016 Forecast and Reserve.

Mike Visher – He went through a PowerPoint presentation to show the current and forecast budget numbers for FY16 and FY17 with assumptions and options. There were no questions or discussion.

B. Annual Oil and Geothermal well inspection update, and new Access database of oil wells in Nevada

Lowell Price – gave a PowerPoint presentation. He refreshed Commission on process of well inspections. He went through the new forms that Lucia Patterson created on the Trimble handheld device.

John Snow: Stated that he thought it was great report and update on the automation, but he had a lot of concerns and questions that we can't get into today. Are the activities that occur at a well part of your inspection schedule?

Lowell Price: Not specifically, but it could. I witness all of the BOP tests.

John Snow: Stated he considered those types of activities to be of the highest importance and the housekeeping inspections to be the lowest. I don't understand why we are inspecting this many wells. Do we have regulatory authority? Looking at your sheet, I don't see any authority NDOM has over these inspections.

Rich Perry: When we look at the form, the status of the well certainly is in our regulations. If the well has not seen production then it needs a request for a waiver. Years from completion date and some of this additional information is for the risk assessment evaluation which came out of the audit. A lot of this is from the audit. We just did not have a system in place to show the auditor that we were actually doing the inspections.

John Snow: Having MIT at the well is understandable. But we have such a short amount of resources, why are we doing all the inspections? The beautification inspection should occur on private wells only and let the BLM inspect the others. Then Lowell can do the good work related to BOP tests and fracking.

Lowell Price: BLM is not doing the inspections.

Rich Perry: Lowell does do all the BOP inspections and prioritize his work. We are working on some of these others while he is out in the field. It is an opportunity while he is out there. We do not get a regular report from BLM. I've been here 3 years and I have not seen an inspection report from them. We cannot have that same situation when we are audited again. We told LCB we would inspect a third of the wells every year.

Lowell Price: I try to keep the expenses to a minimum, and inspect all the wells in a field not just the few that may have an historic issue. I'm going in the field this next week and will have 120 wells inspected.

John Snow: when you say that there are inaccuracies in signage, I'm just not seeing the need for you to be out there. If there are spills then that is a reportable event under NDEP rules.

Dave Parker: I think the inspections are important for at least 3 years in order to collect all the data then maybe we can re-evaluate the need or frequency of inspections.

Lowell Price: Showed the Commission the database that is being built with all the data he has been collecting for the past year.

Rich Perry: Lowell has had to go out in the field and gather information so that we had a complete and viable database. There had never been a complete database, prior to this effort. He takes pictures and collects GPS coordinates and he has come across several issues just from doing this. Some that needed to be plugged and others that require some sort of corrective action.

Lowell Price: I'd agree with Rich. During the first year of inspections, I found a number of deficiencies, yes, a large number were signage issues, but other issues were noted and have since been corrected and now the number of deficiencies is much smaller.

John Snow: I understand. NDEP has the wellhead protection program. I do not think it is a good use of our funding. I'm not seeing that it's our regulatory authority or need to do this.

Rich DeLong: If you look at the statutes, we are required to do inspections on these wells.

John Snow: And that requirement, that framework, came out of the 1950s from IOGCC and its intent is for when there is activity at the well not during normal production.

C. BLM Proposed Mineral Withdrawal update

NDOM developed maps and backup information for the areas of high mineral potential listed in the Governor's comment letter to BLM of January 15, 2016. NDOM was invited and agreed to act as a cooperating agency in the development of the EIS on the mineral withdrawal.

Rich Perry: gave a PowerPoint presentation showing how the maps were created and the general information conveyed. There were no questions or discussion.

IV. Staff Reports

1) Mining/Reclamation Bond Pool

Mike Visser provided a summary of the activity and status of the reclamation performance bond pool. He also provided an update on the current budget status report. There were no questions or discussion. Mike Visser summarized a letter praising Lucia's work in the outreach and education program.

2) Correspondence

Rich Perry mentioned the Governor's Service Awards recognizing 10 years of service by Commissioner Mudge and Administrator Perry.

V. SPECIAL PRESENTATION

Presentation and award by the Commission to Bill Durbin for 27 years of service to the Division of Minerals. Chairman Rich DeLong.

Rich DeLong provided a synopsis of Bill Durbin's contributions while working for the Division of Minerals and presented Bill with a plaque as a token of appreciation for his service and dedication to the agency. Bill thanked the Commission and Division for all their support, guidance, and support to do all the things that he ever wanted to do.

Commission Business

A. Time and place of next CMR meeting.

After discussion, it was tentatively set for August 25th and 26th in Wendover, with Long Canyon and Pilot Peak for field trips.

Comments by the General Public

There were no comments.

Adjournment at 4:07 PM

II. NEW BUSINESS

II. A. Draft Language for Bill Draft Request

PROPOSED CHANGES TO NAC 534A TO ALLOW FOR DISSOLVED LITHIUM BRINE EXPLORATION AND PRODUCTION WELLS WITHOUT THE REQUIREMENT FOR A WATER RIGHT OR GEOTHERMAL LEASE

Explanation, Need and Proposed Fix:

Mineral exploration for lithium brine resources in Nevada has experienced significant activity in the past year. Approximately 7000 unpatented mining claims have been staked for lithium brine exploration on Federal lands in six separate basins in Nevada by a number of 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, so there is an established geologic model and method for exploration in our State.

The only statutory reference to "dissolved or entrained minerals" is in NRS 534A.010, the geothermal resources chapter, where dissolved or entrained mineral recovery is allowed from geothermal brines. Lithium brine exploration requires a completed well to be drilled so multiple brine aquifers can be sampled using specialized well tests. In current statutes and code, this can only be done by permitting a water well, which requires a water right through the Division of Water Resources (NDWR), or acquiring a geothermal lease from the Bureau of Land Management (BLM) and permits for the drilling and recovery of geothermal heat from both BLM and Division of Minerals (NDOM).

There needs to be a permitting method to drill and complete specialized wells to sample brine aquifers, much like what is done for sampling geothermal resources. Industry representatives have approached NDOM, and are concerned they can only permit an exploration well through the water appropriation process, which adds time and expense, even though little water is used in sampling the dissolved mineral brines, or by obtaining a geothermal lease on Federal lands. Minor language changes to the geothermal statutes would allow for permitting of dissolved mineral wells which can be sampled to determine if lithium is present in brines in the alkali basins where exploration is occurring.

A change in NRS 534A (Geothermal Resources) would enable NDOM, NDWR and Division of Environmental Protection (NDEP) to update code in NAC 534A to allow for these wells to be drilled and sampled without a water right or geothermal lease, provide a permit process that would ensure protection of any fresh water aquifers, and require bonding for plugging and abandonment of wells. The analog to this already exists in the geothermal code, NAC 534A, which allows for permitting and operation of geothermal observation and production wells.

If a dissolved mineral resource was identified through exploration, and consumptive use of water was required in the process of extraction, the owner would then go through the appropriation process to acquire a water right through NDWR, and any permits for surface disturbance, processing, underground injection and reclamation through NDEP. Both NDWR and NDEP are supportive of this approach to allow for dissolved mineral resource (lithium brine) exploration and well production. This change would not apply to hard-rock lithium exploration or production, only to exploration and production of dissolved minerals in brines.

CHAPTER 534A - GEOTHERMAL AND DISSOLVED MINERAL RESOURCES

NRS 534A.010	“Geothermal resource” defined.
NRS 534.XXX	<i>“Dissolved mineral resource” defined.</i>
NRS 534A.031	Exploration and subsurface information: Filing with Division of Minerals of Commission on Mineral Resources; confidentiality; release to State Engineer or other agency.
NRS 534A.040	Applicability of procedures for appropriation.
NRS 534A.050	Ownership of geothermal resources.
NRS 534A.060	Permit required to drill or operate geothermal <i>or dissolved mineral</i> well or drill exploratory well; application.
NRS 534A.070	Approval or rejection of application for permit to drill exploratory well; review of application for permit to drill or operate geothermal <i>or dissolved mineral</i> well; hearing; conditions.
NRS 534A.080	Fees; use of money.
NRS 534A.090	Regulations of Commission on Mineral Resources.

NRS 534A.010 “Geothermal resource” defined. As used in this chapter, unless the context otherwise requires, “geothermal resource” means the natural heat of the earth and the energy associated with that natural heat, pressure and all dissolved or entrained minerals that may be obtained from the medium used to transfer that heat, but excluding hydrocarbons and helium.

(Added to NRS by [1975, 611](#); A [1977, 1172](#); [1981, 659](#))

NRS 534.XXX “Dissolved mineral resource” defined. As used in this chapter, unless the context otherwise requires, “dissolved mineral resource” shall include all dissolved or entrained minerals that may be obtained from the medium or brine in which it is found which is not used for purposes of recovering the heat from the medium or brine, but excluding hydrocarbons and helium.

NRS 534A.031 Exploration and subsurface information: Filing with Division of Minerals of Commission on Mineral Resources; confidentiality; release to State Engineer or other agency.

1. Any exploration and subsurface information obtained as a result of a geothermal *or dissolved mineral resource* project must be filed with the Division of Minerals of the Commission on Mineral Resources within 30 days after it is accumulated. The information is confidential for 5 years after the date of filing and may not be disclosed during that time without the express written consent of the operator of the project, except that it must be made available by the Division to the State Engineer or any other agency of the State upon request. The State Engineer or other agency shall keep the information confidential.

2. If any information made confidential by subsection 1 is submitted to any other state or local governmental entity in connection with an application for a special use permit or any other

license, permit or similar approval, the entity shall keep the information confidential during the period the information is confidential pursuant to subsection 1.

(Added to NRS by [1977, 383](#); A [1985, 1303](#); [1993, 1701](#); [1999, 3633](#); [2013, 1143](#))

NRS 534A.040 Applicability of procedures for appropriation. A consumptive use of water brought to the surface outside of a geothermal well *or dissolved mineral resource project* is subject to the appropriation procedures of [chapters 533](#) and [534](#) of NRS, except for:

1. Water that is removed from an aquifer or geothermal reservoir to develop and obtain geothermal resources *or dissolved mineral resources* if the water is returned to or reinjected into the same aquifer or reservoir; or
2. The reasonable loss of water:
 - (a) During a test of a geothermal *or dissolved mineral* well; or
 - (b) From the temporary failure of all or part of a system that removes water from an aquifer or geothermal reservoir, transfers the heat from that water and reinjects that water into the same aquifer or reservoir.

(Added to NRS by [1975, 611](#); A [1983, 2091](#); [1985, 1303](#); [1997, 284](#))

NRS 534A.050 Ownership of geothermal resources. The owner of real property owns the rights to the underlying geothermal resources unless they have been reserved by or conveyed to another person.

(Added to NRS by [1983, 2091](#))

NRS 534A.060 Permit required to drill or operate geothermal *or dissolved mineral* well or drill exploratory well; application.

1. A person may not drill or operate a geothermal *or dissolved mineral* well or drill an exploratory well without obtaining a permit from the Administrator of the Division of Minerals of the Commission on Mineral Resources and complying with the conditions of the permit.
2. An application must set forth such information as the Administrator requires by regulation.

(Added to NRS by [1983, 2091](#); A [1985, 1303](#); [1993, 1701](#); [1999, 3633](#))

NRS 534A.070 Approval or rejection of application for permit to drill exploratory well; review of application for permit to drill or operate geothermal *or dissolved mineral* well; hearing; conditions.

1. The Administrator of the Division of Minerals of the Commission on Mineral Resources shall approve or reject an application for a permit to drill an exploratory well within 10 days after the Administrator receives the application in proper form. The permit must not be effective for more than 2 years, but may be extended by the Administrator.

2. Upon receipt of an application for a permit to drill or operate a geothermal *or dissolved mineral* well, the Administrator of the Division of Minerals shall transmit copies of the application to the State Engineer, the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources, and the Director of the Department of Wildlife. After consultation with the State Engineer, the Administrator of the Division of Environmental Protection, and the Director of the Department of Wildlife, the Administrator of the Division of Minerals may issue a permit to drill or operate a geothermal *or dissolved mineral* well if it is determined that issuance of a permit is consistent with:

- (a) The policies specified in [NRS 445A.305](#) and [445B.100](#);
- (b) The purposes of [chapters 533](#) and [534](#) of NRS; and

(c) The purposes specified in [chapter 501](#) of NRS.

3. The Administrator of the Division of Minerals shall approve or reject the application to drill or operate a geothermal *or dissolved mineral* well within 90 days after the Administrator receives it in proper form, unless it is determined that a conflict exists pursuant to subsection 2 or a public hearing is necessary pursuant to subsection 4. Notice of the conflict or need for a public hearing must be provided to the applicant within the 90-day period.

4. The State Engineer and the Administrator of the Division of Minerals may hold public hearings jointly or separately to gather such evidence or information as they deem necessary for a full understanding of all the rights involved and to guard properly the public interest.

5. A permit issued pursuant to this section must include any conditions:

(a) Deemed necessary by the Administrator of the Division of Minerals to carry out the purposes of this section; and

(b) Imposed by the State Engineer consistent with the provisions of [chapters 533](#) and [534](#) of NRS.

(Added to NRS by [1983, 2091](#); A [1985, 1304](#); [1987, 778](#); [1993, 1701](#); [1997, 509](#); [1999, 3633](#); [2003, 1581](#))

NRS 534A.080 Fees; use of money.

1. The Commission on Mineral Resources shall impose and collect a fee for examining and filing an application for a permit to drill or operate a geothermal *or dissolved mineral* well or to drill an exploratory well. The fee must be deposited with the State Treasurer, for credit to the Account for the Division of Minerals created in the State General Fund pursuant to [NRS 513.103](#).

2. The fee may be based in part on the number of acres of land being used by the person who holds the permit.

3. The Commission and the Division of Minerals may use the money deposited in the Account for the Division of Minerals pursuant to this section to administer the provisions of this chapter.

(Added to NRS by [1983, 2091](#); A [1985, 1304](#); [1993, 111](#), [1702](#); [1995, 579](#))

NRS 534A.090 Regulations of Commission on Mineral Resources. The Commission on Mineral Resources may adopt regulations necessary for carrying out the provisions of this chapter.

(Added to NRS by [1983, 2091](#))

III. OLD BUSINESS

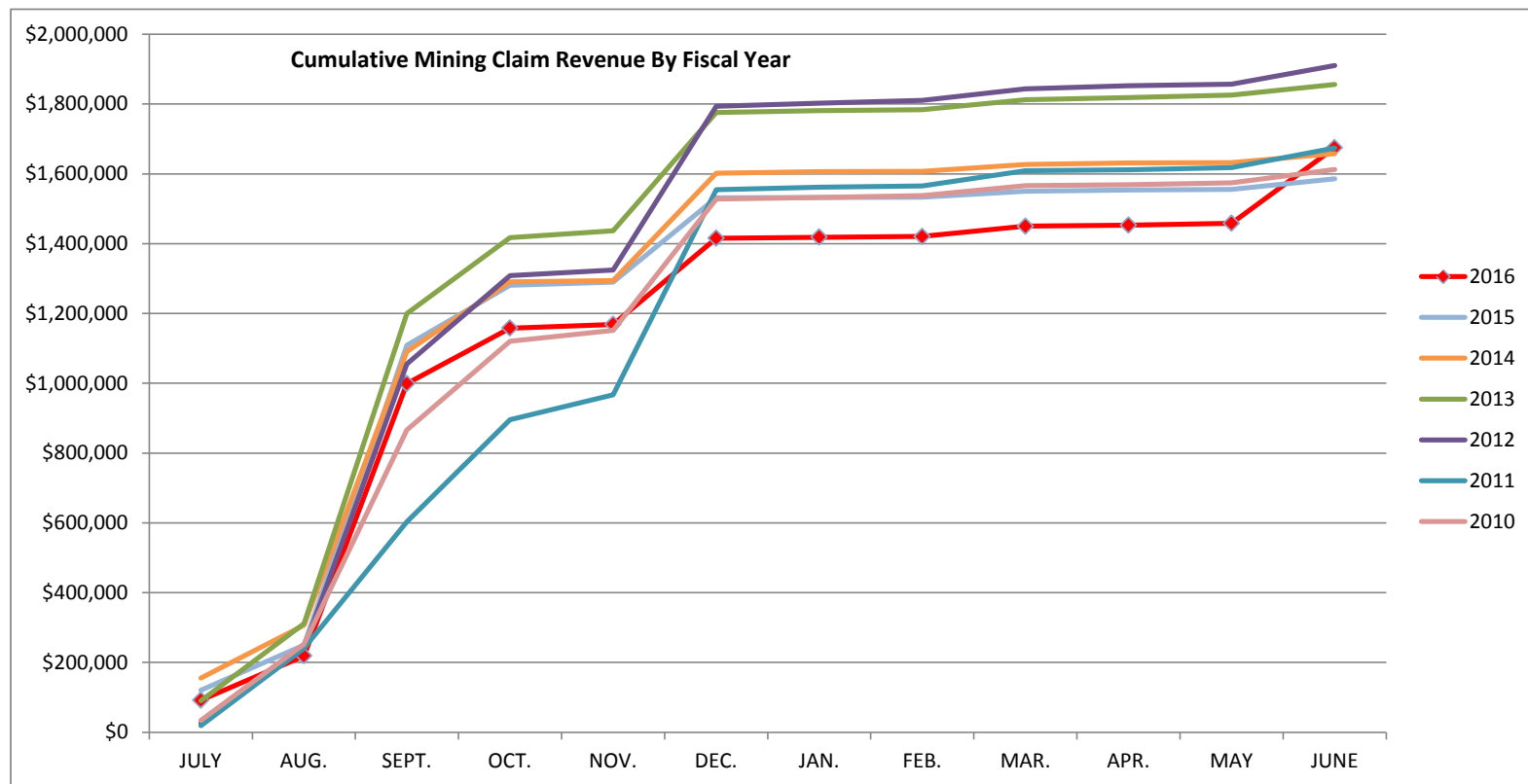
III. A. NDOM Fiscal Year 2016 recap and fiscal year 2017 forecast

Fiscal Year Cumulative Mining Claim Revenue By Month

Fiscal Year	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	YOY	Total Claims
2016	\$92,072	\$219,020	\$999,082	\$1,158,219	\$1,168,827	\$1,415,769	\$1,418,574	\$1,420,520	\$1,450,134	\$1,453,118	\$1,458,388	\$1,674,866	5.6%	197,043
2015	\$120,352	\$250,079	\$1,108,417	\$1,280,687	\$1,290,241	\$1,531,683	\$1,532,431	\$1,533,349	\$1,550,247	\$1,553,571	\$1,555,211	\$1,585,539	-4.4%	186,534
2014	\$155,703	\$306,646	\$1,090,754	\$1,290,496	\$1,294,661	\$1,602,233	\$1,606,177	\$1,607,656	\$1,627,283	\$1,631,235	\$1,632,417	\$1,657,789	-10.7%	195,034
2013	\$90,253	\$311,806	\$1,199,622	\$1,417,171	\$1,437,104	\$1,775,803	\$1,781,575	\$1,783,870	\$1,812,217	\$1,818,745	\$1,825,571	\$1,856,460	-2.8%	218,407
2012	\$26,248	\$239,904	\$1,055,539	\$1,309,017	\$1,324,445	\$1,793,687	\$1,802,901	\$1,810,432	\$1,843,795	\$1,852,541	\$1,857,012	\$1,910,562	14.1%	224,772
2011	\$18,504	\$241,374	\$602,803	\$895,475	\$966,603	\$1,554,871	\$1,562,053	\$1,565,649	\$1,609,424	\$1,612,118	\$1,618,145	\$1,674,304	3.8%	196,977
2010	\$34,315	\$252,520	\$866,626	\$1,120,355	\$1,151,704	\$1,527,997	\$1,532,639	\$1,537,911	\$1,566,170	\$1,569,088	\$1,574,207	\$1,613,142		189,781

12 Counties pay quarterly: CC, CH, DO, ES, HU, LA, LI, LY, NY, PE, ST and WP

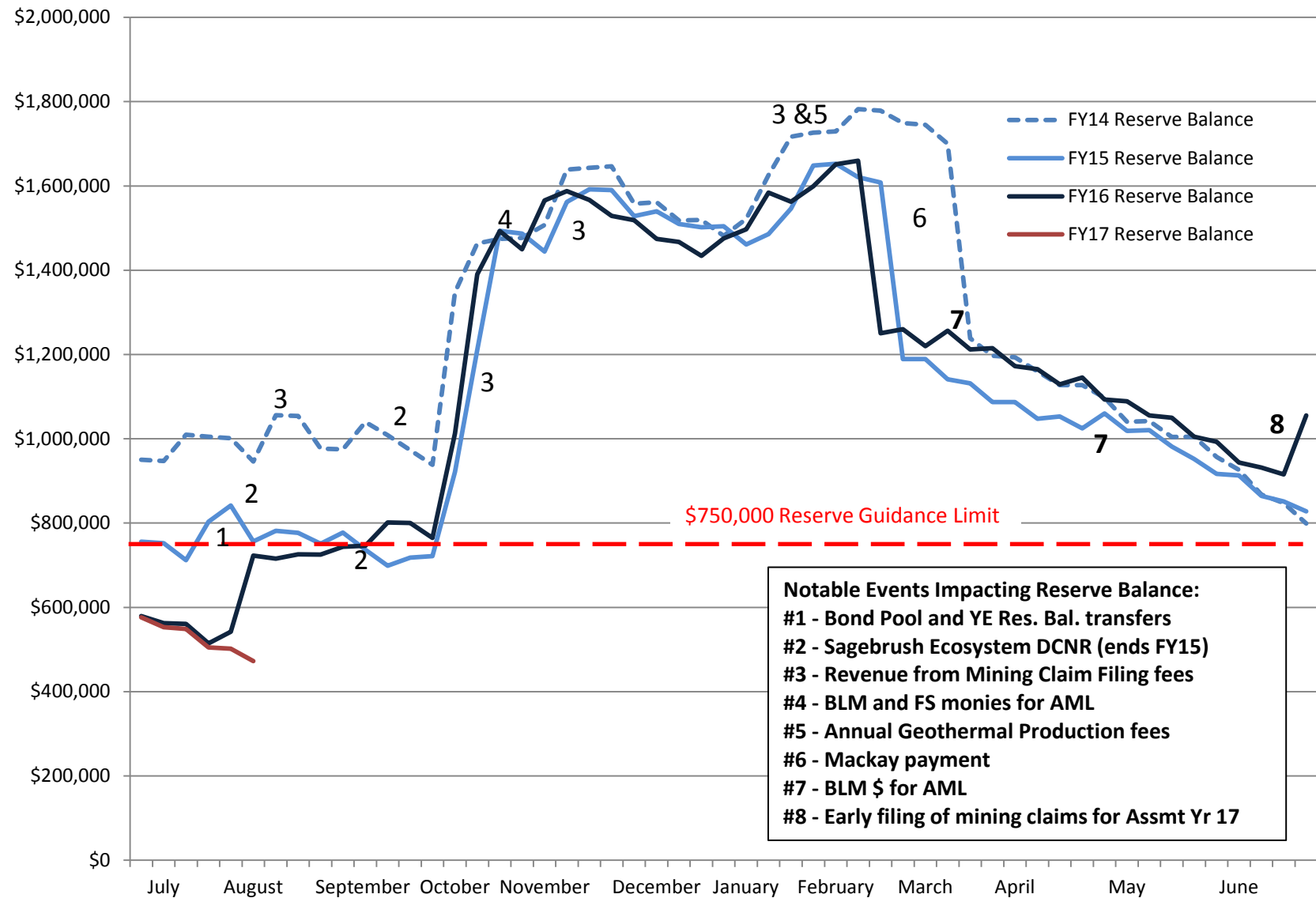
FY16 data as of 8/12/2016



ANALYSIS OF EARLY MINING CLAIM FILINGS IN ADVANCE OF JULY 1, 2016 FEE INCREASE									
COUNTY	Q4 FY11	Q4 FY12	Q4 FY13	Q4 FY14	Q4 FY15	Q4 FY16	% FY16 change over FY11-15 avg.	Change in # of FY16 claims over FY11-15 avg.	Variance Value
Carson	\$0.00	\$0.00	\$0.00	\$0.00	\$34.00	\$8.50	25.0%	0	\$1.70
Churchill	\$1,674.50	\$1,819.00	\$127.50	\$374.00	\$2,524.50	\$8,780.50	573.4%	880	\$7,476.60
Clark	\$3,978.00	\$2,320.50	\$1,300.50	\$960.50	\$1,479.00	\$1,776.50	-11.5%	(27)	-\$231.20
Douglas	\$93.50	\$408.00	\$0.00	\$340.00	\$229.50	\$93.50	-56.3%	(14)	-\$120.70
Elko	\$4,785.50	\$17,085.00	\$17,229.50	\$3,051.50	\$9,095.00	\$61,064.00	495.8%	5,978	\$50,814.70
Esmeralda	\$9,180.00	\$5,244.50	\$4,318.00	\$4,309.50	\$3,510.50	\$32,988.50	521.0%	3,256	\$27,676.00
Eureka	\$4,777.00	\$3,901.50	\$5,287.00	\$1,360.00	\$1,649.00	\$30,583.00	800.9%	3,199	\$27,188.10
Humboldt	\$3,969.50	\$8,075.00	\$1,742.50	\$2,669.00	\$1,581.00	\$33,260.50	822.0%	3,489	\$29,653.10
Lander	\$1,555.50	\$1,870.00	\$1,096.50	\$4,029.00	\$4,522.00	\$24,922.00	853.2%	2,624	\$22,307.40
Lincoln	\$3,247.00	\$654.50	\$1,003.00	\$170.00	\$2,252.50	\$2,057.00	40.4%	70	\$591.60
Lyon	\$1,011.50	\$731.00	\$578.00	\$399.50	\$382.50	\$502.00	-19.1%	(14)	-\$118.50
Mineral	\$4,760.00	\$3,179.00	\$578.00	\$1,198.50	\$1,853.00	\$1,572.50	-32.0%	(87)	-\$741.20
Nye	\$18,190.00	\$8,296.00	\$4,513.50	\$4,845.00	\$1,980.50	\$21,037.50	178.1%	1,585	\$13,472.50
Pershing	\$5,831.00	\$11,645.00	\$833.00	\$5,049.00	\$3,068.50	\$3,085.50	-41.6%	(259)	-\$2,199.80
Storey	\$68.00	\$340.00	\$204.00	\$0.00	\$51.00	\$8.50	-93.6%	(15)	-\$124.10
Washoe	\$289.00	\$59.50	\$289.00	\$977.50	\$59.50	\$2,507.50	648.7%	256	\$2,172.60
White Pine	\$1,470.50	\$1,139.00	\$1,360.00	\$773.50	\$765.00	\$484.50	-56.0%	(73)	-\$617.10
Totals	\$64,880.50	\$66,767.50	\$40,460.00	\$30,506.50	\$35,037.00	\$224,732.00	273.4%	20,847	\$177,201.70

NDOM Reserve Balance by Week for FY14 - FY17

(as of 8/12/2016)



III. B. Presentation of 2018-19 biennium budget and plan

THIS SECTION IS INTENTIONALLY LEFT BLANK.
HAND OUTS AND PRESENTATION WILL BE GIVEN AT THE
MEETING.

III. C. BLM proposed mineral withdrawal update

ONE HUNDRED ONE NORTH CARSON STREET
CARSON CITY, NEVADA 89701
OFFICE: (775) 684-5670
FAX NO.: (775) 684-5683



555 EAST WASHINGTON AVENUE, SUITE 5100
LAS VEGAS, NEVADA 89101
OFFICE: (702) 486-2500
FAX NO.: (702) 486-2505

Office of the Governor

June 3, 2016

The Honorable Sally Jewell
Secretary of the Interior
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Re: Biological and Mineral Analysis of Nevada's Proposed Alternative Mineral Withdrawal Boundary

Dear Secretary Jewell:

Enclosed is the additional information you requested when we met in Washington, D.C. on Nevada's proposed alternative to the mineral withdrawal boundary (Nevada Alternative). I appreciate the ongoing discussion on Nevada's concerns regarding the Greater Sage-grouse, specifically on my proposed withdrawal boundary revisions.

I want to reiterate that I do not think the mineral withdrawal proposed for the Sagebrush Focal Area (SFA) is necessary and that the withdrawal will not address the most significant risks to Greater Sage-grouse habitat in Nevada. I've seen no justification by the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (FWS), or the Western Association of Fish and Wildlife Agencies (WAFWA) that explains or quantifies the threat of mining and mining exploration on Greater Sage-grouse in Nevada; identifies mining and exploration as a significant risk to conservation of the species; or describes the process and reasoning for the proposed SFA boundaries. That being said, I am pleased you acknowledge the merits of the Nevada Alternative as evidenced by your request for additional information.

Since our last meeting, my staff has worked with FWS Pacific Southwest Sage-Steppe Coordinator, Mary Grim, and BLM Nevada State Office Director, John Ruhs, and their staffs to provide detailed information on the biological and mineral aspects of the Nevada Alternative. This additional information evaluates the benefits of a revised withdrawal boundary based on readily available data, biological expertise and site-specific familiarity with the populations and habitat in the SFA, existing governmental records, peer-reviewed scientific publications, and geologic knowledge. The detailed information resulting from numerous meetings and exchanges of information is compiled in the attached report.

The Nevada Alternative fulfills the stated objective of the withdrawal to manage important landscape blocks with higher breeding population densities of sage-grouse and existing high quality sagebrush habitat. The Nevada Alternative does not jeopardize the integrity of the SFA

and does not fragment habitat. The Nevada Alternative also includes 49 additional leks in areas of high use by Greater Sage-grouse.


At the same time, the Nevada Alternative removes uncertainty for mining and exploration companies which are key contributors to Nevada's economy and culture. The proposed exchange minimizes this conflict in existing areas of known mineral importance and areas with active mineral exploration by excluding 4,286 existing claims. Despite being considered valid rights, each of the existing active claims and projects in the SFA withdrawal area have been put in jeopardy and are at great risk of losing capital investment money due to the fact that there is a withdrawal action being proposed.

Without a modification to your proposed withdrawal, Nevada's small mining and exploration companies will not survive the two year segregation.

After you review the analytical process and data that were used to develop our proposal, I believe you will see that revising and modifying your withdrawal application to reflect Nevada's alternative mineral withdrawal boundary, originally proposed in my letter of January 15, 2016 and further refined by the attached report and maps, is just as beneficial to the Department of Interior and to the Greater Sage-grouse as it is to the mining and exploration industries of our State.

I look forward to our meeting at the upcoming Western Governors' Association conference in Jackson, Wyoming and the opportunity to continue these important discussions.

Sincere regards,



BRIAN SANDOVAL
Governor

Enclosure

cc: Nevada Congressional Delegation
Mr. Jeff Fontaine
Executive Director, Nevada Association of Counties

BIOLOGICAL AND MINERAL VALIDATION FOR THE NEVADA PROPOSED ALTERNATIVE MINERAL WITHDRAWAL AREA

BACKGROUND

On September 25, 2015, Secretary of Interior Sally Jewell segregated and proposed withdrawal of more than 2.7 million acres in BLM-designated Sagebrush Focal Areas (SFA) in Nevada from the 1872 Mining Act. An Environmental Impact Statement (EIS) is currently being prepared by the Bureau of Land Management (BLM) to analyze the environmental and economic effects of the SFA Mineral Withdrawal on the entire ten million acres proposed for withdrawal west-wide.

On January 15, 2016 during the EIS public scoping period, Nevada Governor Brian Sandoval responded to the withdrawal notice by pointing out that mineral withdrawal would not address the highest and most severe risks to the greater sage-grouse and emphasized that no amount of mineral withdrawal was justified or appropriate at this time. Realizing that the BLM would likely proceed with the withdrawal, Nevada offered an alternative mineral withdrawal boundary (Nevada Alternative) that proposed to:

- Exclude areas with High Mineral Potential, areas with active mineral exploration activity and historic and known mineral resources within the SFA Mineral Withdrawal Area, and
- Add areas with exceedingly better sage-grouse habitat and connectivity with documented sage-grouse populations.

During subsequent meetings between Governor Sandoval and Secretary Jewell, Secretary Jewell requested additional information to support Nevada's proposed alternative. Governor Sandoval tasked the Nevada Department of Wildlife (NDOW) and the Nevada Division of Minerals (NDOM) to work together to gather the information and compile existing data and records, which are summarized below, to further describe and justify the recommendations for Nevada's proposal. The Nevada Alternative documents the net benefit to greater sage-grouse and is supported by both NDOW and NDOM. In addition, the Nevada Alternative protects valid existing claims and exploration activity into the foreseeable future which is also supported by NDOW and NDOM. (**Note:** valid existing rights for existing active claims in the SFA are losing capital investment. The risk of bankruptcy for small exploration companies during the two year segregation period is based on the uncertainty of the future withdrawal.)

APPROACH

Each state agency evaluated the sage-grouse and mineral resources in both the SFA Mineral Withdrawal Area and the Nevada Alternative Withdrawal Area. The Nevada Alternative Withdrawal Area was delineated through a two-part process. NDOM looked at current, historic, and potential mineral resources in the SFA Withdrawal Area to identify areas with high mineral potential and known mineral resources and activity. NDOW looked at current data and modeled habitat values to identify areas with low biological value for sage-grouse that do not significantly contribute to sage-grouse conservation and searched for additional areas that the BLM could propose for withdrawal in the Mineral Withdrawal Area that would increase conservation for the bird.

Assessment of Areas with High Mineral Potential

The process used to evaluate the SFA Mineral Withdrawal Area for high mineral potential was led by NDOM in coordination with the Nevada Bureau of Mines and Geology (NBMG), a unit of the University of Nevada, Reno. Maps of high mineral potential were constructed based on the following criteria:

1. Historic occurrences of metals, industrial minerals and gemstones from NBMG archives, which are compiled as GIS layer files. This information is largely derived from historic NBMG and United States Geological Survey (USGS) reports and data sets (MAS/MILS/MRDS).
2. Metallic, non-metallic and industrial mineral deposits active in the past, from NBMG archives which are available as GIS layer files. This information is largely derived from historic NBMG and USGS reports.
3. Plans of Operation and Notices of Intent for exploration and mining projects from the BLM LR 2000 online database.
4. Plans of Operation for exploration and mining projects from the U.S. Forest Service (USFS) NEPA Projects website.
5. Townships with drill projects from 2004 through 2014, from NBMG annual Mineral Industry Reports (NBMG Special Publications MI-2004 through MI-2014).
6. Active unpatented mining claims, data from BLM LR 2000 data. Assessment year 2016 data was used to develop the maps.
7. Discussions with exploration and mining entities active in the area as well as publically available SEDAR and EDGAR filings and company websites

Once the high mineral potential data was mapped at the township scale, NDOW map layers for acting and pending sage-grouse leks were overlaid on the minerals map and the boundaries of the high mineral potential areas were adjusted to avoid conflicts with lek sites, high breeding densities, and apparent habitat connectivity.

MINERAL POTENTIAL RESULTS

These data and records were the basis for delineation of 12 areas with high mineral potential shown on Map 1. Current and historic exploration and mining activity characteristics of each of the 12 areas with High Mineral Potential are summarized in Table 1, and detailed in Attachment A.

Table 1. Summary and history of claims and exploration projects in High Mineral Potential Areas.

Areas of High Mineral Potential	Size of Areas With High Mineral Potential (square miles)	Year that oldest active claims were staked	Number of Active Claims in Areas of High Mineral Potential	Claim Fees Paid to BLM to Retain Active Claims Since 1993	Number (and acres) of Current Notices of Intent	Number (and acres) of Current Plan of Operations	Possible Mineral Development next 20 years	Notes
Burner/Scraper	4.27	2002	33	\$50,492	1 (3.56 acres)	0	Underground gold-silver mine	Total permitted disturbance from 25 historic notices (1983-2010) was approx. 56 acres.
Charleston	34.16	1949	302	\$424,581	0	3 (3.28 acres)	Underground gold-silver mine, open-pit gold mine, barite quarry	Polymetallic district with much historic production. Two advanced gold exploration projects and one placer gold operation.
Contact	120.26	1994	539	\$503,630	0	0	Open-pit copper mine, underground gold-silver mine	240 claims were staked for gold/silver in 2014-2015. Over 280,000 feet of copper exploration drilling since 1967.
Delano	49.87	2001	152	\$158,152	1 (2.24 acres)	1 (100 acres)	Underground tungsten mine, underground silver/gold mine	Historic lead-silver-tungsten district continuously mined 1918-1980. Known deposit of tungsten.
Jarbridge	12.66	1994	76	\$103,918	0	1 (3 acres)	Underground gold mine	356,000 ounces of gold and 1.67 million ounces of silver produced from 1909-1961 from underground workings.
Kings Valley	90.47	1955	1,709	\$2,714,777	0	2 (325 acres)	Quarry mining for lithium clays with concurrent reclamation	325 acres permitted through plans of operation by Western Lithium (Lithium Americas).

Nevada Office of the Governor

Areas of High Mineral Potential	Size of Areas With High Mineral Potential (square miles)	Year that oldest active claims were staked	Number of Active Claims in Areas of High Mineral Potential	Claim Fees Paid to BLM to Retain Active Claims Since 1993	Number (and acres) of Current Notices of Intent	Number (and acres) of Current Plan of Operations	Possible Mineral Development next 20 years	Notes
Mountain City	43.88	1880	448	\$683,093	0	1 (100 acres)	Two small open-pit gold mines with on-site processing	Active gold mine 1988-1990 produced 35,000 ounces. Two known gold deposits.
National	8.75	1995	105	\$219,428	0	1 (1.03 acres)	Underground gold mine with off-site processing	Current Plan of Operations from USFS for 1.03 acres of disturbance
Opalite	38.06	1994	61	\$58,943	0	0	Lithium clay and bentonite clay quarry	Known gallium deposit. Gallium is used in microelectronic components
Paradise Valley	2.75	2002	3	\$1,041	0	0	Underground gold mine with off-site processing	Historic gold and silver production dating back to 1868.
Snake Mountains	42.62	2003	703	\$544,214	1 (4.65 acres)	1 (193 acres)	Barite quarry expansion; major open-pit gold mine	Existing 193-acre Plan of Operation for operating barite mine extends into PMWA unknown amount, one major gold exploration project of 636 claims.
White Rock	36.6	2004	155	\$206,763	1 (2.77 acres)	1 (6.7 acres)	Small open-pit gold mine	Northern edge of emerging gold trend, two active exploration projects.
TOTAL	484.35		4286¹	\$5,669,032				

¹ Approximate number of active (2016 assessment year) lode, placer and millsite claims as downloaded from the BLM LR 2000 data system resolved to the quarter-section level, within the proposed mineral withdrawal area.

FORSEEABLE FUTURE MINERAL DEVELOPMENT IN THE SFA MINERAL WITHDRAWAL AREA

In nearly all cases, mineral exploration will not or will infrequently lead to discoveries that support development of new mines. Exploration is an iterative process that generally leads to refinement and improved understanding of mineralogy and geology which leads to next-stage exploration.

NDOM developed the pyramid shown in Figure 1 to display the processes and activities in mineral exploration and development from claims to actual mining on public lands. Using the same methodology, Figure 2 was developed for the SFA Mineral Withdrawal Area which may be used to predict that the number of mines in the foreseeable future in the SFA would be approximately one every ten years.

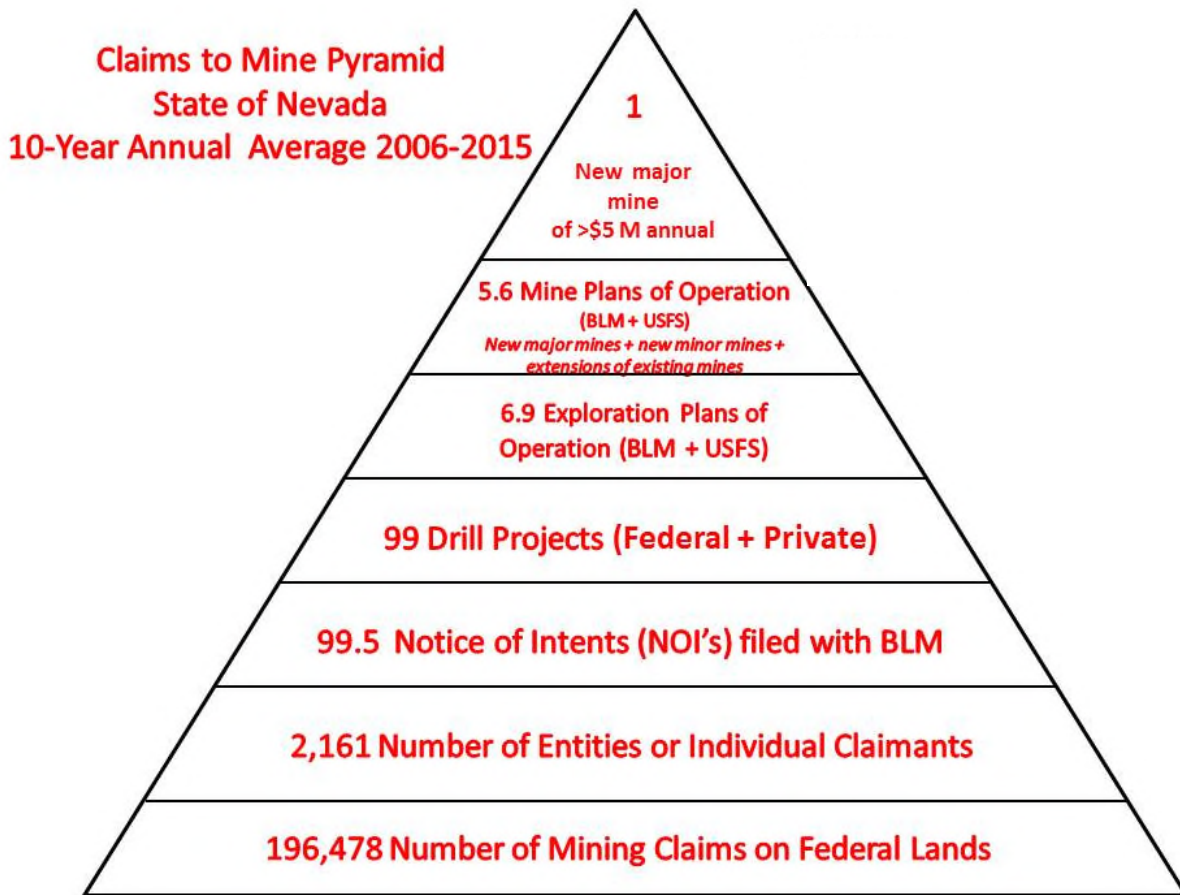


Figure 1. Annual number of mining claims, drilling projects, plans of operation, and new mine projects based on the ten-year averages between 2006 and 2015 in Nevada. (Notice of Intent and Plan of Operation are defined in Attachment A.)

Sources: BLM LR 2000 data system
USFS NEPA Project web site
NBMG Annual Industry Reports
John Muntean, NBMG Stat Economic Geologist
David Davis, NBMG State Industrial Minerals Geologist
NDOM annual reports and files.

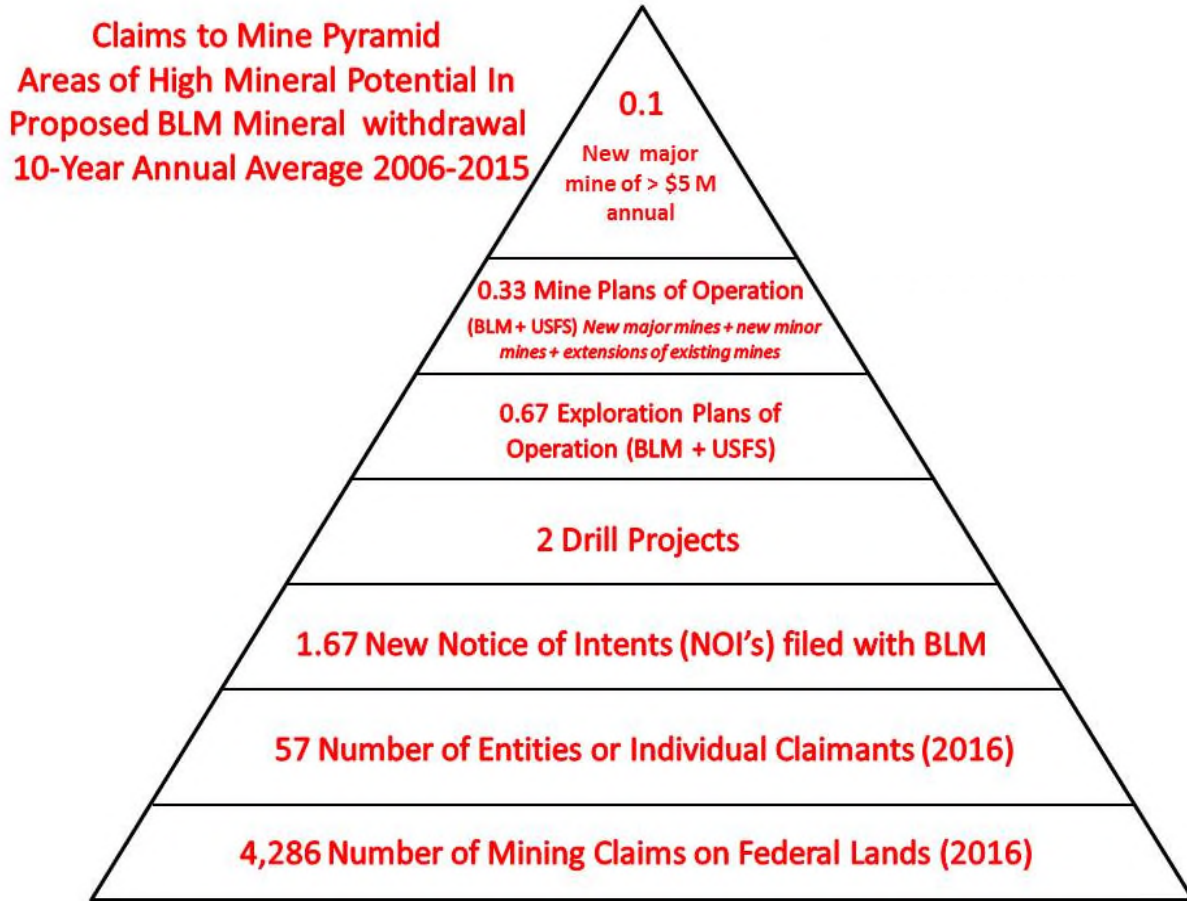


Figure 2. Annual number of mining claims, drilling projects, plans of operation, and new mine projects in the SFA Mineral Withdrawal Area based on the statewide ratios from ten-year averages between 2006 and 2015 in Nevada. (Notice of Intent and Plan of Operation are defined in Attachment A.)

Sources: BLM LR 2000 data system
USFS NEPA Project web site
NBMG Annual Industry Reports
John Muntean, NBMG Stat Economic Geologist
David Davis, NBMG State Industrial Minerals Geologist
NDOM annual reports and files.

Assessment of Habitat and Use by Greater Sage-Grouse

NDOW identified areas that could be excluded from the SFA Withdrawal Area based on low quality habitat and low value to sage-grouse while concurrently finding areas for expanding withdrawal boundaries to include high value habitat that were not included in the proposed SFA Mineral Withdrawal Area. NDOW conducted quantitative analyses of the SFA using habitat management categories developed by USGS for Nevada that incorporate a habitat suitability index (HSI) and lek density metrics with actual spatial use to generalize Priority Habitat Management Areas (PHMA a.k.a. 'core'), General Habitat Management Areas (GHMA a.k.a. 'priority'), Other Habitat Management Areas (OHMA) and non-habitat. Available telemetry information, lek locations and attendance data, breeding bird density, and the Space Use Index (SUI),² were also used to characterize the areas with low to high habitat value. NDOW specifically evaluated each of the areas of High Mineral Potential as well as the areas they proposed for exclusion and addition using these parameters.

The SUI is an analytical tool developed by USGS for Nevada that is not available for adjacent states. SUI values were plotted to create a heat map of northern Nevada that illustrates current sage-grouse use of the SFA and the Nevada Alternative Mineral Withdrawal Areas as shown in Map 4. By more accurately reflecting habitat usage and bird distribution, the NDOW evaluation more effectively addressed the species conservation needs and the BLM and U.S. Fish and Wildlife Service (FWS) objective to enhance the overall level of conservation benefit for greater sage-grouse populations in Nevada.

ANALYSIS OF INDIRECT IMPACTS

Indirect impacts of excluding the High Mineral Potential Areas from mineral withdrawal were evaluated using protocols approved for the Nevada Conservation Credit System. The indirect impact area for a 'small mine' was evaluated in a 3-km buffer area around each High Mineral Potential Area. The indirect impacts of a 'large mine' was evaluated in a 6-km buffer area around each High Mineral Potential Area. A very conservative estimate of the indirect effects of a mineral exploration project would be approximated by using the 3-km buffer area. The number of leks and the acres of PHMA and GHMA habitat were summed up for the High Mineral Potential Areas and the 3-km and 6-km buffer areas around each of them.

² The space use index raster (SUI) raster is relative spatial metric of male greater sage-grouse density based on location data of breeding sites combined with a non-linear distance index metric that represents space use in relation to lek sites. The index combines lek location and male counts on leks averaged over the most recent 5-year period and ranges from a low value of 0.0 to a high value of 1.0 (Coates, et al. 2016).

HABITAT ASSESSMENT RESULTS

High Mineral Potential Areas

NDOW evaluated each of the 12 High Mineral Potential Areas to ascertain their importance to sage-grouse. A summary of lek occurrences, acres of PHMA and GHMA, and SUI is provided in Table 2. No leks occur in eight out of the 12 areas. One lek occurs in the Opalite area; two leks occur in the Mountain City and White Rock Areas. Within the 3-km indirect impact buffer area, there are no leks in three out of the 12 areas; and five or fewer leks in ten out of the 12 areas, and six additional leks in Oregon. Within a 6-km indirect impact buffer area, there are fewer than five leks in nine out of 12 areas and 20 additional leks in Oregon. The SUI was low, less than 0.15, in six out of 12 areas and moderately low, 0.16 to 0.23, in five out of 12 areas. Kings Valley had the highest number of leks at 13, and the highest SUI of all 12 areas. SUI was 0.45 in Kings Valley which would be considered of high importance to sage-grouse.

NDOW Exclusion Areas

NDOW identified four areas in the SFA Withdrawal Area as having low habitat value for sage-grouse due to existing fragmentation of the landscape with private land ownership, existing wildfire or ground disturbance activity, and areas with little or no known use by sage-grouse, i.e. low SUI. The location of these areas are shown on Map 2 and Map 4 and the habitat characteristics for these areas are summarized in Table 3. The justification for NDOW's recommendation for exclusion of each of these areas from the SFA Mineral Withdrawal Area is described below.

Jarbridge Exclusion Area

The Jarbridge historic mine district is approximately 14,370 acres north of the town of Jarbridge that includes areas of dense, high elevation spruce and fir forest. The primary reason for recommending exclusion from the SFA Mineral Withdrawal Area was due to high fragmentation by large, private land parcels and nearby non-habitat (e.g., rugged mountain landscapes). There are no leks located in the Jarbridge area and only one lek found within the 6-km buffer area. The mean SUI is 0.05, or extremely low, in the historic mine district; 0.06, extremely low, in the 3-km buffer, and 0.09, extremely low, in the 6-km buffer area. Of the total 14,370 acres, only 1,120 acres (8 percent) are mapped as PHMA; 771 acres (5 percent) are mapped as GHMA; and 12,479 acres (87 percent) are mapped as Other Habitat and non-habitat.

Owyhee Desert Exclusion Area

The Owyhee Desert exclusion area is 44,190 acres with no PHMA; 25,699 acres (58 percent) of non-habitat; and 18,491 acres (42 percent) of Other Habitat. These low value habitats and an SUI of 0.05, which is extremely low, and the fact that this area only supports six leks within a 6-km buffer (none within 3-km) justified a recommendation to remove SFA protections in favor of mineral withdrawal additions elsewhere.

Bilk Creek Mountains Exclusion Area

This area is on the west side of the same-named mountain range and is comprised of 13,515 acres of Other Habitat and 568 acres of non-habitat. The steep slopes and rapid transition to salt-desert shrub

make this area of limited value to sage-grouse. Only one lek was found within the 6-km buffer area, and the mean SUI is only 0.06, extremely low.

Delano Mountains Exclusion Area

The Delano Mountains is approximately 244,867 acres in northeastern Nevada with generally low densities of sage-grouse and sage-grouse breeding with an extremely low SUI of 0.07. There is a total of 5 leks within the 3-km buffer area and 2 additional leks within the 6-km buffer. Of the 244,867 acres, 49,757 acres (20 percent) are PHMA; 86,248 acres (35 percent) is GHMA, 74,506 acres (30 percent) is Other Habitat, and 34,356 acres (14 percent) are non-habitat. This area is also highly fragmented with private land parcels in the eastern third.

NDOW Habitat Additions

NDOW also identified two large areas of contiguous habitat with the SFA Withdrawal Area that could be exchanged for the 12 High Mineral Potential Areas and areas of limited value to greater sage-grouse. These are areas of high lek density adjacent to the SFA that were analyzed using the same criteria previously described to evaluate their value to sage-grouse. The results are summarized in Table 4. The recommended additions to the Mineral Withdrawal Area are shown on Map 2 and Map 4 and are described below.

Hardscrabble Addition Area

The Hardscrabble addition to the withdrawal area is northeast of Paradise Valley, Nevada, east of the Santa Rosa Range, and west of the Little Humboldt River. It would provide additional protection for 15 active or pending leks within the 105,390 acres of PHMA habitat. The mean SUI of 0.41 is a strong indication of the importance of this area in terms of actual sage-grouse use, and the area is contiguous with existing designated SFA lands.

East Fork Beaver Creek Addition Area.

The East Fork Beaver Creek addition to the withdrawal area is south of and contiguous with existing SFA lands east of the Independence Mountains and west of Mary's River. Expanding the withdrawal area here adds an additional 34 active and pending leks and 288,422 acres of PHMA habitat that would be given stronger protection. This area is important in terms of bird use with a mean SUI of 0.43 for the area. Connectivity between this area and areas to the north would be protected from mineral entry.

HABITAT CONNECTIVITY BETWEEN NEVADA AND ADJACENT STATES

Nevada Department of Wildlife compiled existing information on sage-grouse migration and connectivity between Nevada, Oregon, Idaho, and Utah. Information obtained from radio-marked grouse indicates connectivity across the border with each of the three states adjacent to the Nevada SFAs. The following movement patterns and seasonal habitat usage have been documented relative to the Nevada SFA.

In Utah, research has been conducted with radio telemetry showing some evidence of collared birds using seasonal habitats in Nevada. Over a 15 month period, (between May 2005 and August 2006) four birds were documented crossing state lines. One male sage-grouse moved 69 km (41 miles) from southwest Idaho, through Box Elder County, Utah and into northeastern Nevada. Two sage-grouse hens that

summered in Utah moved 4 km (2.4 miles) and 20 km (12 miles), respectively, to winter in eastern Nevada. Another male followed the same path, but continued into winter habitats in eastern Nevada, a distance of 44 km (26 miles) (Reinhart et al. 2013). A recent study by Utah State University (Dahlgren et al. 2016) was published on research that was conducted between 1998 and 2013 at intervals along 185 miles of the Nevada-Utah state line between Box Elder County and Iron County to the south near St. George, Utah. The majority of this study area is well outside the SFA, but they documented some movement by Utah birds using seasonal habitats in Nevada.

The Lone Willow Population Management Unit (PMU), which includes Kings Valley, the Montana Mountains, Bilk Creek Mountains and Double H Mountains, is one of the most densely populated sage-grouse PMUs in Nevada, particularly the Montana Mountains portions of the PMU. Even though the Lone Willow PMU, a Nevada-specific management boundary, terminates on the Nevada-Oregon border, the sage-grouse population is well connected with habitats in Oregon, particularly in the Trout Creek Mountains. Along the Nevada-Oregon border in the Montana Mountain-Trout Creek complex, movement of birds from Nevada to Oregon was observed during a 2001-2005 study to document the effects of harvest. Movement of birds from Oregon to Nevada was also documented following the 2012 Holloway Fire, further demonstrating connectivity between the states. The Montana Mountain-Trout Creek complex is considered one of the most densely populated sage-grouse habitats and is of extreme importance to both states, portions of which are within the upper 25 percent breeding density category on the national ranking scale (Doherty et al. 2010).

Table 2. Sage-grouse habitat and lek characteristics in the High Mineral Potential Areas.

High Mineral Potential Area Name	Area (acres)			Number of Active and Pending Leks			Mean Space Use Index (0-1)			PHMA (acres)			GHMA (acres)		
	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer
Burner/Scraper	2,734	4,132	4,456	0	0	0	0.08	0.07	0.07	793	793	793	1,808	3,205	3,529
Charleston	21,959	56,527	87,642	0	3	3	0.11	0.16	0.22	11,526	37,269	67,811	4,421	9,332	9,757
Contact	76,973	164,477	262,604	0	9	17	0.16	0.20	0.23	37,951	92,760	172,146	26,036	42,572	48,091
Delano	31,921	79,194	130,361	0	2	3	0.07	0.09	0.09	7,251	23,583	46,686	10,261	20,764	29,407
Jarbridge	8,154	13,003	23,557	0	0	1	0.06	0.07	0.10	1,120	2,773	8,155	770	1,610	3,672
Kings Valley NV Kings Valley OR	57,875	123,105 3,871	181,492 15,346	NV 13	NV 34 OR 5	NV 47 OR 14	0.45	0.45	0.41	57,875	122,936	174,933	-	169	3,030
Mountain City	28,138	66,714	94,418	2	5	5	0.19	0.21	0.22	24,613	57,636	84,057	2,811	7,390	7,544
National	5,607	16,876	36,052	0	0	2	0.16	0.21	0.27	1,222	8,324	22,623	4,384	8,552	13,429
Opalite NV Opalite OR	24,359	50,558 5,527	87,361 18,522	NV 1	NV 5 OR 1	NV 7 OR 6	0.20	0.24	0.25	22,395	44,566	70,245	774	2,562	5,495
Paradise Valley	1,765	9,707	23,106	0	1	2	0.33	0.38	0.36	1,765	8,597	18,581	-	1,110	4,375
Snake Mountains	27,279	55,066	89,905	0	2	5	0.23	0.28	0.31	27,279	55,060	89,898	-	-	-
White Rock NV White Rock UT	23,732	53,041 6,691	86,616 13,254	NV 2	NV 3 UT (?)	NV 4 UT (?)	0.11	0.10	0.09	10,891	21,450	30,312	12,828	29,825	47,815
TOTAL	310,496	692,400	1,107,570							204,681	475,747	786,240	64,093	127,091	176,144

Table 3. Sage-grouse habitat and lek characteristics in Nevada Department of Wildlife proposed exclusion areas from the SFA Mineral Withdrawal Area

High Mineral Potential Area Name	Area (acres)			Number of Active and Pending Leks			Mean Space Use Index (0-1)			PHMA (acres)			GHMA (acres)		
	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer	Mineral Area	3-km Buffer	6-km Buffer
Jarbidge	14,370	20,044	35,689	0	0	1	0.05	0.06	0.09	1,120	2,885	114,480	0	771	4,532
Owyhee Desert	44,190	99,999	162,407	0	0	6	0.05	0.09	0.13	0	37,662	195,212	0	0	12,853
Bilk Creek Mountains	14,620	38,571	63,609	0	0	1	0.06	0.10	0.15	0	23,322	123,718	0	537	691
Delano Mountains	244,867	318,379	394,527	5	5	7	0.07	0.07	0.09	49,757	84,429	505,247	0	86,248	119,097
TOTAL	318,047	476,993	656,232							51,877	148,298	938,657	0	87,556	137,173

Table 4. Sage-grouse habitat and lek characteristics in Nevada Department of Wildlife proposed addition areas to the Mineral Withdrawal Area.

Area Name	Area (acres)	Number of Active and Pending Leks	Mean Space Use Index (0-1)	PHMA (acres)	GHMA (acres)
Hardscrabble	105,390	15	0.41	105,390	0
East Fork Beaver Creek	288,422	34	0.43	288,422	0
TOTAL	393,812	49		393,812	0

CONCLUSIONS

Neither NDOW nor NDOM were consulted during the development of the SFA boundaries. Therefore, the SFA Mineral Withdrawal Area does not necessarily reflect Nevada's knowledge of breeding bird densities, habitat usage by the bird, or mineral exploration and mining activity. NDOW and NDOM evaluated the best available data and used existing governmental records, peer-reviewed scientific publications, geologic knowledge, biological expertise, and site-specific familiarity with sage-grouse populations and habitat in the SFA to characterize sage-grouse habitat and population status as well as the historic and current mineral importance of areas with high exploration activity.

This additional information substantiates the need for a revised Mineral Withdrawal Area to protect sage-grouse strongholds and to protect Nevada's economic interests and industries. The Nevada Alternative was thoughtfully analyzed and accomplishes BLM and USFWS objectives as follows:

- Areas proposed in the exchange that are to be excluded from the current mineral withdrawal boundary will still remain within PHMA and will be subject to restrictions including surface disturbance caps, seasonal operation restrictions on development, and buffer distances around leks. Approved development will be subject to conditions that avoid and minimize disturbance and mitigate residual adverse impacts with appropriate processes such as the Nevada Conservation Credit System that assures conservation gain for greater sage-grouse.
- The proposed exchange minimizes conflict with existing areas of known mineral importance and areas with active mineral exploration by excluding approximately 4,286 existing claims. Future exploration and mining plans of operation in the exchange areas will continue to undergo federal permitting, NEPA analysis, public scoping and commenting, bonding for reclamation, and reclamation requirements. Based on the mining and exploration activity in the last ten years, only one new mine would be predicted in the SFA Mineral Withdrawal Area in the next ten years.
- Areas proposed for addition to the mineral withdrawal area, approximately 394,000 acres, are in exchange for exclusion of 554,941 acres of high mineral potential areas and areas of low sage-grouse habitat value. The proposed additional acreage is contiguous with the SFA and consistent with the SFA description as being important landscape blocks with high breeding population densities of sage-grouse and existing high quality sagebrush. (See <http://www.blm.gov/wo/st/en/prog/more/sagegrouse.html>.)
- The Nevada Proposed Alternative Mineral Withdrawal Area is 2,562,028 acres and is shown on Map 3. The Nevada Alternative withdrawal area does not jeopardize the integrity of the SFA and does not fragment habitat.
- The proposed exchange is a win-win solution for Nevada's sage-grouse and Nevada's mineral industries. It minimizes conflict with existing areas of known mineral importance and active exploration where substantial financial investments have been made by excluding 4,286 existing claims while resulting in a net conservation gain for greater sage-grouse by adding protection for 49 active leks in high density population areas, and the addition of 383,812 acres of PHMA to the proposed withdrawal area with high value to sage-grouse documented by the SUI as shown on Map 4.

ATTACHMENT A
CURRENT AND HISTORIC MINERAL POTENTIAL
IN THE PROPOSED SFA MINERAL WITHDRAWAL AREA

Terminology

Notice of Intent - Submission by an operator to the BLM proposing exploration activities having no more than 5.0 acres of cumulative surface disturbance. This includes access roads, drill pads, and sumps. The operator must post a satisfactory bond to cover the cost of reclamation required in the approved notice of intent.

Plan of Operations - Submission by an operator to the USFS proposing any level of exploration or mining activity regardless of amount of proposed surface disturbance. This includes access roads, drill pads, and sumps. The operator must post a satisfactory bond to cover the cost of reclamation required in the approved Plan of Operation for surface disturbance.

Plan of Operations, BLM Administered Lands – Submission by an operator to the BLM proposing more than 5.0 acres of exploration or mining activity. The operator must post a satisfactory bond to cover the cost of reclamation required in the approved Plan of Operation.

Mineral Enrichment – Description of various mineral commodities found in a given area with some generalization regarding their level of extraction.

- Producer – locations with documented mine production for given mineral commodity.
- Prospect – locations with documented exploration involving excavation or drilling for a given mineral commodity usually with reported concentration amounts (i.e. grade).
- Occurrence – locations with documented presence of a given mineral commodity, usually having concentrations above normal background as determined from geochemical analysis (i.e. assays).

Historic Exploration and Production – A summary of historical accountings by commodity.

- Typical units of measurement for precious metals (e.g. gold, silver) are in (troy) ounces, while base metals (e.g. copper, lead, tungsten) are in pounds.
- Concentration values are expressed as ounces (of precious metal) per ton of unprocessed mined or mineralized material or as a percentage (of the commodity) within the unprocessed mined or mineralized material.
- It is extremely common for an area with some level of enrichment to experience multiple episodes of claim staking followed by exploration, usually coinciding with increases in commodity prices.
- The degree of exploration (and cost) increases as projects move from surface mapping to geochemical sampling to initial drilling to geophysical surveys to extensive drilling to modeling for mine feasibility.

Current Active Claims within SFA – An approximate accounting for each Mineral Potential Area of the current (BLM Assessment Year 2016) active claims within the proposed mineral withdrawal area resolved to the quarter section as obtained from the Bureau of Land Management’s Land and Mineral Legacy Rehost 2000 System (<http://www.blm.gov/lr2000/>).

- The BLM LR2000 System includes information regarding claims on lands managed by both BLM and USFS.
- The amount of assessment fees paid to the BLM approximates the total amount claimants have paid in location and annual assessment fees since 1993, when the fee was introduced, in order to retain the claim from the year of location through the 2016 assessment year.
- No Small Miner Exemptions (of the annual assessment fee) are assumed.

Current Exploration and Production – A summary of known current activity by commodity by current active claimants.

- Information sourced from publically available company technical reports, websites and regulatory filings (SEDAR - <http://www.sedar.com/> and EDGAR - <http://www.sec.gov/edgar.shtml>)

Burner/Scraper Springs Area

This Area consists of about 4.3 square miles within the proposed mineral withdrawal area and is located 50 miles north-northeast of the town of Battle Mountain, Nevada. The Burner/Scraper Springs Area includes portions of the historic Burner and Scraper Springs Mining Districts. The Burner District has silver, lead, zinc, and arsenic commodities documented as present (NBMG Report 47). The Scraper Springs District has zunyite, barite, and silver commodities documented as present (NBMG Report 47). The Burner/Scraper Springs Area sits geographically along the northern extension of the prolific Carlin Gold Trend. Recent exploration in this district has focused on the potential for an underground gold-silver deposit, however, it has also been suggested that geochemical and alteration zoning patterns documented are similar to those found at the Mount Hope molybdenum deposit in Eureka County, Nevada (Cantor, 2012).

1. **Mineral Enrichment** - (Source – US Geological Survey MAS/MILS/MRDS datasets, Nevada Bureau of Mines and Geology Report 47, Cantor 2012)
 - a. Gold-Silver – 2 prospects
 - b. Aluminum – 1 occurrence
2. **Historic Exploration and Production** - (Source - NBMG Report 47; Lincoln, 1982; Cantor, 2012)
 - a. Gold-Silver
 - i. The Burner District was discovered in 1883 where production of silver-lead ore from the Mint Mine (located 1.3 miles north of the Burner Area) totaled approximately \$30,000 in revenue until 1893 when operations were shut down.
 - ii. US Steel first explored the Scraper Springs Area for gold and silver in 1983.
 - iii. In 1984, Freeport drilled 10 holes, for a cumulative 4,000 feet in which they intercepted elevated gold and silver values.
 - iv. In 1987, Hecla drilled 7 holes, for a cumulative 2,145 feet in which they intercepted elevated gold and silver values.
 - v. From 1989-1991, Cordex conducted extensive exploration including geologic mapping, rock and soil sampling, geophysical surveys, and drilled 40 holes for a cumulative 21,475 feet.
 - vi. From 1994-1997, Western States Minerals completed geologic mapping, rock and soil sampling, and drilled 13 holes for a cumulative 8,535 feet. Two drill holes intercepted significant mineralization SS-1 (140 feet of 0.017 ounce per ton gold) and SS-6 (25 feet of 0.020 ounce per ton gold).
 - vii. In 2003, Cordex performed additional mapping, extensive soil sampling, and geophysical surveys and drilled 12 holes for a cumulative 8,380 feet.
 - viii. In 2008, Newmont and Cordex under a joint venture agreement remapped the geology and alteration, conducted soil sampling, and drilled 3 holes.
 - b. Aluminum
 - i. A widespread occurrence of aluminum (in the form of zunyite) was first discovered in the Scraper Springs Area in 1979 and was documented in USGS

Open-File Report 79-764. The vein of zunyite is approximately 1,200 feet long and 10-60 feet wide.

- c. Total permitted disturbance from 24 historic notices (1983-2010) was approximately 57 acres. Reclamation completed and all historic notices were closed by the BLM.
- 3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 33 active claims (all lode claims)
 - b. Three unique claimants – in descending order of claims, Altan Rio (US) Inc. (16), Genesis Gold Corp. (16), and Gregory Kuzma (1).
 - c. Claimants have paid a total of approximately \$50,492 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 2002).
- 4. **Current Exploration and Production**
 - a. Gold-Silver (Source – Altan Nevada Minerals’ website)
 - i. Current exploration in the Area is being done by Altan Nevada Minerals Limited. Altan Nevada’s North Star project is located mostly in the southern half of the Burner/Scraper springs area closest to the Scraper Springs historic mining district. Altan Nevada compiled geophysical and geochemical data in order to target the 2014 drilling project which included one hole drilled to a depth of 1,833 feet by then joint-venture partner Teck, a large diversified global mining company. The hole encountered what was interpreted to be rocks similar to those which host ore deposits on the Carlin Trend.
 - ii. The only current active notice in the Area is for Altan’s Burner Hills project and is permitted for 3.56 acres of disturbance.

Charleston Area

The Charleston Area consists of two discontinuous areas in northern Elko County: 1) a small approximately 6 square mile region, within the proposed mineral withdrawal area, of primarily USFS-managed lands which lies 15 miles south-southwest of Jarbidge along the Bruneau River in the historic Charleston Mining District, and 2) approximately 28 square miles, within the proposed mineral withdrawal area, of primarily USFS-managed lands northeast of Wild Horse Reservoir in the historic Island Mountain Mining District. Current activity in the Charleston Area includes several small intermittent placer operations and two advanced gold exploration projects.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Gold – 32 past producers
 - b. Silver – 26 past producers
 - c. Copper – 19 past producers
 - d. Lead – 12 past producers
 - e. Antimony and Zinc – 8 past producers (each)
 - f. Barite and Tungsten – 2 past producers (each)
 - g. Molybdenum – 1 past producer
 - h. Uranium – 2 occurrences
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Gold – Placer gold first discovered in the 1870s, with approximately 40,000 ounces produced through 1901. 3,397 ounces of recorded production from 1908-1983.
 - i. The Prunty property, located in the eastern portion of the Charleston Area, was drilled by Remington Gold in 1984 and Tenneco Minerals in 1986, for a cumulative amount of 6,217 feet. (Source – Humboldt Mining website presentation)
 - ii. The Island Mountain property, located in the northwest portion of the Charleston Area, has had significant drilling, having been drilled by Cordex in 1982, and in the 1990s by Western States Minerals, Kennecott, Aur Resources, and BHP. In 1998, Gateway Gold purchased the property from BHP and added claims followed by drilling campaigns in 2003 and 2004. In 2009, Golden Predator then drilled more than 10,000 cumulative feet on 4 targets. (Source NBMG Mineral Industry Reports)
 - b. Silver – Minor production, as by-product from 1912-1983 - ~124,000 ounces.
 - c. Copper – Minor production, largely as by-product from 1903-1983 - ~18,000 pounds.
 - d. Lead – Majority of production from two mines, 1954-1985 – ~24,000 pounds.
 - e. Antimony – Majority of production from two mines, 1907-1969 - ~55,000 pounds.
 - f. Barite – A small amount of barite was produced from two mines in the 1980s.
 - g. Because the Charleston Area is within lands managed by the USFS, a definitive listing of Plans of Operation is not readily available online.

3. Current active claims within SFA (Source - BLM LR2000)

- a. Approximately 302 active claims (299 lode claims, 3 placer claims)
- b. 16 unique claimants – in descending order of claims, Robert Robison (109), Arnevt Resources/Tuvera Exploration (78), Corus Acquisition Corp. (32), Rancho Grande Inc. (20 lode, 1 placer), North Exploration LLC (8), 4 claimants with 7 claims each, 7 claimants with 6 or fewer claims each.
- c. Claimants have paid a total of \$424,581 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 1949).

4. Current Exploration and Production

- a. Gold/Silver
 - i. Robert Robison has 109 active claims at the Charleston/Prunty project. In 2010, under a lease agreement Humboldt Mining Co. drilled 5 exploration holes with a high-grade intercept of 0.205 ounces per ton gold over 22.6 feet. In 2011, they conducted a geophysical survey of the project area and identified additional drilling targets. (Sources – Humboldt Mining website)
 - ii. Following approval from the USFS in 2012, Arnevt Resources drilled 32 exploration holes in 2012 and 2013, bringing the total drilled to date to 348 holes for a cumulative total of nearly 200,000 feet. Tuvera Exploration (the successor to Arnevt Resources) has a 2016 National Instrument 43-101 report indicating a gold resource of 32,200 ounces of gold indicated and 385,000 ounces of gold inferred, at an average grade of 0.018 and 0.015 ounces per ton, respectively. (Source – 2016 NI 43-101 draft report obtained from Tuvera Exploration upon request)
 - iii. There are 3 Plans of Operation approved for gold exploration by USFS within the Charleston Area, all approved in 2012; 2 lode, 1 placer. The amount of permitted disturbance could not be ascertained but is estimated from the descriptions of work plans to be approximately 3.28 acres. (Source – USFS website)
- b. Barite
 - i. National Oilwell Varco has active 7 claims originally staked in 2005 at their 76 Creek project located immediately south of the Prunty gold project; exploration activity is unknown.

Contact

The Contact Area consists of approximately 120 square miles, within the proposed mineral withdrawal area, and lies along Highway 93 in Elko County. Current activity in the Contact Area includes a large, well-defined copper deposit and significant recent claim staking in pursuit of gold and silver.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Copper – 79 past producers
 - b. Silver – 68 past producers
 - c. Gold – 54 past producers
 - d. Lead – 22 past producers
 - e. Molybdenum – 14 past producers
 - f. Zinc – 5 past producers
 - g. Tungsten – 1 past producer
 - h. Uranium – 2 occurrences
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Bulletin 106 and Nevada Bureau of Mines and Geology Mineral Industry Reports)
 - a. Copper – Several copper mines developed in the late 1870s, with recorded production from 1908 to 1965 of approximately 5.7 million pounds of copper.
 - i. In the early 1970s, Coralta Mines drilled extensively and identified 8 million tons of mineralized material containing an average of 2.3% copper.
 - ii. In 2007 and 2008, International Enxco Ltd. drilled 133 holes on their Contact project resulting in a resource of 33.6 million tons averaging 0.293% copper. By 2010, the resource was increased to 54 million tons averaging 0.293% copper.
 - iii. International Enxco added to their property position in 2011 and by the end of 2012 had drilled 82 additional holes. An updated National Instrument 43-101 report in 2013 indicated a significantly increased resource of 141 million tons of mineralized material averaging 0.22% copper.
 - iv. In 2014, the Contact project was acquired by a new company subsequently named CopperBank Resources.
 - v. From 2000 through 2015, within the SFA there have been 3 notice-level projects by 2 operators, totaling 10.1 acres of permitted disturbance.
 - b. Silver – Minor production as by-product from 1908-1965 - ~127,000 ounces.
 - i. Exploration drilling in 1972 intercepted 25' of 22.3 ounce per ton silver.
 - c. Gold – Minor production as by-product from 1908-1965 – 1,222 ounces. Exploration consisting of mapping, geochemical sampling and drilling renewed in the 1980s and is ongoing, as evidenced by the large claim block staked by Newmont in 2014 and 2015.
 - d. Lead – Recorded production from 1916-1965 – 360,000 pounds.
 - e. From 1985 through 2013, within the SFA, there have been 11 notice-level and 1 plan-level exploration projects by 11 operators, totaling 41.6 acres of permitted disturbance.

3. Current active claims within SFA (Source - BLM LR2000)

- a. Approximately 539 active claims (531 lode claims, 8 placer claims)
- b. 13 unique claimants – in descending order of claims, Newmont (242), Enxco International , now CopperBank Resources Corp. (224), Resurrection Canyon (44), 4 claimants with 4 claims each, 5 claimants with 1 claim each.
- c. Enxco International Inc. first staked claims in 2005 and has added claims through 2013.
- d. Claimants have paid a total of \$503,630 to BLM in assessment fees to hold these claims (oldest active claim was staked in 1994).

4. Current Exploration and Production

- a. Gold/Silver
 - i. More than 240 claims staked by Newmont in 2014 and 2015 at the Knoll Mountain project.
 - ii. Approximately 2 square miles of active association placer claims, staked in 2008.
- b. Copper
 - i. CopperBank Resources' Contact Copper project is a mix of public and private land (consisting of 156 mining patents), and has a 2013 report indicating 141 million tons of mineralized material averaging 0.22% copper. (Source – NBMG Mineral Industry Report 2013, pg. 23)
 - ii. Over 280,000 feet of exploration drilling has occurred on the property since 1967.
 - iii. CopperBank is awaiting a rebound of copper prices above \$2.90/pound for their Contact deposit and looking to joint-venture two nearby prospects. (Source – Enxco 43-101 report and CopperBank website)

Delano

The Delano Area consists of approximately 50 square miles within the proposed mineral withdrawal area in northeastern Elko County. Current activity includes permitted exploration projects for gold/silver and tungsten.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Silver and Lead – 13 past producers (each)
 - b. Gold – 11 past producers
 - c. Copper – 10 past producers
 - d. Zinc – 4 past producers
 - e. Tin – 1 past producer, 7 prospects
 - f. Antimony, Fluorite, Molybdenum, Tungsten– 1 past producer (each)
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Two main ore types: lead-silver replacement bodies and silver-copper-tungsten bearing quartz veins. With 6 mine regions, the historic Delano Mining District saw nearly continuous production from 1918 through 1980.
 - b. Significant claim staking, mapping, sampling, and drilling by Noranda Exploration Inc. in the 1980s with a 1990 internal report of 240,000 tons of mineralized material averaging 6.43 ounces per ton silver, 5.6% lead, and 3.8% zinc.
 - c. Silver – First discovered in 1872; production from 1918-1970 - 1.5M ounces.
 - d. Lead – Production from 1918-1970 – 22.1M pounds
 - e. Gold – Minor production as by-product from 1918-1970 – 333 ounces. Exploration consisting of mapping, geochemical sampling and drilling renewed in the 1980s and is ongoing. From 1982 through 2015, within the SFA, there have been 8 notice-level and 1 plan-level exploration projects by 6 operators, totaling 21 acres of permitted disturbance.
 - f. Copper – Production from 1918-1970 – 167,639 pounds
 - g. Zinc – Production 1918 and 1942-1970 – 1.39 million pounds
 - h. Tungsten – First explored for in 1969 by Arizona Land and Cattle Co., resulted in Indian Springs deposit reported to contain 17.4 million tons of mineralized material averaging 0.19% tungsten trioxide. A 1970 reference in the 1985 US Bureau of Mines Information Circular 9035 reports 13.9 million tons averaging 0.27% tungsten trioxide.
 - i. Indian Springs project most recently controlled by Utah International (BHP Minerals) with minor mining in the 1980s; their ore reserve estimate was 30.8 million tons averaging 0.17% tungsten trioxide.
 - ii. In 2006 and 2007, Galway Resources drilled 38 holes and performed metallurgical testing. Incorporating BHP's drill results, Galway provided an indicated resource estimate, using a total of 299 drill holes, of more than 37 million pounds of tungsten, valued in 2007 as worth \$481 million.

- iii. From 1985 through 2015 there have been 2 notice-level and 1 plan-level exploration projects by 2 operators, totaling over 100 acres of permitted disturbance.

3. Current active claims within SFA (Source - BLM LR2000)

- a. Approximately 152 active claims (all lode claims)
- b. 4 unique claimants – in descending order of claims, Western Pacific Resources (120), Montana Gold Subsidiary (16), Geological Services Inc. (15), and Kirk Baker (1).
- c. Western Pacific staked 20 claims in 2009 and added 100 to claim block in 2011.
- d. Claimants have paid a total of \$158,152 to BLM in assessment fees to hold these claims (oldest active claim was staked in 2001).

4. Current Exploration and Production

- a. Silver/Gold
 - i. Surface sampling has occurred at Western Pacific Resources' Rock Springs silver/gold project; currently seeking a joint-venture partner. (Source Western Pacific Resources' website)
 - ii. Montana Gold Mining Company Inc. completed Phase 1 of an exploration program at their Golden Trail project under authorized notice (NVN-82700), with plans for a modest Phase 2 as described in their technical report. (Source – Montana Gold Mining website)
- b. Tungsten
 - i. Galway Resources (US) Inc./Grant Gerber have an authorized Plan of Operations (NVN-83013) with 100 acres of permitted disturbance.

Jarbidge

The Jarbidge Area consists of about 13 square miles within the proposed mineral withdrawal area and is located near the town of Jarbidge, located about 75 miles north-northeast of Elko, and represents the northern quarter of the historic Jarbidge Mining District. Current activity in the Jarbidge Area includes one permitted gold exploration project.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 106, USGS Bulletins 497 and 741)
 - a. Gold – 17 past producers
 - b. Silver – 14 past producers
 - c. Barite, Copper, Lead, Selenium, Tungsten – 1 past producer each
2. **Historic Exploration and Production** - (Source - Nevada Bureau of Mines and Geology Bulletin 106, US Geological Survey Bulletins 497 and 741)
 - a. Gold and silver – Gold was discovered in 1909, with approximately 356,000 ounces of gold and 1.67 million ounces of silver in recorded production from 1909-1961, all from underground workings.
 - i. By 1923, there were nearly 800 claims in the district and workings had extended to depths of about 900 feet.
 - ii. From 1980-1982, Freeport McMoran explored for a disseminated (open-pit) gold deposit and drilled 6 holes. Subsequent to Freeport, Moly Corp drilled an additional 13 holes.
3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 76 active claims (all lode claims)
 - b. Three unique claimants – in descending order of claims, John D. Bernt (67), Esther A. Boyle (6), and Harvey Bellm (3).
 - c. Claimants have paid approximately \$103,918 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 1994).
4. **Current Exploration and Production**
 - a. Gold/Silver
 - i. As part of an exploration program evaluating a high-grade underground vein target similar to that at the underground Midas mine, Atna Resources drilled 24 holes in 2007 on John Bernt's claims and private property. (Source Atna Resources website)
 - ii. John Bernt leased his claims to Quantum Minerals LLC who then submitted a proposal to the USFS to drill 40 exploration drill holes on June 24, 2014 and received approval on August 20, 2015. Total permitted disturbance is 3 acres. (Source USFS NEPA website)

- iii. Approximately 30 of the proposed drill holes are located within the proposed mineral withdrawal area. (Source – correspondence from Quantum to the Nevada Sagebrush Ecosystem Council, made public at the June 12, 2015 meeting.)

Kings Valley

The Kings Valley Area consists of about 90 square miles within the proposed mineral withdrawal area located in the Montana Mountains about 20 miles west northwest of the town of Orovada, Nevada. The Kings Valley Area contains a large portion of the historic Disaster Mining District and is situated within the extensive 500 square-mile McDermitt Volcanic Caldera Complex. Current activity consists of a surface quarry for specialty clay (hectorite) and final regulatory approval for the largest near surface lithium deposit in the United States.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets)
 - a. Gold and Silver – 2 past producers
 - b. Uranium – 1 past producer, 7 prospects, 6 occurrences
 - c. Lithium – 2 past producers
 - d. Mercury – 2 past producers and 3 occurrences
 - e. Specialty Clays – 1 current producers, 1 past producer, 2 prospects
 - f. Arsenic, Barite, Manganese, Molybdenum, and Zeolites – 1 past producer (each)
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Report 47 and Open File Report 85-3, US Geological Survey Report 874-A, Noble et al., Economic Geology Volume 83, 1988)
 - a. Gold/Silver - Gold production from placer workings documented as early as the 1870s. There has been intermittent gold-silver exploration in the Kings Valley area, with an increase during the 1980s to early 1990s.
 - b. Uranium - Uranium was first discovered in the area in 1952 followed by a preliminary examination on parts of the area in June of 1954 for the Defense Minerals Exploration Administration to evaluate the uranium occurrences by the United States Geological Survey.
 - i. In 1954, Platora Uranium Corporation sank an inclined shaft to a depth of 200 feet and shipments of ore were taken from the workings. It wasn't until the 1970s that this district started to receive significant attention for uranium exploration.
 - ii. In 1975-1991 Chevron USA explored the Kings Valley area for uranium in the sediments of the McDermitt Caldera. In 1978, Chevron also began exploring for lithium enrichments.
 - c. Lithium - Following research and results published in US Geological Survey Report 78-926 indicating high lithium concentrations occurring within the tuffaceous moat-filling sedimentary rocks of the caldera complex, Chevron drilled over 223 holes resulting in a resource estimate in 1985 of 2.3 million tons averaging 0.33% lithium.
 - d. Mercury - There have been a number of mercury deposits and occurrences documented on or near ring fracture zones of the large McDermitt Caldera Complex, the most significant of which is the Cordero mine to the northeast in the nearby Opalite district.
 - e. Historically there has been 151 acres permitted for disturbance in the Kings Valley area.

3. Current active claims within SFA (Source - BLM LR2000)

- a. Approximately 1,709 active claims (1,677 lode claims & 32 placer claims)
- b. Nine unique claimants – in descending order of claims, K V Project LLC (931 lode), Lithium Nevada Corp (600 lode), American Colloid Co. (77 lode, 32 placer), True Brit Nevada LLC (26 lode), James V. Lebret (12 lode), Locke Jacobs (10 lode), Grace E. Lebret (9 lode), Platero West Inc. (7 lode), and 5555 Gold Inc. (5 placer).
- c. Claimants have paid approximately \$2,714,777 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 1955).

4. Current Exploration and Production

- a. Lithium – (Source – Western Lithium’s 2008 and 2014 National Instrument 43-101 Reports, Nevada Bureau of Mines and Geology Major Mines of Nevada 2014)
 - i. In 2005 Western Energy Development Corporation leased claims in the area and staked more claims to cover the prospective area for lithium. Western Energy Development Corporation then leased the claims to Western Lithium Corporation in 2007.
 - ii. From 2007-2008, Western Lithium drilled 45 holes for a cumulative 21,852 feet, resulting in the identification of five regions of significant lithium mineralization and an indicated resource in just one region of 53 million tons of mineralized material averaging 0.27% lithium.
 - iii. Subsequent additional drilling resulted in an updated resource for the Stage 1 Lens of 237 million tons averaging 0.29% lithium, for a total of 3.7 million tons of contained lithium carbonate equivalent. For reference, the only current lithium producer in the US, Albemarle’s Rockwood Lithium mine in Nevada, produced less than 5,000 tons of lithium compounds in 2014.
 - iv. The 2014 report contains an economic analysis of the open pit mine plan using 2 scenarios. With 2,300 ton/day processed for approximately 20 years, the life-of-mine capital expenditures range from \$263 million to \$450 million.
- b. Currently there are 325 acres permitted for disturbance in the Kings Valley Area. Of the permitted acres, 250 are permitted through Western Lithium’s plan of operations.

Mountain City

The Mountain City Area consists of about 44 square miles within the proposed mineral withdrawal area and is located near the town of Mountain City, Nevada. The Mountain City Area includes portions of the historic Mountain City and Aura Mining Districts. Current activity in the Mountain City Area includes one permitted gold exploration project.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets)
 - a. Gold – 13 past producers, 10 prospects, and 7 occurrences
 - b. Silver – 12 past producers, 9 prospects, and 3 occurrences
 - c. Copper – 8 past producers, 5 prospects, and 3 occurrences
 - d. Molybdenum – 2 past producers and 1 occurrence
 - e. Lead – 1 past producer, 4 prospects, and 7 occurrences
 - f. Tungsten – 2 past producers
 - g. Zinc – 3 past producers, 4 prospects, and 1 occurrence
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Bulletins 54 and 106, Mineral Industry Reports 1995-2011, Mountain City District Report 1983, Open-File Report 83-9, Report 47; US Geological Survey Report 76-56, Western Mining History Website; Christensen et al.; 2015 Lincoln, 1982)
 - a. Gold/Silver Production in the two mining districts
 - i. The Mountain City/Aura historic Mining Districts were discovered in 1869.
 - ii. By 1870, there were 10 producing mines in the Aura Mining District. It is estimated that from 1870-1937 gold and silver produced from the Aura District totaled approximately \$6 million (67,265 ounces of gold and 4,293,056 ounces of silver).
 - iii. From 1869-1949, production in the Mountain City Mining District it is estimated to have totaled \$2 million (11,077 ounces of gold and 1,472,134 ounces of silver).
 - b. Gold/Silver exploration in the Mountain City Area
 - i. In 1982, minor silver production was reported from the Silver King Mine
 - ii. In 1983, Pemberton Exploration drilled at least six drill holes which discovered the Cobb Creek prospect. Further exploration during the 1980s delineated a resource of 173,000 ounces of gold at an average grade of 0.045 ounce per ton gold.
 - iii. From 1984-1990, Homestake conducted extensive exploration resulting in a small open pit (Wood Gulch) that produced 35,000 ounces of gold. Reserves at the time were reported as being 500,000 tons at an average grade of 0.098 ounce per ton gold. Homestake also developed a preliminary resource estimate for a nearby project referred to as Doby George containing 3.7 million tons grading 0.06 ounce per ton gold.
 - iv. From 1993-1997 various companies held the claims ending with Western Exploration LLC.

- v. Prior to Western Exploration's acquisition of the project previous operators drilled approximately 323 exploratory and development holes.
 - c. Copper - It is estimated that from 1869-1949, in the Mountain City District, 189 million pounds of copper were produced totaling \$21 million.
 - i. Initially staked in 1919, Rio Tinto discovered their copper deposit in 1931. By the end of 1948, over 1.1 million tons of high-grade copper was produced averaging, 9.7% copper. It is estimated that 400,000 tons of mineralized material remains, averaging 1% copper.
 - d. Lead - It is estimated that from 1869-1949, in the Mountain City District, lead production totaled 192,863 pounds.
- 3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 448 active claims (446 lode claims, 1 placer claims, 1 millsite)
 - b. Nine unique claimants – in descending order of claims, Western Exploration LLC (282 lode), Tyler L. Shephard (55 lode), Mountain City Trust (54 lode, 1 millsite), Donald K. Jennings (21 lode), Clover Nevada LLC (14 lode), John L. Anderson (10 lode), Gary W. Clifton (5 lode), Homestake Mining Co. (5 lode), and Barney Barham (1 placer).
 - c. Claimants have paid approximately \$683,093 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 1880).
- 4. **Current Exploration and Production**
 - a. Gold-Silver (Source – Christensen et al., 2015)
 - i. After 1997, Western Exploration conducted exploration, consisting of geologic mapping, geochemical sampling and drilling, of both the Wood Gulch deposit and surrounding areas.
 - ii. In 2008, Western Exploration drilled four holes for a cumulative total of 2,640 feet, all which intercepted gold and silver mineralization in a new exploration target that would be known as Gravel Creek.
 - 1. In 2013 and 2014, 27 holes were drilled into the Gravel Creek deposit for a cumulative 48,355 feet.
 - 2. Western Exploration has a current plan of operations through the United States Forest Service for 100 acres of surface disturbance.

National

The National Area consists of approximately 9 square miles within the proposed mineral withdrawal area on lands managed by the USFS in the Santa Rosa Range of Humboldt County. The National Area is located approximately 18 miles southeast of the town of McDermitt and current activity includes a permitted exploration project for gold and silver.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 59)
 - a. Mercury – 3 past producers
 - b. Gold, Silver, Copper, Arsenic, Antimony – 2 past producers each
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Bulletin 41 and 59, Open File Report 1985-03, Mineral Industry Reports 1990-2006; US Bureau of Mines Information Circulars 6902 and 6995, US Geological Survey Bulletin 601)
 - a. The National Area is in the southeastern portion of the historic National Mining District and immediately south of the bonanza-grade underground National Mine gold complex, responsible for most of the production from the district which totaled nearly \$4 million from 1909-1959. Two mines are responsible for the bulk of production within the National Area: the Buckskin National Mine and the McCormick group/Buckskin Peak Mine.
 - b. Gold/Silver – The Buckskin National mine began production in 1912 and saw intermittent production through the 1930s with the development of approximately 6,500 feet of underground workings by 1937.
 - i. Asarco conducted extensive exploration work in the 1980s, including more than 3,300 feet of drilling.
 - ii. By 1990, Queenstake Resources announced that after spending \$1 million over the previous 6 years on mapping, sampling, geophysics, and drilling they had identified a reserve of 138,000 tons of high-grade material averaging 0.36 ounces per ton gold and 3.4 ounces per ton silver.
 - iii. Cameco drilled on Queenstake's property in 1992. Royaledge Resources acquired the claims in 1997 with plans to continue drilling.
 - iv. In 2004, Romarco Minerals acquired the property and completed mapping and sampling while submitting a plan to USFS for drilling. In 2005 and 2006, Romarco drilled 7 holes.
 - c. Mercury – The McCormick group/Buckskin Peak Mine produced approximately 150 flasks of mercury from 1929-1943 from over 1,000 feet of underground workings.
 - i. USGS Bulletin 922-E (1940) details the geology and workings present at the time and concluded that total reserves may be as much as 2,000-3,000 flasks of mercury, equivalent to 150,000 to 225,000 pounds of mercury.
3. **Current active claims within SFA** (Source - BLM LR2000)

- a. Approximately 105 active claims (all lode claims)
- b. 4 unique claimants – in descending order of claims, Paragon Precious Metals (61), National Mines Co. Ltd. (31), Buckskin National Mine (10), and John Russell Bell (3).
- c. Claimants have paid approximately \$219,428 to BLM in assessment fees to hold these claims (oldest active claim was staked in 1995).
- d.

4. Current Exploration and Production

- a. Gold/Silver
 - i. On September 12, 2013, Volcanic Gold and Silver LLC received approval from the USFS to conduct exploration and drilling operations at their Buckskin National property (a joint-venture agreement with Paragon) for their Plan of Operations (#10-12-04). Plans include 21 drill sites and a total of 1.13 acres of permitted disturbance (source - USFS Decision Memo – 9/12/2013).
 - ii. A 2015 company report on the Buckskin-National project proposed a \$1.2M budget for continued exploration, including geophysical surveys and 10,000 feet of drilling (source - 3/31/2015 Mine Development Associates' Technical Report).

Opalite

The Opalite Area consists of about 38 square miles within 7-12 miles of the town of McDermitt, Nevada. The Opalite Area lies completely within the historic Opalite Mining District and in the most northeastern extent of the large 500 square mile McDermitt Volcanic Caldera Complex. The Opalite Mining District is primarily known for its historic mercury production however, uranium, lithium, specialty clay, gallium, and dimension stone are both historic and current exploration targets in the Opalite Mining District.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Report 47; US Geological Survey 59; Gold Canyon Resources' technical report and resource estimation for the Cordero Gallium Project Humboldt County, NV)
 - a. Mercury – 3 past producers, 1 occurrence
 - b. Lithium – 1 past producers
 - c. Uranium – 1 past producer, 1 occurrence, & 1 prospect
 - d. Gallium – 1 occurrence
2. **Historic Exploration and Production** - (Source - Nevada Bureau of Mines and Geology Report 47, 1979 Mineral Industry Report; US Geological Survey Bulletin 59, 2209-C and Mineral Commodity Summaries; Cordero Gold-Silver Project Technical Report, February 2014, Bureau of Land Management LR 2000 database)
 - a. Mercury – Mercury was first discovered in 1929 and historic production of mercury totaled over 550 thousand flasks, equivalent to 41 million pounds of mercury.
 - i. From the 1930s to the 1970s over 115,000 flasks were produced from the underground Cordero mine.
 - ii. From 1975 through 1989, about 170,000 flasks of mercury were mined from the McDermitt open pit and a resource of about 200,000 flasks of mercury remains.
 - b. Uranium – Exploration efforts in the Opalite Area began in the 1970's conducted by several companies including Placer Amex, Inc., Cordex, Chevron Resources, Energy Reserves Group Inc., and Shell Oil.
 - c. Bentonite – American Colloid Co. held an approved notice for the exploration of bentonite from 1984-2013 with a permitted disturbance of 1.6 acres (NVN-63895).
 - d. Lithium – Anomalously high values of lithium in montmorillonite clays (hectorite) are known to exist throughout the McDermitt Caldera Complex. Lithium NV Corp. has 42 active claims within the Opalite Area located 10 miles northeast of Western Lithium's Kings Valley lithium project.
 - e. Historic plans and notices in the Opalite Mining District totaled 231 acres of permitted disturbance with a much smaller but undetermined amount within the Opalite Area.
3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 61 active claims (56 lode, 5 placer)

- b. Five unique claimants – in descending order of claims, Lithium Nevada Corp (42), Tech Industries Ltd (8), Cordero Mine Inc. (5), American Colloid Co (5 placer), and Gold Canyon Resources USA Inc. (1).
- c. Claimants have paid approximately \$58,943 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 1994).

4. Current Exploration and Production

- a. Gold/Silver (Source - Cordero Gold-Silver Project Technical Report)
 - i. Cordero Gold/Silver Predator is the current claimant exploring for gold and silver in the Opalite Area.
 - ii. The first exploration for precious metals in the Opalite Mining District was done by the USGS in the late 1970s focusing around the McDermitt Pit. Since then, intermittent exploration activities including drill hole and rock chip sampling has taken place.
 - iii. Geochemical and geological data collected to date have been interpreted to have signatures similar to and stronger than those documented over known gold and silver deposits with similar geology such as the Buckskin-National Ivanhoe deposit.
- b. Gallium (A soft metallic element used in a variety of microelectronic components)
 - i. In 2001, Gold Canyon Resources acquired rights to explore for gallium on several claims covering the Cordero mine area. Gallium exploration efforts included extensive rock chip sampling along with 20,405 feet of reverse circulation drilling resulting in a resource estimate of 6.5 million tons grading 1.14 ounce per ton gallium, 7.4 million ounces of gallium. (Source – Gold Canyon Resources Technical Report)
 - ii. US Geological Survey Bulletin 2209C suggests the McDermitt mercury deposit as being a potential source of the gallium.

Paradise Valley

The Paradise Valley Area consists of about 3 square miles within the proposed mineral withdrawal area on lands managed by the US Forest Service and is located 7 miles north-northeast of the town of Paradise Valley, Nevada. The Paradise Valley Area is completely contained in the historic Paradise Valley historic Mining District. There are active claims but no current approved Plan of Operation.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets)
 - a. Gold – 1 past producer and 1 occurrence
 - b. Silver – 2 past producers, 2 prospects and 2 occurrences
 - c. Arsenic – 2 past producers, 1 prospect, and 1 occurrence
 - d. Copper – 1 past producer, 2 prospects, and 2 occurrences
 - e. Iron – 1 past producer
 - f. Lead – 1 prospect and 1 occurrence
 - g. Antimony – 1 prospect and 1 occurrence
 - h. Zinc – 1 past producer
2. **Historic Exploration and Production** - (Source – Nevada Bureau of Mines and Geology Report 47; Lincoln, 1982; US Geological Survey Bulletin 601)
 - a. Silver-Gold
 - i. The Paradise Valley Mining District was created after silver was discovered in 1868.
 - ii. Production of silver and gold from the Silver Butte Mine and the Wild Goose Vein (both located within the Paradise Area) were mined from 1879-1891.
 - iii. Further production from the mines for silver and gold from placer deposits took place from 1909-1915.
 - iv. Early production has been reported to be no more than \$3,000,000.
 - v. Claims have been staked by various entities in the area since 1975.
 - vi. Historical Plans of Operation are not readily available.
3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 3 active claims (all lode claims)
 - b. One unique claimants – Braun Eric Steven
 - c. Claimant has paid approximately \$1,041 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 2002).
4. **Current Exploration and Production**
 - a. Current exploration activity is unknown.
 - b. There are no current permits for disturbance in the area.

Snake Mountains

The Snake Mountains Area consists of approximately 43 square miles within the proposed mineral withdrawal area within central Elko County. The Snake Mountains Area is contained within the larger historic Snake Mountains Mining District. Current activity includes an active barite mine and several barite and gold exploration projects.

1. **Mineral Enrichment** - (Source - US Geological Survey MAS/MILS/MRDS datasets, Nevada State Mine Inspector Annual Directory, Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Barite – 5 producers, 2 prospects, 9 occurrences
 - b. Gold – 2 prospects
2. **Historic Exploration and Production** - (Source - Nevada Bureau of Mines and Geology Bulletin 106)
 - a. Barite – First recognized in 1955, there was significant exploration in the 1970s, with major production from several deposits in the 1980s and over 1 million tons of barite mined from open pits from 1974 through 1986.
 - i. From 1981 through 2003, within the Snake Mountains Area, there were 7 notice-level exploration projects by six operators, totaling 26.7 acres of permitted disturbance.
 - ii. One plan of operations was approved in 1981 and approved for 140 acres of disturbance. This was modified in 2006 and permitted disturbance increased to 193 acres (current operating barite mine).
 - b. Gold – Exploration consisting of geochemical sampling and drilling began in the 1980s.
 - i. From 1981 through 2008, within the Snake Mountains Area, there were 4 notice-level exploration projects by 4 operators, totaling 14 acres of permitted disturbance.
 - ii. In 2008, Piedmont Mining (a joint-venture agreement with Carlin Gold) completed a drilling program at its Willow Project; results not reported.
3. **Current active claims within SFA** (Source - BLM LR2000)
 - a. Approximately 703 active claims (683 lode, 20 millsite)
 - b. 6 unique claimants – in descending order of claims, Newmont (595), Carlin Gold (41), Halliburton (26), National Oilwell Varco (20 millsite claims), Fremont Minerals (20), Matt Barrington (1).
 - c. Newmont staked 575 claims in 2013 and added 20 to claim block in 2015.
 - d. Claimants have paid a total of \$544,214 to BLM in assessment fees to hold these claims (oldest active claim staked in 2003).
4. **Current Exploration and Production**
 - a. Barite

- i. National Oilwell Varco operates the Big Ledge open pit barite mine, located one mile outside of the proposed mineral withdrawal boundary, with its Plan of Operations, jig plant and millsite claims extending into the proposed mineral withdrawal boundary. In 2014, they reported production of 97,000 tons barite. National Oilwell Varco employs 24 people at their operations in Elko County.
 - ii. One approved notice (NVN-85818) for Spirit Minerals' Stormy Project also adjacent to, but outside of MWA.
- b. Gold
 - i. Carlin Gold – active Notice NVN-86781, Willow Creek Project, \$15,822 reclamation bond, approved for 4.65 acres of exploration drill roads.

White Rock

The White Rock Area consists of approximately 37 square miles within the proposed mineral withdrawal area and is located in the northeastern corner of Nevada approximately 30 miles north-northeast of the town of Montello. The White Rock Area has mainly been explored for gold and silver potential but is not within any historic mining district. However, it is surrounded on three sides by the Goose Creek, Delano, and Tecoma historic mining districts all of which have had historic mineral production. Current exploration efforts in the White Rock area consist of initial exploration and advanced stage gold-silver projects with recent drilling. There are two permitted gold exploration projects in the area; one permitted under a plan of operations and one permitted under a notice of intent. The White Rock area lies at the northern edge of the emerging Long Canyon Trend which hosts Newmont's multi-million ounce Long Canyon gold deposit. Newmont's anticipates having 260 full time employees for the projected eight year life of the Long Canyon Mine when production starts in 2017.

5. **Mineral Enrichment** - (Source – Nevada Bureau of Mines and Geology Mineral Industry Report 2007 and 2011)

- a. Gold – 2 occurrences
- b. Silver – 2 occurrences

6. **Historic Exploration and Production**

- a. Gold/Silver-First discovered in 1982 at the White Rock project. There is a reported resource estimate of 100,000 ounces of gold. (Source – Nevada Bureau of Mines and Geology Mineral Industry Report 2007 and Golden Odyssey Press Release January 4, 2007).
 - i. Amax Gold defined a resource of 100,000 ounces of gold, in the 1980s using an unspecified number of historic drill holes (Source – Nevada Bureau of Mines and Geology Mineral Industry Report 2007 and Golden Odyssey Press Release January 4, 2007).
 - ii. In 2007, Golden Odyssey twinned some of the historic drill holes to test their validity. Results agreed with gold values reported in historic drilling used to generate the Amax resource estimate.
 - iii. Other companies including Mount Isa Mines and Kennecott have been reported to have done further exploration in the White Rock Area (Source – Golden Odyssey Press Release January 4, 2007, BLM LR2000).
 - iv. Historic plans of operations and notices of intents total 54.8 acres since 1984. Plans make up 29.2 acres of the proposed disturbance and notices of intents make up the remaining 25.55 acres.

7. **Current active claims within SFA** (Source - BLM LR2000)

- a. Approximately 155 active lode claims
- b. 4 unique claimants – in descending order of claims, Gregory J. Kuzma (87), Pilot Gold (USA) Inc. (40), Schmidt Family Mining Partnership LLC (21), and Donald K. Jennings (7).

- c. Claimants have paid a total of \$206,763 to BLM in assessment fees to hold these active claims (oldest active claims were staked in 2004).

8. Current Exploration and Production

a. Gold/Silver

- i. One of Pilot Gold's exploration projects, Viper, is located in the White Rock Area with drilling completed as recently as 2011 which included a cumulative 11,037 feet in 18 drill holes. The Viper target is 1 mile long in a north-south direction and 2,300 feet long in an east-west direction. Assay intercepts and alteration suites reported from drilling are important as they share similarities with classic sediment-hosted replacement deposits elsewhere in Nevada. The best reported drill intercept was 0.03 ounce per ton gold and 0.57 ounce per ton silver over 110 feet from surface. These values are generally consistent with what would be encountered in a modern open pit mine.

- 1. Exploration expenditures on the Viper Project to date total approximately \$1 million.

- The Viper Project is permitted for 2.77 acres of disturbance.

- ii. Miranda Gold Corp. has the Angel Wing project within the White Rock Area and is operating under an active plan of operations that is permitted for 6.7 acres of disturbance. Miranda acquired the Angel Wing Project through a joint venture in 2007 and up to 2014 had been actively conducting exploration, including but not limited to geologic mapping, geophysical surveys, soil and rock sampling, and drilling.

- 1. Exploration expenditures on the Angel Wing project to date total approximately \$1.2 million dollars.

- The Angel wing project is permitted for 6.7 acres of disturbance.

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Nevada Office of the Governor

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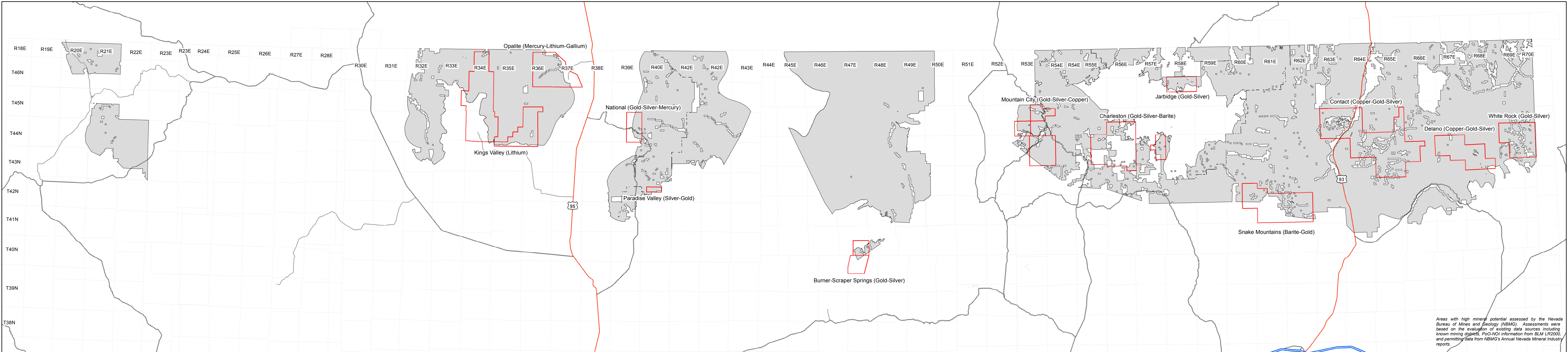
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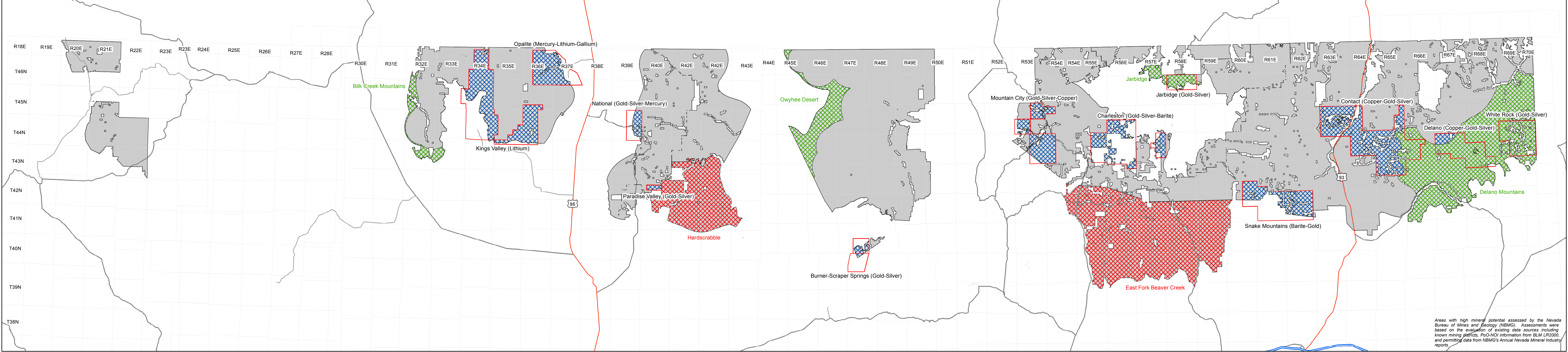
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Map 1. BLM Proposed Mineral Withdrawal Areas and Areas with High Mineral Potential in Northern Nevada



Map 2. NDOW & NDOM Recommended Additions to and Exclusions from the Mineral Withdrawal Area



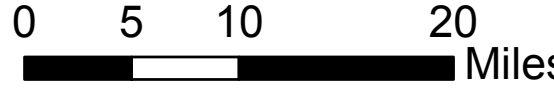
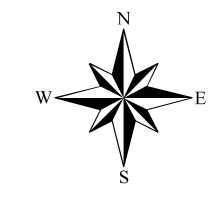
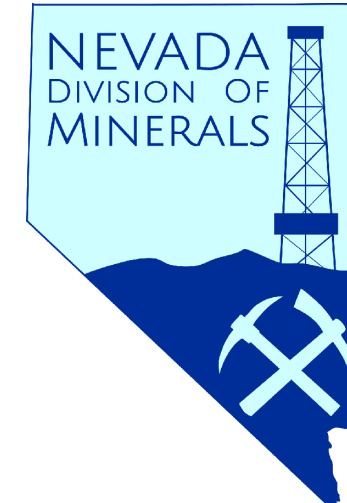



Map 3. Nevada Proposed Mineral Withdrawal Area



Legend

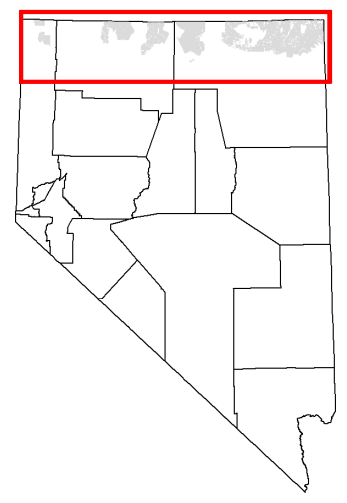
- NDOW Addition (Priority (Core) Habitat)
- NDOW Removal (Limited Habitat)
- NDOM/NBMG Areas to be Excluded from Mineral Withdrawal
- SFA Boundary
- Areas of High Mineral Potential
- Township & Range
- Major Highway
- Major Road



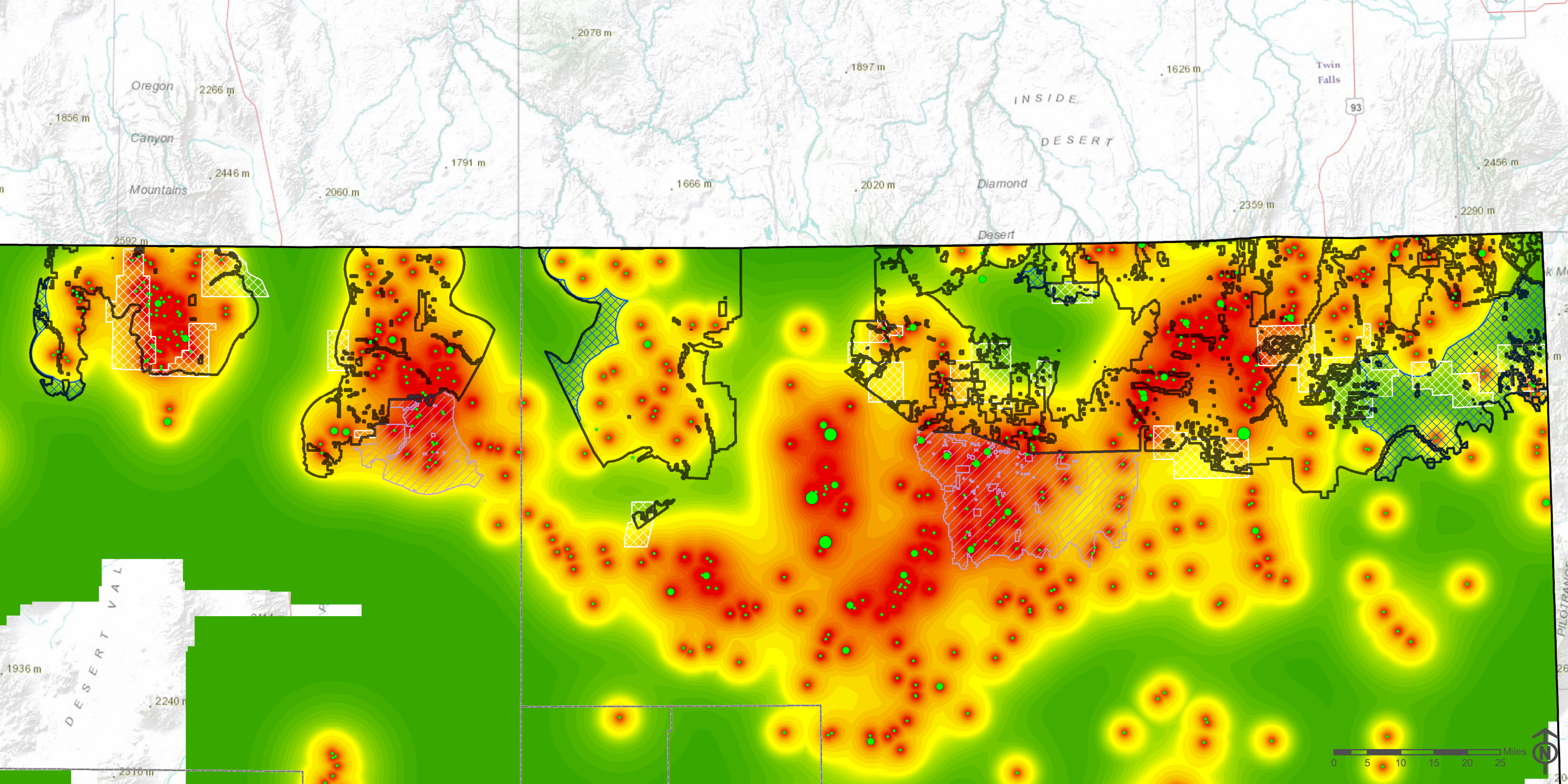
Acreage Summary

2,730,045 Acres	Original SFA-Mineral Withdrawal Boundary
+ 394,082 Acres	NDOW Addition (Priority (Core) Habitat)
- 317,270 Acres	NDOW Removal (Limited Habitat)
- 237,671 Acres	NDOM/NBMG Removal (Areas With High Mineral Potential)
2,569,272 Acres	Proposed Nevada Mineral Withdrawal Area

Map Prepared by:
Lucia M. Patterson
Nevada Division of Minerals
NAD 1983 UTM Zone 11
Date: 4/22/2016



Map 4. Active sage-grouse leks, space use index, and proposed modifications to the SFA Mineral Withdrawal Area.



- Sage-Grouse Focal Areas (Sept. 2015)
- NDOM Mineral Withdrawal Areas (Apr. 2016)
- NDOW Priority Habitat Addition
- NDOW Limited Habitat Removal

Active Greater Sage-Grouse Lek Sites

Most Recent Annual Peak Male Count

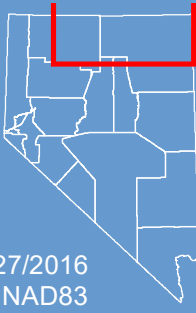
- <35
- 35 - 100
- 100 - 200

Greater Sage-Grouse Space Use Index (USGS)

High : 0.991552

Low : 0

No warranty is made by the State of Nevada as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.



IV. STAFF REPORTS

**NEVADA COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS**

FY16

August 12, 2016

**Week: 52
Year %: 100%**

REVENUES

	Work Program	Actual	% of Work Program	Balance Remaining
Balance Forward From Prev. Yr. (2511)	\$856,757	\$856,757	100%	\$0
Federal BLM Cooperative Agreement (3578)	50,000	49,000.00	98%	1,000.00
USFS Assistance Agreement (3580)	0	17,859.00	0%	(17,859.00)
Oil Assessment Fees (3654)	90,000	36,515.47	41%	53,484.53
Oil Permit Fees (3717)	6,000	4,100.00	68%	1,900.00
Mining Claim Fees (3718)	1,053,185	1,180,464.00	112%	(127,279.00)
Dangerous Mine Fees (3727)	438,827	491,860.50	112%	(53,033.50)
Geothermal Fees (3736)	120,751	163,900.00	136%	(43,149.00)
Abandoned Mine Securing Fees (3770)	79,480	45,220.00	57%	34,260.00
Printing Sales (4011)	300	0.00	0%	300.00
Publication Sales (4027)	2,757	1,831.08	66%	925.92
Prior Yr Refunds (BOA Travel Card) 4203	0	26.32	0%	(26.32)
Excess Property Sales (4252)	21,144	21,604.00	102%	(460.00)
Medallion Royalty Income (4311)	1,550	97.50	6%	1,452.50
Treasurer's Interest Distribution (4326)	2,037	5,823.96	286%	(3,786.96)
Transfer frm Reclamation Bond Pool (4620)	80,500	88,268.99	110%	(7,768.99)
FY16 Revenues Received	\$1,946,531	\$2,106,570.82	108%	(\$160,039.82)
TOTAL REVENUES	\$2,803,288	\$2,963,327.82		

EXPENDITURES

	Work Program	Actual	% of Work Program	Balance Remaining
Personnel (01)	\$1,096,852	\$1,095,421.91	100%	\$1,430.09
Out of State Travel (02)	11,947	5,256.27	44%	6,690.73
In State Travel (03)	29,339	16,864.52	57%	12,474.48
Operating (04)	108,914	103,608.88	95%	5,305.12
Board Travel (08)	2,914	1,792.99	62%	1,121.01
Special Projects (09)	403,309	388,534.41	96%	14,774.59
Las Vegas Office (14)	35,602	32,611.77	92%	2,990.23
Oil, Gas Geothermal (17)	15,149	9,534.59	63%	5,614.41
AML Support (18)	155,750	133,240.20	86%	22,509.80
Bond Pool Expenses (19)	0	0.00	0%	0.00
County Royalty Grants (20)	0	0.00	0%	0.00
Computer H & S Ware, DOIT(26)	35,985	18,724.56	52%	17,260.44
AML Enhancement (39)	54,792	45,803.44	84%	8,988.56
SageBrush Ecosystem Trx to DCNR (69)	0	0.00	0%	0.00
Purchasing Assessment (87)	1,149	1,149.00	100%	0.00
State Cost Recovery (88)	0	0.00	0%	0.00
AG Cost Allocation (89)	55,293	55,293.00	100%	0.00
FY16 Expenditures	\$2,006,995	\$1,907,835.54	95%	\$99,159.46
Reserve Balance (86)	\$796,293	\$1,055,492.28	133%	(259,199.28)
TOTAL EXPENDITURES PLUS RESERVE	\$2,803,288	\$2,963,327.82		

This report reflects receipts and expenditures processed by the division to date.

**NEVADA COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS**

FY17

August 12, 2016

**Week: 6
Year %: 12%**

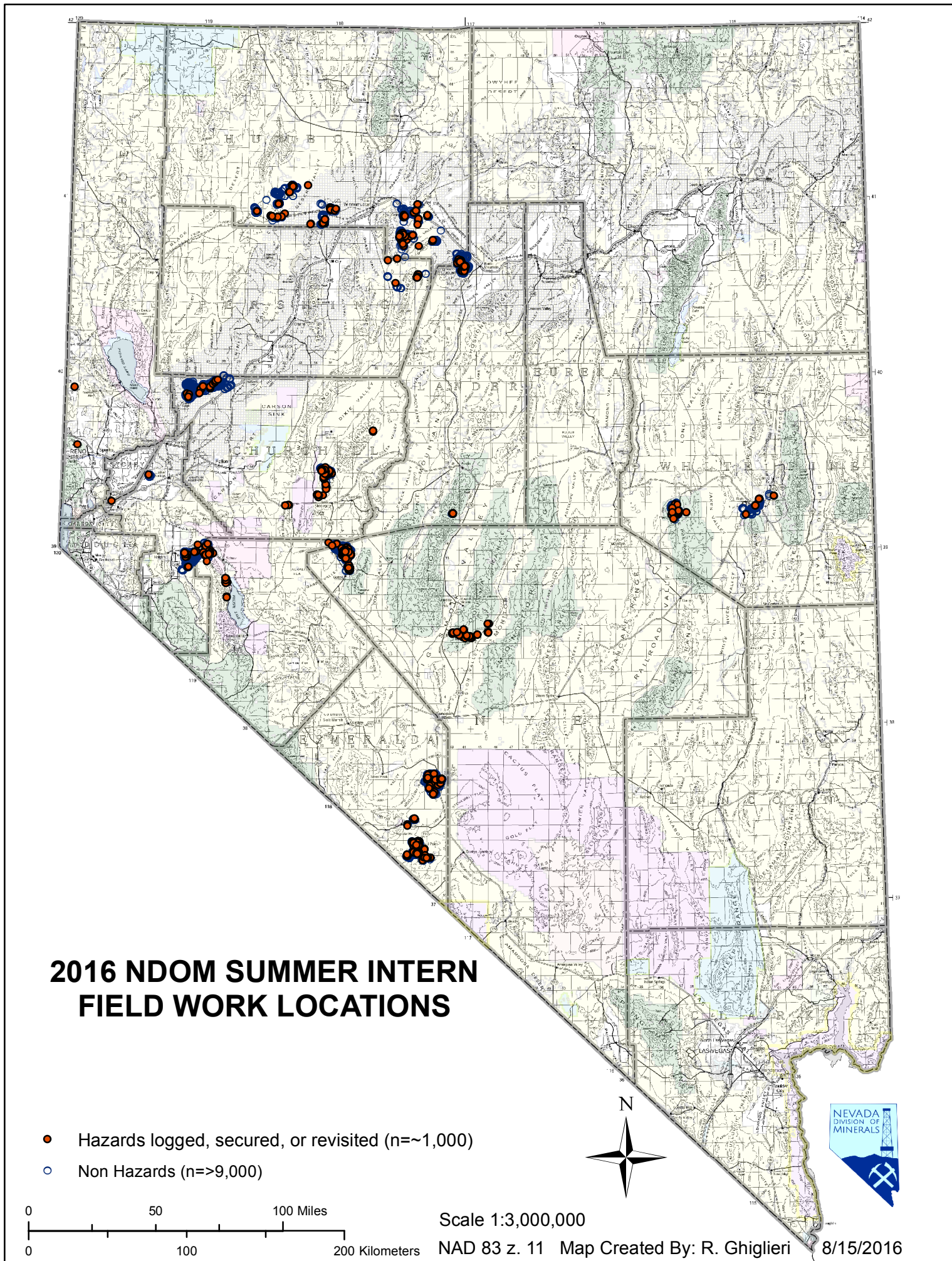
REVENUES

	Work Program	Actual	% of Work Program	Balance Remaining
Balance Forward From Prev. Yr. (2511)	\$597,287	\$597,287	100%	\$0
Federal BLM Cooperative Agreement (3578)	50,000	0.00	0%	50,000.00
USFS Assistance Agreement (3580)	0	0.00	0%	0.00
Oil Assessment Fees (3654)	90,000	700.00	1%	89,300.00
Oil Permit Fees (3717)	6,000	0.00	0%	6,000.00
Mining Claim Fees (3718)	1,053,184	18,600.00	2%	1,034,584.00
Dangerous Mine Fees (3727)	438,827	12,400.00	3%	426,427.00
Geothermal Fees (3736)	120,750	2,400.00	2%	118,350.00
Abandoned Mine Securing Fees (3770)	108,740	0.00	0%	108,740.00
Printing Sales (4011)	300	0.00	0%	300.00
Publication Sales (4027)	2,757	612.00	22%	2,145.00
Prior Yr Refunds (BOA Travel Card) 4203	0	0.00	0%	0.00
Excess Property Sales (4252)	0	0.00	0%	0.00
Medallion Royalty Income (4311)	1,550	0.00	0%	1,550.00
Treasurer's Interest Distribution (4326)	2,041	0.00	0%	2,041.00
Transfer frm Reclamation Bond Pool (4620)	75,800	0.00	0%	75,800.00
FY17 Revenues Received	\$1,949,949	\$34,712.00	2%	\$1,915,237.00
TOTAL REVENUES	\$2,547,236	\$631,999.00		

EXPENDITURES

	Work Program	Actual	% of Work Program	Balance Remaining
Personnel (01)	\$1,054,725	\$105,053.47	10%	\$949,671.53
Out of State Travel (02)	11,947	0.00	0%	11,947.00
In State Travel (03)	29,339	1,099.99	4%	28,239.01
Operating (04)	106,306	23,801.28	22%	82,504.72
Board Travel (08)	2,914	219.00	8%	2,695.00
Special Projects (09)	403,309	0.00	0%	403,309.00
Las Vegas Office (14)	36,474	8,735.14	24%	27,738.86
Oil, Gas Geothermal (17)	20,149	728.49	4%	19,420.51
AML Support (18)	161,066	19,608.38	12%	141,457.62
Bond Pool Expenses (19)	0	0.00	0%	0.00
County Royalty Grants (20)	0	0.00	0%	0.00
Computer H & S Ware, DOIT(26)	32,453	0.00	0%	32,453.00
AML Enhancement (39)	54,792	0.00	0%	54,792.00
Purchasing Assessment (87)	1,448	0.00	0%	1,448.00
State Cost Recovery (88)	37,608	0.00	0%	37,608.00
AG Cost Allocation (89)	73,104	0.00	0%	73,104.00
FY17 Expenditures	\$2,025,634	\$159,245.75	8%	\$1,866,388.25
Reserve Balance (86)	\$521,602	\$472,753.25	91%	48,848.75
TOTAL EXPENDITURES PLUS RESERVE	\$2,547,236	\$631,999.00		

This report reflects receipts and expenditures processed by the division to date.



OIL, GAS, AND GEOTHERMAL ACTIVITY

2016 Permitting and Drilling Activity (Through August 12, 2016)

Permit Type	Issued 2013	Drilled 2013	Issued 2014	Drilled 2014	Issued 2015	Drilled 2015	Issued 2016	Drilled 2016
Geothermal - Ind Production	10	5	5	5	10	7	5	4
Geothermal - Ind Inj	2	2	2	2	1	2	1	---
Geothermal - Observation	7	6	10	3	1	1	1	1
Geothermal - TG	1	1	---	---	5	5	---	---
Geothermal - Com	---	---	---	---	---	---	---	---
Geothermal - Dom	1*	---	8**	4	8***	5	---	---
Geothermal - Project Area	---	---	1	---	1	---	---	---
Geothermal - Total	21	15	27	15	26	20	7	7
Oil & Gas	16	5	16	5	4	2	2	1

*Existing well, drilled in 1939; ** Includes 4 wells previously drilled and completed; ***Includes 2 wells previously drilled.

Activity to May 12, 2016	Geothermal	Ormat Nevada	Completed drilling the Tungsten Mtn 56A-22 and 84B-22 production wells. The Dixie Hope 17(87-7)-8 injection well and Carson Lake 81(86-6)-7 production well permits were approved. I have reviewed the Dixie Hope 75(53)-4 injection well and the 75A-22 production well drilling programs. Waiting on notifications of BLM approval.
		US Geothermal	Deepened the 17-21 and 25-21 observation wells. A second well in Crescent Valley may be drilled prior to the end of the year. USG purchased three 16MW (gross) 10 MW (net) power plants from Gradient Resources earlier in the year.
	Oil	Makoil	Permitted the Murphy Gap 14-23 in Lincoln County. It is unknown as to when this well will be drilled. The Soda Springs 1-22 in Nye County (RR Valley) is being reviewed by the BLM. The Munson Ranch 12-23X and 13-34 permits approved in 2015, but have not been drilled. Makoil has acquired the 7 Frontier Exploration wells in Munson Ranch.
		Grant Canyon	The Blackburn 22 was drilled in July. The rig was released. Grant Canyon to finished completion operations in August..
		Bright Sky Energy & Minerals	The White River Valley 1-35 well has been reviewed for a re-entry and testing procedure. Waiting on BLM approval.

Summary of Geothermal and Oil Well Inspections for Fiscal Year 2016

FY 2016 Well Inspections	Total Wells	Wells Needed for FY16	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal	462	154	213 (25 areas)		
Oil	128	43	40 (30 areas)		
Totals	590	197	253	128%	-56

Summary of Geothermal and Oil Well Inspections for Fiscal Year 2017

FY 2017 Well Inspections	Total Wells	Wells Needed for FY17	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal	438	146	161 (11 areas)		
Oil	128	43	18 (6 areas)		
Totals	566	189	179	95%	10

Databases

The oil and gas and geothermal databases are now fully intact. Each database has all well inspections and all current digital production and injection data loaded. The oil and gas digital data goes back to 1999, whereas the geothermal data goes back to 2009. Hard copy production and injection data for years prior to 1999 for oil and 2009 for geothermal will be incorporated into the databases in the future.

Sundry Notice Activity through August 12, 2016

During the 2nd quarter of 2016 (calendar year) a total of 29 sundries were approved, thirteen oil and sixteen geothermal. So far during the 3rd quarter of 2016 a total of eight geothermal sundries have been approved, no oil sundries have been approved.

BLM Lease Sales

The BLM Oil & Gas Lease Sale was held in Reno on June 14th. Forty-two parcels were offered from the Battle Mountain District. Four parcels were sold during the competitive bid sale, comprising 3764.96 acres. One parcel in Railroad Valley sold for \$21.00 per acre. A total of \$24,740 was collected from the competitive bid sale. The non-competitive bid sale on June 15th sold eight parcels for \$20,032.50. The eight parcels totaled 13,353 acres.

The Carson City and Winnemucca September Oil & Gas Lease sale was postponed until September 2017, due to no Expressions of Interest being submitted to the Carson City and Winnemucca District Offices by December 16, 2015. The Ely District Oil & Gas Lease Sale is expected to take place on December 13, 2016.

The BLM Geothermal lease sale is scheduled for October 26, 2016. No information describing the parcels involved in the sale has been posted on the BLM website as of this date (August 8th).

2010-2016

Carson City

8/17/2012-Tour in Yerington

12/11/2014

5/19/16

Virginia City

Elko

08/29/14-Newmont LeeVile Mine

08/27/15-Noble Energy's Huntington

K1L Well & General Molly Mt. Hope

Reno

5/12/2010

10/19/2010

4/29/2011

7/27/11 – Tour of Bat Cupola in VC

11/2/2011

5/03/2012- Virginia City

11/09/2012

5/03/2013- Hazen and Olinghouse

10/10/2013

05/09/2014- EP Minerals; Nevada
Cement Plant and Mine.

05/01/2015

11/05/2015-Bishop Manogue H.S.

Las Vegas

2/11/2010 – Tour of the McCaw

School of Mines - Henderson

2/7/2011 – Tour of Molycorp Mine

2/27/2012 – Searchlight Area

2/21/13

2/14/14- Tule Springs Park

2/24/15

2/03/16- Simplot Silica

Battle Mountain

July 30, 2010 – Tour of Newmont Phoenix Mine

Tonopah

8/15/13 - Solar Reserve Plant

8/16/13 - Tonopah Mining Park

Wendover

8/25/16- Graymont's Pilot Peak, Newmont Long Canyon Mine

