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STATE OF NEVADA
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COMMISSION ON MINERAL RESOURCES
Legislative Counsel Bureau
401 South Carson St. Room #4100 Carson City, NV 89701

Thursday, November 30, 2017

1:00 P.M.

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 August 24, 2017 meeting minutes

FOR POSSIBLE ACTION

II. NEW BUSINESS

- A. Updating of Geothermal regulations

FOR POSSIBLE ACTION

The Division is seeking direction from the Commission to begin the process of updating parts of the geothermal regulations contained in NAC 534A. Portions of regulations of the State Engineer which are contained in NAC are obsolete, and other parts of the geothermal regulations need updating to reflect current technology and practices.

- B. NDOM AML drone

FOR DISCUSSION ONLY

The Division purchased a DJI Phantom 4 Pro drone in August, 2017, and has been testing it to survey AML features in both northern and southern Nevada. Rob Ghiglieri will present initial results of the applicability of this new tool in the AML program.

III. OLD BUSINESS

- A. Task Force recommendations for a possible \$1 claim fee decrease or alternative to do additional AML hard closure activities in 2018 and 2019. At the August CMR meeting, Chairman DeLong formed a task

FOR POSSIBLE ACTION

force to solicit comments from industry. Rich Perry will discuss the findings and recommendations of the task force and Mike Visser will present details of the options for additional AML hard closure work.

- B. Update on Mineral Withdrawal and Land bills – Mike Visser **FOR DISCUSSION ONLY**
- C. Update on Dissolved Mineral Resource Exploration regulations, including Task Force review of draft regulations. At the August CMR meeting, Chairman DeLong formed a task force to review the draft of the dissolved mineral resource exploration regulations for comment and input. Rich Perry will report. **FOR DISCUSSION ONLY**
- D. Toll Processing and Smelting study update. At the CMR meeting In August, the Commission chose this topic for a special report in Fiscal year 2018. The Division discussed this with the NBMG and will present the plan to complete this study. **FOR DISCUSSION ONLY**
- E. Update on information available and public use of open-data web site - Lucia Patterson **FOR DISCUSSION ONLY**

IV. STAFF REPORTS

- 1) Oil, Gas and Geothermal drilling Permitting and Activity – Lowell Price
- 2) Mining and Reclamation Bond Pool – Mike Visser
- 3) NDOM at AEMA – activities and new trade show exhibit- Courtney Brailo

COMMISSION BUSINESS

- A. Determination of time and place of next CMR meeting
- B. Next Commission vote on Chairman: Q1 meeting, 2018
- C. Biennial evaluation of Administrator by Commission: Q2 meeting, 2018

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 morning to ACG Materials Adams Claim Gypsum Mine and processing plant in Lyon County. CMR members will carpool from the NDOM parking lot at 400 W. King Street departing at 9 AM on December 1st. 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

Tonopah Convention Center
301 Brougner Ave. Tonopah, NV 89049

Thursday, August 24, 2017

1:10 P.M.

MINUTES/NOTES

CALL TO ORDER

Time:

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

Commission	NDOM Staff and public
Rich DeLong	Rich Perry
Dennis Bryan	Mike Visher
John Snow	Bryan Stockton
Art Henderson	Rob Ghiglieri
Nigel Bain	Courtney Brailo
Mary Korpi	Lowell Price
	Valerie Kneefel
Dave Parker is not present	

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

No Public came forward

I. MINUTES

Approval of the March 2, 2017 meeting minutes

Motion: Approval of minutes with no changes

Motion by: Dennis Bryan

Seconded by: Art Henderson

Unanimously approved

II. NEW BUSINESS

A. Welcome by Chairman DeLong to new Commissioners Nigel Bain and Mary Korpi.

Rich DeLong introduced Mary Korpi.

Mary Korpi: Gave a brief speech about her background. A graduate of Michigan Technological University in Houghton, Michigan, with a degree in chemical engineering, Mary Korpi began working for Newmont Mining Corporation in 1976 at Magma Copper Company in San Manuel, Arizona. She held various positions in the metallurgical services department including shift supervisor, quality control analyst, metallurgist and senior metallurgist of customer relations. She transferred to Newmont's Nevada operations in 1987 and served in a variety of capacities for Newmont, including Director of Metallurgical Services, Director of Loss Control, Leach and Mill Superintendent, and over the final years of her career, as Director of External Relations and Communications for North America. She retired from Newmont Mining Corporation in January 2016 after almost four decades in the mining industry and continues her involvement and support of the industry. She has served in leadership roles on numerous non-profit and community based organizations in Northeastern Nevada such as the Northeastern Nevada Economic Development Authority, Elko Area Chamber of Commerce, and Northeastern Nevada Regional Hospital. She is also a member of several professional organizations where she has held leadership roles including Society for Mining, Metallurgy and Exploration; The Mining and Metallurgical Society of America; AICHE, Nevada Mining Association, Women's Mining Coalition and the American Association of University Women. Korpi was recognized in 2016 as the Distinguished Nevadan for her profound and lasting impact on the lives of all Nevadans.

Nigel Bain: Gave a brief speech about his background. He graduated from the University of Otago in 1976 with a Bachelor of Science, with honors, majoring in Mineral Technology. He has worked in the US mining industry for over 35 years starting with mine engineering roles and progressing into roles in senior management. He is currently the Executive Director of Barrick Gold USA. His resume features roles with mining companies ranging from some of the smallest in the industry to some of the world's largest producers, in commodities ranging from industrial minerals to precious metals. Most recently he has managed gold mines in Nevada, specializing in underground extraction. Over his career, Nigel has helped to develop and implement new initiatives and technologies that have worked to improve safety, productivity, and the working culture of underground soft-rock excavation with great success. He has been repeatedly recognized by a number of regional and national organizations for his leadership in underground mine safety. But he is proudest of the USA National Mining Association's Sentinel of Safety award, presented to the SSX mine where he was the General Manager. In addition to once receiving this prestigious award, Nigel has managed a number of different mines similarly nominated. In 2016 he was awarded the International Society of Mine Safety Professional's Leadership Award for his impact on mine safety. Nigel is a past Chairman of the Nevada Mining Association and provides support to a number of community outreach and education initiatives in rural Nevada.

Dennis Bryan: asked if Mary was the first female on the Commission?

Rich Perry: replied yes.

B. Resolution honoring Fred Gibson and John Mudge for their service as members of the Commission on Mineral Resources.

Rich DeLong: Read a resolution to Fred Gibson into the record. Governor Richard Bryan appointed Fred to the Commission on Mineral Resources in July 1983. Fred served faithfully and continuously on the Commission for 34 years and as Chairman for over 30 years. Fred guided the Commission and Division of Minerals through a number of organizational changes into its current structure as a State Agency. He oversaw the development of the State's geothermal regulations and abandoned mine lands program. The Commission and Division are deeply indebted to Mr. Gibson for his dedication to the mining industry and his service of over a third of a century.

Rich DeLong: Stated that Fred was chair for 30 years and did a great job.

Dennis Bryan: Said that Fred knew everyone around the state and his connections served the commission very well.

Motion: Approval of Resolution

Motion made by: Dennis Bryan

Seconded by: Mary Korpi

Unanimously approved

- C. Presentation of the Legislatively-approved CMR/NDOM budget for 2018-19, covering the period from July 1, 2017 through June 30, 2019. The biennium budget that was approved by the CMR on August 25, 2016 was submitted to the Governor's office last September and approved by the Legislature in May with some modifications. Rich Perry will present a summary of the budget and work plan for the next biennium.

Before the presentation was made Rich Perry asked the 2 public members to come up and introduce themselves.
Dennis Gudoly: NV Water District Board
John Mays: Albemarle

Rich Perry: Went through his power point presentation. Stated that NDOM is a State Agency and part of the Commission on Mineral Resources (7 members appointed by Governor). The Administrator reports through Governor's office. The Mission Statement: To encourage and assist in the responsible exploration for and the production of minerals, oil, gas, and geothermal energy which are economically beneficial to the State. There are offices in Carson City (8 employees) and Las Vegas (3 employees) and there is no general fund monies, all revenue from mining claim fees, geothermal and oil permit and production fees, surface disturbance fee, reclamation bond pool administrative fee, BLM and USFS assistance agreements for AML securing activities.

Our statutes: NRS 513 include Abandoned Mine Lands Program, public information and minerals education, annual mineral, geothermal and oil production reporting and maps. We also advise and recommend mineral policy to Governor and Legislature (act as cooperating State agency on Federal Land withdrawals & NEPA actions when requested, develop policy maps using GIS).

NRS 517: Mining Claims, Mill sites and Tunnel rights

NRS 519A.290: State Reclamation Bond Pool

NRS 522: Oil and Gas

Well permitting, drilling, completion compliance, conservation of resource, correlative rights resolution

NRS 534A : Geothermal Resources, Well permitting, drilling, completion compliance, conservation of resource.

PERFORMANCE MEASURES	2014	2015	2016	2017 P	2018	2019
ACTIVITY: OGG Well and Resoruce Regulation						
MEASURE: Percent of OGG Wells inspected per year	99.64%	33.69%	60%	48%	41%	41%
GOAL: 33% of all wells in state inspected per year						
ACTIVITY: Mining Regulation and Fluid Management and Reclamation						
MEASURE: Percent of Hazardous Abandoned Mine Openings Secured	79.06%	80.40%	80.97%	80.88%	80.95%	81.02%
GOAL: > 70% annually						
ACTIVITY: Mining Regulation and Fluid Management and Reclamation						
MEASURE: AML AND MINERALS EDUCATION PRESENTATION PER YEAR	196	192	252	267	220	220
GOAL: > 12 per employee per year						

He went on to talk about the AML Safety Program. Created the Abandoned Mine Lands Program in 1987 Regulated by NRS 513 and NAC 513, it is funded by claim fees.

Three program activities mandated:

- Statewide Inventory of Sites
- Securing of Hazardous Mines
- Public Awareness Campaign

Since the program's inception in 1987, 20,076 abandoned mine hazards have been logged and 16,047 have been secured. Positive results: Securing and public education efforts have resulted in "No reportable accidents or injuries" at AML features for the past 3 years. Concern: Increasing vandalism of fencing and gates requires re-visits for maintenance.

Minerals education staff presentations: 267 presentations conducted. There were 169 K-12 Classroom presentations to 5,698 students, 25 presentations on Nevada Mining & Oil/Gas/Geothermal production to

civic groups, clubs and organizations and five media presentations. 158 presentations made in Northern Nevada and 109 in Southern Nevada.

Budgeted Special Projects:

Deliverables from NBMG @ \$95K/yr both years. Deliverables include: archiving of OGG cuttings and well log scanning
biennial exploration survey in odd years, other study/report in even years. Annual Mineral Industry Report by Nov of following year and printing of maps and reports for distribution. Mackay \$2 claim fee payment in 2018 @ \$359,812. Final payment on 5-year agreement, none in 2019. NVMA Teachers Workshop @ \$15,000 both years. PDAC Trade show booth space and professional display @ \$25,884/yr. Booth to be used by Nevada trade and government entities. New agency trade show display booths @ \$18,600.

Legislatively approved budget:

Increase AML contracted hard closure work to address hazards near populated areas and trails by \$70,000/yr in both years for total of \$120,000/yr. GIS and geodatabase training at \$ 3,710/yr. Computer hardware and software replacements \$15,784 in 2018, \$18,786 in 2019.

Approved budget personnel-related changes:

2 unclassified position cap increases to enhance retention; benchmarked against similar classified positions in State. 3 percent per year salary increases for all State employees for both years. Vacant position to be filled in Las Vegas, Sept. 2017.

Rich DeLong: Asked if FY 18 is when we go to leased vehicles?

Rich Perry: answered, yes in FY 19 under Abandoned mine support.

Dennis Bryan: asked, can you go through the fees for our new commissioners?

Rich DeLong: stated that his comment regarding the vehicle is because we have bought our vehicles in the past and the State is encouraging us to lease the vehicle through fleet services.

D. Legislative Summary. Three bills proposed at the 2017 session had impacts to NDOM and required staff testimony. These were AB 33 (MOAC), AB 52 (Dissolved Mineral Resources) and AB 159 (Prohibition on hydraulic Fracturing). Staff will discuss each bill and impacts on the Division.

Rich Perry: there were 3 bills on which we testified. AB33 proposed to eliminate a number of commissions including MOAC. MOAC has not had a quorum in over a year and a half. MOAC is a step in our regulation approval process and MOAC still exists. AB52 was the bill on dissolved mineral resources and passed with a fair amount of changes. AB159 proposed to prohibit hydraulic fracturing in Nevada. That had many testimonies. This bill died. We are not a big producer of oil but Nevada leases the most acres next to Alaska in the States.

Art Henderson: stated that in class room presentations we should be talking about fracking in the high schools. Try and educate the people, who are our future voters.

Nigel Bain: commented that's a great idea, how will you implement teaching HS about the casings?

Art Henderson: responded, by describing to them about the safe process.

Dennis Bryan: mentioned that less than 1% of the wells have had a problem.

Art Henderson: stated that fracturing does not cause earthquakes.

John Snow: stated that every 2 years there seems to be a battle over the fracturing.

Rich Perry: mentioned that we need to get to legislators ahead of time.

E. Development of Dissolved Mineral Resource Exploration Regulations with the passage of Assembly Bill 52, the Commission on Mineral Resources, in coordination with the Division of Water Resources and Division of Environmental Protection are charged with adopting regulations to carry out a program for regulating the drilling and operation of dissolved mineral resource exploration boreholes and wells. This effort has started with a team formed from all three agencies. Staff will report on progress and timing.

Rich Perry: Gave a power point presentation. A.B. 52 from 2017 legislative session directed NDOM, NDEP and NDWR to jointly develop regulations for dissolved mineral resources. It allows for sampling of brines from boreholes, requires a permit to drill a dissolved mineral resource exploration well; limits pumping of water to 5 acre-feet per project. Requires a licensed water well driller for boreholes and wells to ensure protection of fresh water and geothermal resources. There are restrictions on drilling in active geothermal areas being developed in regulations. The regulation development is in progress, legislation becomes active 1-1-2018.

In Nevada's Lithium exploration activity: There are 13,381 claims staked in playas, 18 different hydrographic basins and 25 different exploration entities and one producer. (Current to 7-17-2017)

The schedule for regulation development: Regulation team began meeting weekly on July 11th. Regulation Development Team: Tim Wilson-NDWR, Bruce Holmgren-NDEP, Nick Brothers-NDEP, Lowell Price-NDOM, Courtney Brailo-NDOM, Mike Visser-NDOM, Rich Perry-NDOM, Bryan Stockton-AG. Working draft of Regulations and relevant forms presented at stakeholder meeting – Aug. 23rd. There will be a second stakeholder meeting for comments and discussion – 1st week of September. Will submit to LCB for legal review – end of September. Public Workshop – October. Public Hearing and possible approval – November, 2017 (at next CMR meeting). Interim Legislative Committee Possible Adoption – December, 2017. Roll-out and education to Industry and BLM – Jan/Feb 2018. The BLM has no statutory authority on water, part of the reason this bill was necessary.

Art Henderson: asked if these fees are split between these other divisions?

Rich Perry: answered, no. NDOM is the only regulatory agency.

Rich Perry: Went through the regulation development schedule. Asked John Snow to look at the geothermal section of the regulations, Art Henderson to look at the oil and gas section and Dave Parker to go through the exploration section.

Art Henderson: Asked what is the deepest well you are aware of now?

Rich Perry: stated 3000 feet. Most will be 1000 feet with plastic casing. Found 14 mining and milling waivers.

Mary Korpi: stated that this seems fast tracked and not giving a lot of time for the regulation development process.

Rich Perry: stated that we don't have much time before we are supposed to start.

Bryan Stockton: stated the chairman can appoint a subcommittee.

Rich DeLong: asked if it would be more than just a meeting with staff?

John Snow: answered that he doesn't know until we see the regulations.

Rich DeLong: stated that if you form a task group then you are limited to only that task. He suggested we have meetings with staff first. The statute says we are only regulating exploration. How do we put that file (permit) to bed. What are we going to use to close those files (permits)?

Rich Perry: said that there is 2 year limit.

Rich DeLong: asked if there is bonding provisions?

Rich Perry: stated that we are talking about that in the group.

John Snow: stated the ability of exploration well to go into production. Once it is permitted as a production well the file goes over to the State Engineer and leaves NDOM.

Rich Perry: we have only a draft. That's why I'm suggesting that we have certain commissioner's look at the regulations which include their areas of expertise.

Rich DeLong: stated we would be going way too far to regulate where the wells are located on the land.

Dennis Bryan: Asked if Rich could explain difference between boreholes and exploration wells for our new commissioners.

Rich Perry: explained the difference. No casing set in a borehole, except for ground control reasons.

John snow: asked about regulatory oversight and how is NDOM going to regulate these.

Rich Perry: stated again that everything is still in draft. He went through a few points that they've put together.

Art Henderson: asked if you expect approval in November? I think we should have had a couple of commissioners as part of the development group from the beginning.

Rich Perry: yes.

A task force was requested by Chairman DeLong consisting of Commissioners Parker, Snow and Henderson.

III. OLD BUSINESS

- A. Fiscal Year 2017 year-end summary. Fiscal year 2017 has now ended and Deputy Administrator Mike Visser will present a summary of the revenues, expenditures and year-end reserve. The Division is seeking direction from the Commission on a possible claim fee decrease in 2018 if reserve levels are in excess of guidance.

Mike Visser: presented a power point. Stated that revenue from mining claim filings are 75-80% of total agency revenue. 90% of FY total is received by end of January with county Q2 payments. Filings correlate directly to commodity prices and exploration interest in Nevada. Filings peaked in 2012 at 224,772 and decreased to 186,534 by 2015; 17% decrease. This represented a \$325,000 decrease in funding and prompted changes to expenditures. Response to the revenue decrease 2011-2016: Delayed the backfill of two staff positions after

retirements (CAT 01). Contracted through Manpower for part-time CC front desk assistance (CAT 04). Reduced discretionary spending under CMR-directed Special Projects (CAT 09). Significantly reduced contracted AML work (CAT 39). Initiated Rulemaking in FY16 for fee increases in OGG to adequately cover program costs; effective January 1, 2016. Initiated Rulemaking in FY16 for \$1.50 claim filing fee increase; effective July 1, 2016. CMR increased guidance amount for Reserve (Balance Forward) to \$900,000; = 6 months of non-discretionary agency expenses.

FY 2018-19 forecast- revenues: Base budget built from FY 2017 actuals. Assumes 2% decrease in claim filings; average of 2016 & 2017 was -1.5%. Assumes 2% annual increase in geothermal revenue. Oil production and permit fees declining 5%/yr. BLM Cooperative agreement \$50K/yr. FS Cost-Sharing agreement \$17K and \$18K. New DMR permit fees; \$6K and \$12K.

FY 2018-19 forecast- expenditures: 10.75 FTE's, with CC front desk ½ time from Manpower. 8 AML interns 13 weeks in summer, 3 weeks in winter. \$2/claim final payment to Mackay in February, 2018 (\$359,812). Contracted AML work increases to \$120K/yr. NBMG "directed reports and deliverables" \$85K/yr. in 2018 and 2019. (Annual MI report, updated maps, scanning and archiving, bi-annual Exploration Survey, Special Study, Special Maps as needed).

FY 2018-19 forecast: Barring any unforeseen significant decreases to the number of mining claim filings, the Division is again well positioned to fulfill its mission statement. The changes made to revenue and expenditures over the last three years were successful in seeing us through a difficult financial period. However, by FY 2019 and going forward, our revenues will outpace our expenditures and grow our Reserve. Forecast Reserve – Balance Forward Amounts and Recommendations For Decrease: Forecast Reserve without adjustments: FY 2018: \$1,315,645 FY 2019: \$1,547,005. Recommendations: Provide \$100,000 towards the Arden Mine Closure project and initiate through Rulemaking a \$1 per claim fee reduction (NAC 517.200) FY 2018: \$1,215,645 (Arden) FY 2019: \$1,374,225 (fee red.). The projection of these two adjustments to the end of FY 2022, with no significant changes to other revenue or 2019 expenditures, results in a Reserve of \$975,203. Additional one-time discretionary AML Enhancements and/or other contracted work should be considered once FY18's claim fee revenue is better forecast (October 2017 - BLM).

Mary Korpi: asked if there is ever a question that you have too much money in the budget?

Mike Visher: answered yes, the question is asked..

Art Henderson: asked if we can raise expenditures to match the revenues.

Rich Perry: answered yes, but requires IFC approval.

Mike Visher: stated that we can reallocate costs. He went through the Arden mine closure. He went through the rest of his power point suggesting that we lower the mine claim fee from \$6 to \$5.

Art Henderson: stated that we spent years watching our revenue decline and finally did something. I think we are maybe jumping the gun and should wait and see.

Rich DeLong: state that whatever that number is we will get scrutinized at LCB.

Art Henderson: said that we should use the money to close more mines instead of cutting fees.

Rich DeLong: stated that staff can only manage so much and with contractors.

Dennis Bryan: said the Arden mine could be 2 or 3 years down the road, realistically it won't happen next year.

Rich Perry: stated that Clark County has the money to get this going and I think it will happen next year. It's a great thing to do for mining and press/media.

Dennis Bryan: stated that regarding the \$1 claim fee; we went to industry originally and asked for a \$2 claim fee, should we go back to industry and see if they want the reduction or would they rather see the money go somewhere else in industry?

Rich DeLong: stated that if the bureau can find more projects we could give them the money. We can't pay salaries, and they are having trouble coming up with deliverables.

Mary Korpi: asked what's the history of the claim fee?

Rich Perry: explained that many years ago it was set as a limit of \$10. The \$2 Mackay fee was a onetime fee to help them get through a crisis time. Now they are doing well, and after 10 years we need to let this agreement expire.

Rich DeLong: said that the last few years the total fee had been \$6 and then went to \$8 and just recently went to \$10.

Art Henderson: stated I would rather see the money go to AML and not cut the fee. NDOM has done with less and now that we have money we should see it go back to NDOM.

Rich DeLong: said that we are talking about 2 fees. We don't want to take money from our general fund and give it to AML.

Dennis Bryan: stated I'd like to ask large scale mining what they think.

Rich DeLong: stated that mine operators pay ½ the claim fee and exploration pays the other half.

John Snow: mentioned that if you don't have the capacity, staff wise, to increase any AML securings, then it would have to be done by contractors and interns.

Rich DeLong: stated for the fee reduction we can poll industry through the NVMA or GSN. Or we can get input from industry if we do a regulation workshop and see what comments we get.

Art Henderson: stated he would like to make a motion to put \$100,000 toward mine closures especially Arden

Art Henderson: said that he would like a committee formed to see how industry feels about the fees and what to do if this revenue trend continues.

Rich DeLong: asked Nigel Bain, Dave Parker and Rich Perry to form a committee.

Bryan Stockton: stated as a reminder the task force works with the Administrator. They report to him and then the administrator brings the report to the CMR.

Rich DeLong: said that, if there is a fee reduction, we need to have it done by July 2018 before filings in September.

Dennis Bryan: Suggests we have some options to give industry, not just a fee reduction.

Motion: put \$100,000 toward abandoned mine closures specifically Arden

Motion made by: Art Henderson

Seconded by: Dennis Bryan

Unanimously approved

- B. Contract with NBMG for deliverables in the next biennium, and possible choice of a special study and report to be completed by the NBMG during FY 2018 (July 1, 2017 – June 30, 2018). At the May 4, 2017 CMR meeting the Commission approved a draft scope of work to be completed by the Nevada Bureau of Mines and Geology and directed staff to prepare a contract. The contract was accepted by the University and submitted to the Board of Examiners where it was approved on 8/8/17. One of the deliverables in the contract from the NBMG is a specific study or activity to be approved by the Commission in the odd years when the Exploration Survey is not required. Options discussed include: 1. A report on toll processing or smelting of base metal concentrates, 2. A lithium occurrences in Nevada study, and 3. A project to update the NBMG web site to better enable the search for mineral exploration data.

Rich Perry: stated that the contract is done and approved by the Board of Examiners.

Rich DeLong: asked if there is a motion?

Motion to do option #1, the toll processing and toll smelting report made by: Dennis Bryan

Seconded by: Mary Korpi

Unanimously approved

- C. Update on Mineral Withdrawals and Land Bills. The Division has acted as a cooperating agency on the proposed Sagebrush Focal Area withdrawal and Fallon Range Training Complex Modernization withdrawal, along with other State agencies. A review of the status of both proposed withdrawals will be presented for discussion.

Mike Visher: stated that the EIS process seems unfamiliar to the Navy and it is moving very slowly. Only one Minerals Working Group meeting has been held to date and little information has been requested.

Rich DeLong: is Governor communicating with base commander?

Mike Visher: yes. A letter with an proposed alternative has been sent to the Navy.

Art Henderson: was there something happening in September regarding the SFA mineral withdrawal?

Rich Perry: the 2 year segregation on new mining claims expires on September 24th.

John Snow: on the Fallon Range complex is there a discussion on the transmission corridor?

Mike Visher: the Navy would prefer that any future power lines be buried.

IV. STAFF REPORTS

1. Mining/Reclamation Bond Pool – Mike Visher

Mike Visher: went through the bond pool status report page.

2. Update on oil, gas and geothermal drilling activity, field inspections and corrective actions – Lowell Price
Lowell Price: Went over his paperwork in the binder.

John Snow: mentioned one of the operators was very questionable.

Lowell Price: went back to going through his presentation. There was some discussion regarding the Tomera Ranch.

3. Update on summer AML program – Rob Ghiglieri

Rob Ghiglieri: Went through the summer intern stats. Explained how well the MESA tablets worked in efficiency, time and accuracy.

Rich Perry: Rob, Courtney and Garrett did a great job managing the interns.

COMMISSION BUSINESS

A. Determination of time and place of next CMR meeting
November 30th and December 1st. Carson City.

B. Decide on a meeting date to choose the Chairman for the next two years
Rich DeLong: Suggested every 2 years in the February meeting for a vote. Get on the agenda for February, 2018 CMR meeting.

C. Decide on a meeting date to conduct the two-year evaluation of the Administrator
Rich Perry: suggested the Administrator be put through a review. May, 2018 CMR meeting.

COMMENTS BY THE GENERAL PUBLIC

No Public comments at this time.

ADJOURNMENT

TIME: 4:47 PM

II. NEW BUSINESS

II. A. Updating of Geothermal regulations

PROPOSED UPDATE TO GEOTHERMAL CHAPTER REGULATIONS, NAC 534A

- ❖ Most of NAC 534A, except for fees, has not been updated since 1992. Original chapter was adopted in 1985. Some parts that need updating are:
 1. Regulations of State Engineer requiring licensed water well drillers for all geothermal well drilling. Was valid then, but industrial and commercial now are large rigs that operate 24/7 with skilled professionals on-site.
 2. Domestic geothermal wells still need licensed water well drillers
 3. Require drilling rig License to Operate through State Contractor's Board (currently in NAC 534A.110).
 4. Provide 5 year confidentiality in NDOM regs (currently in State Engineer
 5. Provide the Administrator the ability to provide a Waiver of Provisions. Specific 'exception' (waiver) authority in NDOM regs
- ❖ Administrator enforcement authority needed in certain circumstances, such as the ability to order an operator to plug and abandon a well, terminating the drilling of a well due to unsafe conditions or danger to the environment, and monetary penalties for failure to adequately satisfy an order issued by the Administrator.

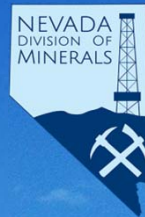
PROPOSED CHANGES AND ADDITIONS TO GEOTHERMAL REGULATIONS

- ❖ Eliminate provision in NAC 534A.300 that ‘all’ geothermal wells ‘must’ be logged with an electrical well log or neutron-gamma ray or similar log below surface casing.
 - Temperature gradient, and possibly some observation wells, should not be required to run electric logs, for the expense of logging could be cost prohibitive during initial exploration drilling.
- ❖ Request usage of well names based on the Kettleman numbering system for all geothermal wells, except domestic and commercial (NAC 534A.330.1)
- ❖ Provide five years of confidential status for data submitted through NAC 534A.350, NAC 534A.360, and NAC 534A.400.

PROPOSED CHANGES AND ADDITIONS TO GEOTHERMAL REGULATIONS

- ❖ An operator must file logs with the Division within 60 days of a well's completion according to NAC 534A.350. However, NAC 534A.550 requires the operator to file logs within 30 days of the well's completion. It is recommended that NAC 534A.550 be changed to 60 days.
- ❖ Are geothermal permits to be issued by the Administrator for wells proposed to be drilled in a non-geothermal resource, such as cold fresh water aquifers (commonly 55 to 65° F) where the fluid is being utilized by a heat exchanger for supplemental cooling and heating?
 - Should a minimum proposed temperature be established for the issuance of geothermal permits?
- ❖ Other language updating as necessary
- ❖ Procedure: Form a regulation update team and prepare a draft for public workshops

II. B NDOM AML drone



NDOM AML Drone

Commission of Mineral Resources

November 30, 2017

Rob Ghiglieri



Background

- USACE demonstration project in 2016
 - Flown using fixed wing UAV
 - Great results for NDEP, not cost effective for NDOM
 - Did not have live view
- NDOM purchased a DJI Phantom 4 pro+ August 2017
 - Live view and affordable
- Anticipated to reduce time in inventory efforts, mainly non-hazards.
 - Help completely inventory area

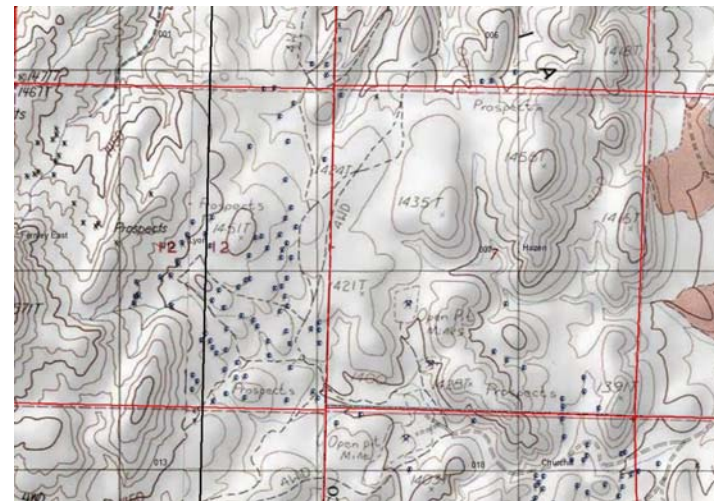
Hazen Test

- Decided to fly the Hazen area to perform some test flights with actually un-inventoried AML

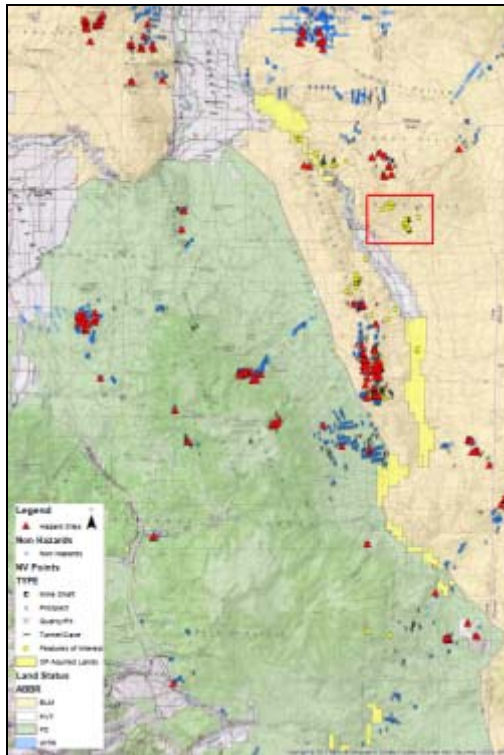
Before



After

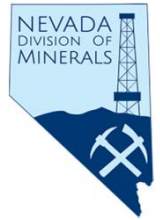


Walker River State Park - AML



Current state of AML Hazards:

- Areas surrounding SP includes inventoried and undiscovered hazards
- Backfilled, Bat-compatible closures, fenced & unsecured hazards



Carnation Closures

- Video



Do I Need a License to Fly?

- Waited for the newest requirements to be released.
 - Government work requires a remote pilot certification
- Registered the Drone with Nevada Department of Public Safety

Government Entities

Government entities or organizations (e.g. law enforcement agencies, public universities, state governments, local municipalities) have 2 options for flying UAS:

1. Fly under the [small UAS rule](#) – follow all rules under 14 CFR part 107, including aircraft and pilot requirements
OR
2. Obtain a blanket public Certificate of Waiver or Authorization (COA) – permits nationwide flights in Class G airspace at or below 400 feet, self-certification of the UAS pilot, and the option to obtain emergency COAs (e-COAs) under special circumstances

Contact 9-AJV-115-UASCOA@faa.gov to learn more about public COAs.

Fly for Work/Business

Below are the basic things an operator must know for flying under the small UAS rule (14 CFR part 107):

Pilot Requirements:

- Must be at least 16 years old
- Must pass an initial aeronautical knowledge test at an FAA-approved knowledge testing center+
- Must be vetted by the Transportation Safety Administration (TSA)
+A person who already holds a pilot certificate issued under 14 CFR part 61 and has successfully completed a flight review within the previous 24 months can complete a part 107 online training course at www.faasafety.gov to satisfy this requirement.

For more information, read about [Remote Pilot Certification](#).

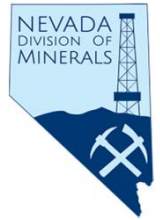
Aircraft Requirements:

- Less than 55 lbs.
- [Must be registered](#)

Operating Rules:

- Class G airspace*
- Must keep the aircraft in sight (visual line-of-sight)*
- Must fly under 400 feet*
- Must fly during the day*
- Must fly at or below 100 mph*
- Must yield right of way to manned aircraft*
- Must NOT fly over people*
- Must NOT fly from a moving vehicle*

* All of these rules are subject to waiver



Next Steps

- NDOM AML staff receive Remote Pilot Certification
 - Certificate is good for 2 years
 - Study guide and sample test
 - Take exam January or February
- Develop drone SOP for staff
 - Incorporate drone use while staff is working with interns
- Possibly purchase second drone for LV office

III. OLD BUSINESS

III. A. Task Force recommendations for a possible \$1 claim fee decrease

Analysis of Cumulative Impacts to Reserve from Certain Claim Fee Amounts and AML Enhancements (FY18-FY22)

Scenario #1 - Current conditions						
Fiscal Year	Mining Claims	\$2/claim (current FY)	Cumulative Impact to Reserve (Final Mackay payment \$359,812 in FY18 plus \$85k to NBMG annually)	Forecast Reserve at End of FY	CMR Approved AML Enhancement	
2018	181,194	\$362,388	(182,424.00)	\$1,264,521	(\$100,000)	
2019	180,000	\$360,000	92,576.00	\$1,570,960		
2020	176,400	\$352,800	360,376.00	\$1,793,303		
2021	176,400	\$352,800	628,176.00	\$2,604,060		
2022	172,872	\$345,744	888,920.00	\$2,073,698		
Scenario #2 - \$1/claim fee reduction						
Fiscal Year	Mining Claims	\$2/claim (current FY) then \$1/claim (FY19 on)	Cumulative Impact to Reserve	Forecast Reserve at End of FY	CMR Approved AML Enhancement	
2018	181,194	\$362,388	(182,424.00)	\$1,264,521	(\$100,000)	
2019	180,000	\$180,000	(87,424.00)	\$1,390,672		
2020	176,400	\$176,400	3,976.00	\$1,435,455		
2021	176,400	\$176,400	95,376.00	\$1,440,476		
2022	172,872	\$172,872	183,248.00	\$1,364,280		Fee increase will be needed in ~FY24/25 to maintain \$950k guidance
Scenario #3 - Increase AML Enhancements						
Fiscal Year	Mining Claims	\$2/claim (current FY)	Cumulative Impact to Reserve	Forecast Reserve at End of FY	AML Enhancement Expenditures	Hard Closure Projects and Hazard Count
2018	181,194	\$362,388	(182,424.00)	\$1,264,521	(\$100,000)	Arden (16)
2019	180,000	\$360,000	(244,424.00)	\$1,233,960	(\$337,000)	Broken Hills* (40), NV Eagle* (43), Double "O" 2* (81)
2020	176,400	\$352,800	(344,624.00)	\$1,088,303	(\$368,000)	Sand Mtn* (58), Pine Nuts (64)
2021	176,400	\$352,800	(330,574.00)	\$1,017,134	(\$253,750)	Mullen Pass (30), Searchlight/Nelson (48)
2022	172,872	\$345,744	(221,330.00)	\$963,448	(\$151,500)	American Canyon (191)
					(\$1,210,250)	571 AML Features Permanently Closed
						*** denotes NDOM prepped projects awaiting final CX from BLM

III. B. Update on Mineral Withdrawal and Land bills



H.R.1107 - Pershing County Economic Development and Conservation Act

115th Congress (2017-2018)

Sponsor: [Rep. Amodei, Mark E. \[R-NV-2\]](#) (Introduced 02/16/2017)

Committees: House - Natural Resources

Committee Reports: [H. Rept. 115-336](#)

Latest Action: House - 09/28/2017 Placed on the Union Calendar, Calendar No. 243. ([All Actions](#))

Tracker: **Introduced** Passed House Passed Senate To President Became Law

Summary (1) Text (2) Actions (8) Titles (3) Amendments (0) Cosponsors (3) Committees (1) Related Bills (1)

There is one summary for H.R.1107. [Bill summaries](#) are authored by [CRS](#).

Shown Here:

Introduced in House (02/16/2017)

Pershing County Economic Development and Conservation Act

This bill directs the Department of the Interior to conduct sales or exchanges of eligible lands in Pershing County, Nevada, identified as the "Checkerboard Lands Resolution Area."

Interior and the county shall jointly select which parcels of eligible land to offer for sale or acre-for-acre exchange.

For purposes of acre-for-acre exchanges, Interior shall identify management priority areas within the Checkerboard Lands Resolution Area, including those considered to be:

- greater sage-grouse habitat;
- part of an identified wildlife corridor or designated critical habitat;
- of value for outdoor recreation or public access for hunting, fishing, and other recreational purposes;
- of significant cultural, historic, ecological, or scenic value; or
- of value for improving federal land management.

The bill prescribes requirements for the disposition of proceeds from the sales of lands.

Interior shall offer for sale and convey to specified qualified entities, for fair market value, the remaining U.S. right, title, and interest in certain lands and interests in the county.

Interior shall convey to the county, without consideration, Unionville Cemetery.

The bill designates specified federal land in Nevada as components of the National Wilderness Preservation System.

The bill releases specified wilderness study areas from further review for designation as wilderness.

PERSHING COUNTY ECONOMIC DEVELOPMENT AND
CONSERVATION ACT

SEPTEMBER 28, 2017.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. BISHOP of Utah, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 1107]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1107) to promote conservation, improve public land management, and provide for sensible development in Pershing County, Nevada, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1107 is to promote conservation, improve public land management, and provide for sensible development in Pershing County, Nevada.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 1107, the Pershing County Economic Development and Conservation Act, is the result of over a decade of negotiations between locally-elected officials, miners, conservationists, sportsmen, ranchers, and residents in Pershing County, Nevada. The bill consolidates over 300,000 acres of checkerboard federal land previously identified for disposal by the Bureau of Land Management (BLM); conveys land for mining and public purposes, including the transfer of a cemetery to the County; creates 136,072 acres of new wilderness areas; and releases roughly 48,600 acres of Wilderness Study Areas (WSA) to benefit conservation, recreation, and economic development in Pershing County, Nevada.

In Pershing County, 75% of the land is federally owned, with over 300,000 acres identified for disposal under the BLM's Winnemucca District Resource Management Plan. H.R. 1107 allows for the sale of up to 150,000 acres of checkerboard land previously identified for disposal by the BLM. The County will work jointly with BLM to identify high-priority land sales along the I-80 corridor, east of the Rye Patch State Recreation Area, near the Humboldt River Ranch and West Humboldt Range to resolve the federal-nonfederal checkerboard pattern of ownership throughout the County. The sale and transfer of lands will streamline BLM's management of the area and provide the County and State with additional revenues to jumpstart economic development.

H.R. 1107 includes several land conveyances for public purposes and to consolidate mining operations in Pershing County. Several local companies will have the ability to acquire land from the BLM where they already own mining claims, millsites, or tunnel sites. According to one local mining company, allowing the consolidation and expansion of mining operations will lead to "greater investments, additional development and production from these lands, and important for Pershing County—economic development and jobs."¹ The bill also conveys the Unionville Cemetery to Pershing County. Established in the 1870s, the 10-acre cemetery is still in use, although the BLM currently prohibits any additional burials. Transferring the land would ensure its continued use and allow residents of the County to bury their loved ones nearby.

Of the proceeds from the sale, 5% will go to the State for educational purposes and 10% will go to Pershing County. The remaining 85% of the proceeds will be deposited in the Pershing County Special Account and fund reimbursements for land sales; wildlife habitat conservation projects; reimbursements for County drought projects; wildfire pre-suppression and restoration projects; future acquisition of environmentally sensitive land or lands that secure recreational access for the public; and surveys related to wilderness designations.

H.R. 1107 also designates 136,072 acres of wilderness and releases approximately 48,600 acres of WSA. The new wilderness designations include 11,855 acres of the Mount Limbo WSA; 13,875 acres in North Sahwave; 24,900 acres in the Bluewing Mountains; 22,822 acres in the Selenite Mountains WSA; 14,942 acres in Fencemaker; 35,339 acres in Grandfathers encompassing the majority of two WSAs; and 12,339 acres known as Cain Mountain in the Augusta Mountain WSA. The bill also releases 48,600 acres of WSA studied since the early 2000s in Augusta Mountain, China Mountain, Mount Limbo, Selenite Mountains, and Tobin Range.

COMMITTEE ACTION

H.R. 1107 was introduced on February 16, 2017, by Congressman Mark E. Amodei (R-NV). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Federal Lands. On May 23, 2017, the Subcommittee held a hearing on the bill. On June 22, 2017, the Natural Resources Committee met to consider the bill. The Subcommittee was

¹ Coeur Mining, "Economic Development and Conservation Act Proposal—Pershing County, Nevada", 06/27/16.

discharged by unanimous consent. No amendments were offered, and the bill was ordered favorably reported to the House of Representatives by unanimous consent on June 27, 2017.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 27, 2017.

Hon. ROB BISHOP,
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1107, the Pershing County Economic Development and Conservation Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jeff LaFave.

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 1107—Pershing County Economic Development and Conservation Act

H.R. 1107 would establish a process to sell or exchange up to 400,000 acres of federal land administered by the Bureau of Land Management (BLM) in Pershing County, Nevada, and also would designate 136,000 acres of other federal lands as wilderness.

The bill would require BLM to conduct a mass appraisal of the affected lands. Based on an analysis of information provided by the Department of the Interior's Office of Valuation Services, CBO estimates that conducting the appraisal would cost roughly \$1 million in 2019; that spending would be subject to the availability of appropriated funds.

Title I would direct BLM to work with Pershing County to jointly select parcels from roughly 300,000 acres of federal land that would be conveyed to the county through sale or exchange. Because BLM has already identified those lands for disposal, CBO expects that any lands conveyed in this region eventually will be conveyed under current law. Under the bill, the agency would only be required to sell lands valued at more than \$500 an acre. CBO expects

that lands valued at less than \$500 an acre would be exchanged. The bill would authorize the agency to spend any proceeds from the sale of land, which would increase direct spending; however, based on information from BLM regarding the amount of similar lands sold state-wide in Nevada over the last five years (between 1,000 and 3,000 acres) and the value of those lands (between \$100 and \$300 an acre), CBO estimates that any proceeds generated by the sale of the affected lands and the associated direct spending would be insignificant over the 2018–2027 period.

Title II would require BLM to offer mining claims covering roughly 100,000 acres in Pershing County for sale at fair market value. However, CBO expects that few individuals or firms would elect to purchase those lands because under current law they would have the option to patent their mining claims after 2017. Mineral patents allow individuals and firms to acquire title to hardrock minerals and the associated surface rights under a federal mining claim at below-market rates. Each year since 1994, the Congress has included provisions in annual appropriations acts that prohibit BLM from accepting or processing applications for mineral patents. Because patents are prohibited only in the year the appropriations acts are enacted, BLM will be authorized to issue mineral patents beginning in 2018; the Congress would have to extend that prohibition in subsequent legislation. CBO expects that individuals or firms seeking to acquire title to federal mining claims generally would opt for a patent rather than purchase the claims using the process established under the bill. Thus, CBO estimates that enacting that provision would have no significant budgetary effect.

Title III would designate 136,000 acres of federal land as wilderness. Designating federal land as wilderness could have an effect on the budget if the property generates receipts for the government and collection of those receipts would end under the wilderness designation. Because the bill would preserve existing grazing rights on the affected lands and CBO does not expect those lands to generate any other proceeds over the next 10 years, we estimate that enacting that provision would have no effect on the federal budget.

Because enacting H.R. 1107 would affect direct spending, pay-as-you-go procedures apply; however, CBO estimates that the net effect on direct spending would not be significant. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 1107 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1107 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill would benefit the governments of Pershing County, Nevada, and the State of Nevada by directing proceeds generated from federal land transactions to support environmental, land management, and education projects for those governments. Any costs incurred by public entities associated with land transactions would result from voluntary commitments.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective

of this bill is to promote conservation, improve public land management, and provide for sensible development in Pershing County, Nevada.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95-220, as amended by Public Law 98-169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.



Washoe County Announcement

Learn more about the proposed Public Lands Bill

Washoe County is hosting a public forum Nov. 2.

Media Release

Contact: Scott Oxarart

For Immediate Release soxarart@washoecounty.us

www.washoecounty.us 775-328-2068

Reno, Nevada. Oct 26, 2016. Washoe County is hosting a public forum at the Reno Sparks Convention Center at 4:30 p.m. Wednesday, Nov. 2, 2016, to discuss the Public Lands Bill.

The Washoe County Public Lands Bill aims to address the following priorities:

- Make certain federal lands surrounding the greater Reno-Sparks area are available for future economic development opportunities.
- Expanding recreational opportunities in Washoe County by providing land for parks, trails and open space.
- Creating opportunities for local jurisdictions to acquire federal lands to support their varied needs.
- Designating new wilderness areas in the northern portion of the county and providing funding for habitat restoration and other conservation efforts county-wide.

Who: Washoe County

What: Public forum about the Public Lands Bill

Where: Reno Sparks Convention Center room located at 4590 S Virginia St, Reno

When: Wednesday, Nov. 2, 2016 from 4:30 p.m. to 7 p.m.

Washoe County Community Services Department published two maps of proposed areas that Washoe County is requesting be transferred out of federal ownership for economic development, conservation and other civic purposes. Mapping includes requests from the

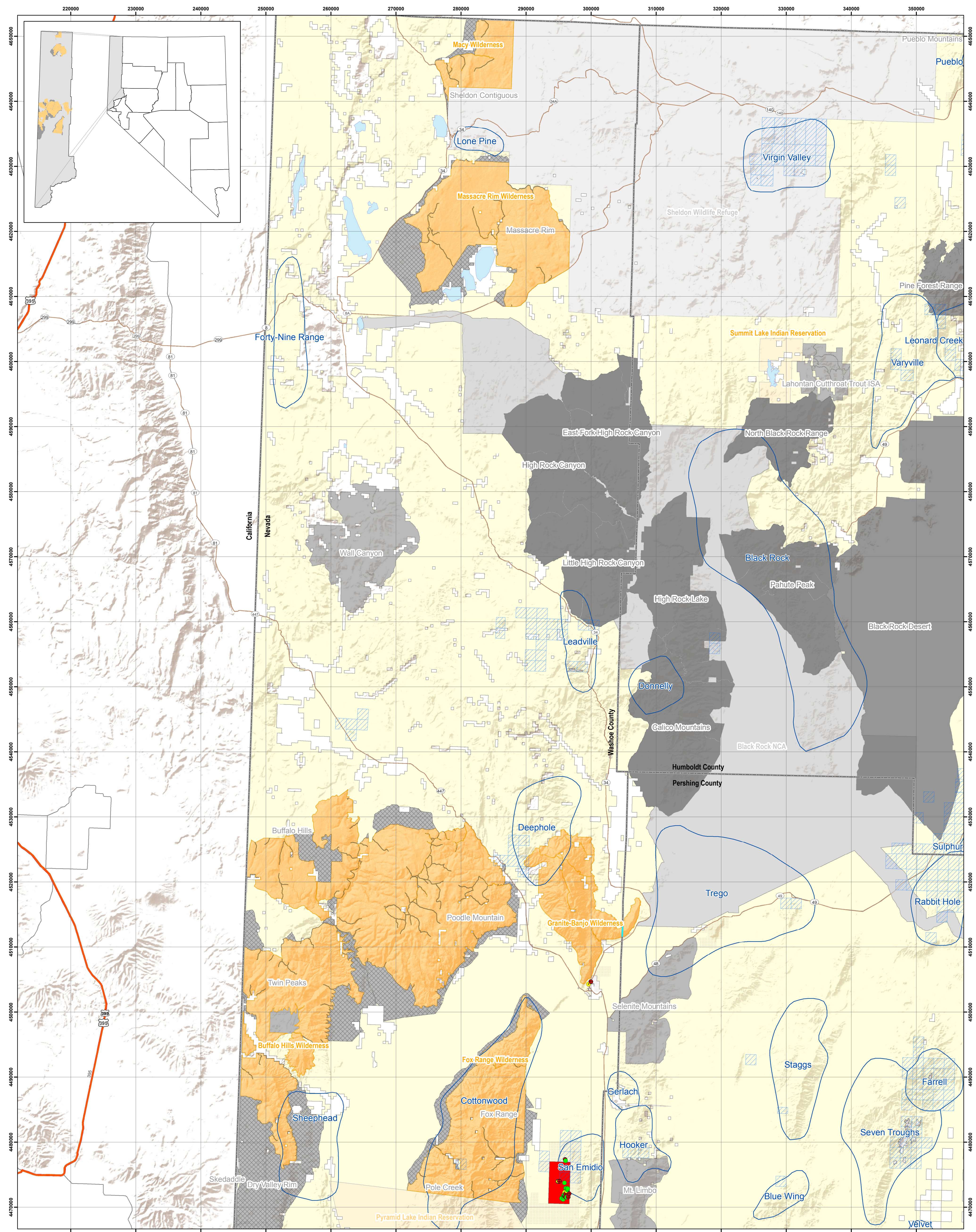
local jurisdictions and public stakeholders. Commissioners approved the draft mapping of the areas that may be impacted by the transfer of land.

The two maps can be seen here (See [map one](#) and [map two](#)). Washoe County has also created an [information page for residents to view](#) online.

###

Washoe County Wilderness Proposal

Map Compiled By: Lucia M. Patterson, Nevada Division of Minerals



Mineral and Geothermal Resources Impact Map:

Land Status

- Bureau of Indian Affairs
- Bureau of Land Management
- Private
- Water
- Nevada Wilderness Areas
- Nevada Wilderness Study Areas
- Nevada NCA Areas
- Sheldon Wildlife Refuge

Washoe County New Wilderness Boundary Proposal

Washoe County Wilderness Release

Geothermal

- Active Geothermal Fields
- 2016 Geothermal Leases

Geothermal Well Status

- In Use
- Idle
- Shut-In
- P&A

Minerals

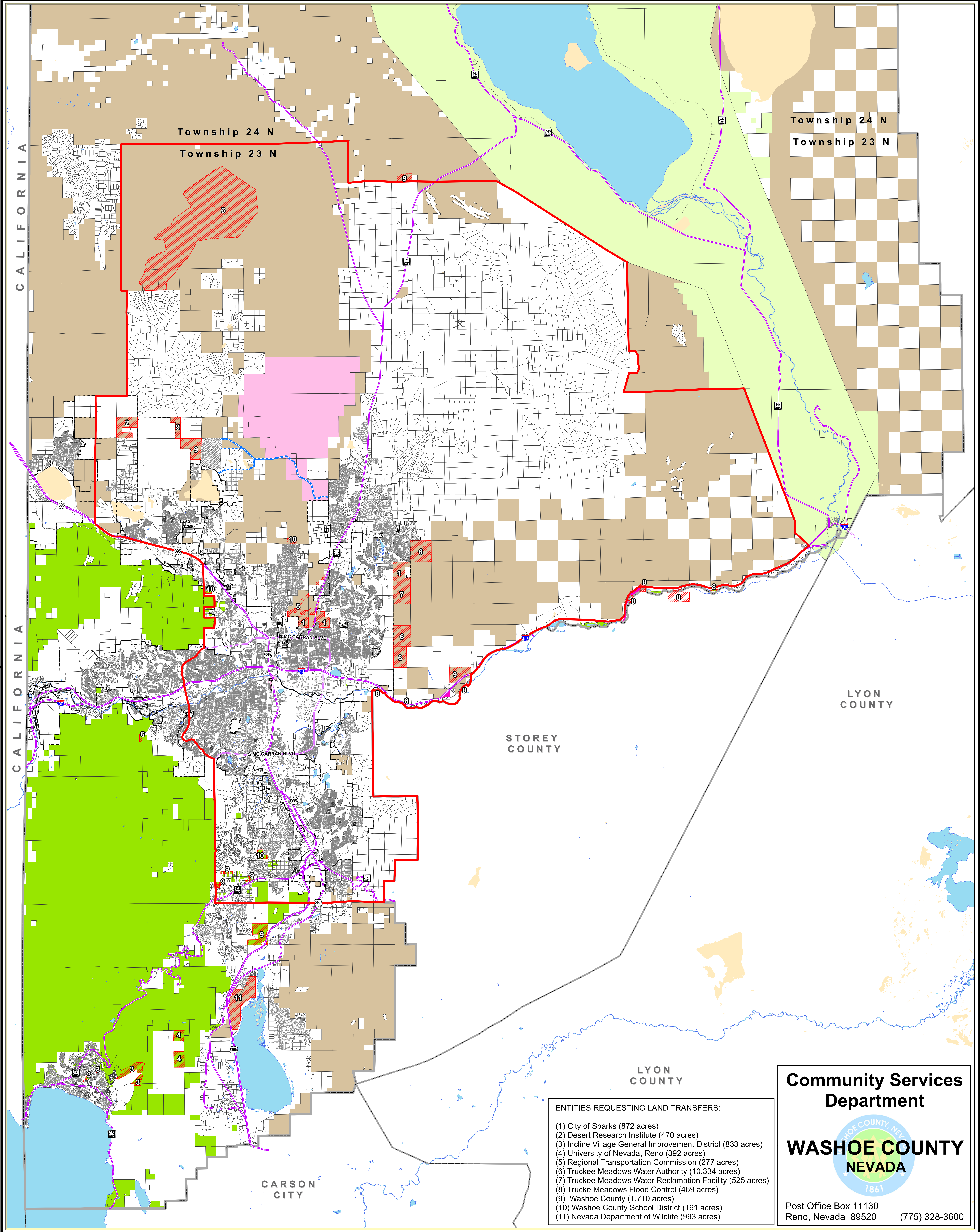
- Sections With 2016 AY Claims
- Mining Districts
- Active Mine

0 2.5 5 10 Miles

0 5 10 20 Kilometers

September 14, 2016
NAD 1983 Zone 11

Total Proposed Withdrawal: 449,170 Acres
within which there are approximately 1,920 acres under geothermal leases and 2 mining claims.



- ENTITIES REQUESTING LAND TRANSFERS:
- (1) City of Sparks (872 acres)
 - (2) Desert Research Institute (470 acres)
 - (3) Incline Village General Improvement District (833 acres)
 - (4) University of Nevada, Reno (392 acres)
 - (5) Regional Transportation Commission (277 acres)
 - (6) Truckee Meadows Water Authority (10,334 acres)
 - (7) Truckee Meadows Water Reclamation Facility (525 acres)
 - (8) Truckee Meadows Flood Control (469 acres)
 - (9) Washoe County (1,710 acres)
 - (10) Washoe County School District (191 acres)
 - (11) Nevada Department of Wildlife (993 acres)

**Community Services
Department**



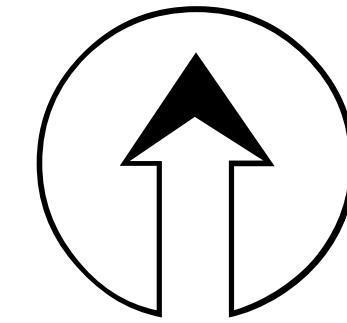
Post Office Box 11130
Reno, Nevada 89520 (775) 328-3600

**DRAFT
FEDERAL AND TRIBAL
LAND TRANSFER REQUESTS
OCTOBER 26, 2016**

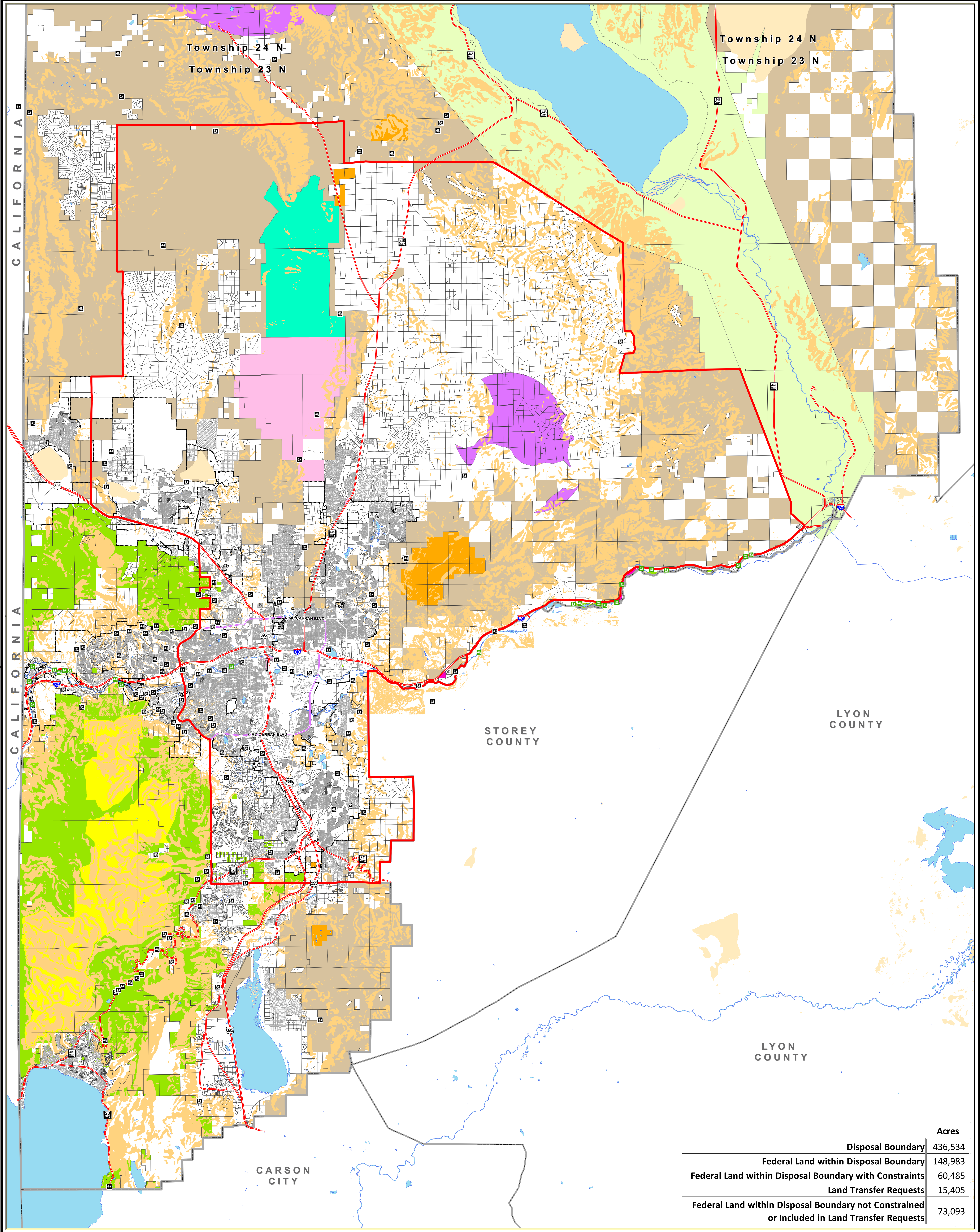
Legend

- | | | | |
|------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| Bureau of Land Management | Pyramid Lake Paiute Tribe Reservation | Land Transfer Requests (16,614 acres) | Proposed TMWA Water Line ROW |
| United States Forest Service | Reno-Sparks Indian Colony Land | County Boundary | Water Bodies |
| Bureau of Reclamation | Reno / Sparks City Boundaries | Playa / Island | |
| Bureau of Indian Affairs | Major Roads / Highways | | |

Scale



Source: Planning and Building Division
\\G:\arcdata\projects\Public_Land_Transf\2016_WC_Lands_Bill\Land_Bill_2016_Transfer_Req.mxd

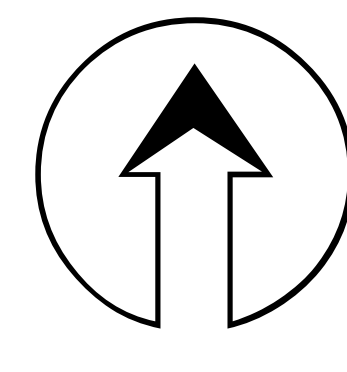


	Acres
Disposal Boundary	436,534
Federal Land within Disposal Boundary	148,983
Federal Land within Disposal Boundary with Constraints	60,485
Land Transfer Requests	15,405
Federal Land within Disposal Boundary not Constrained or Included in Land Transfer Requests	73,093

WASHOE COUNTY FEDERAL LANDS BILL CONSTRAINED AREAS

Legend

- Areas of Critical Environ Concern (ACEC)
- Pyramid Lake Paiute Tribe Reservation
- Reno-Sparks Indian Colony Land
- Bureau of Indian Affairs
- Hungry Valley SRMA
- Sage Grouse Priority Habitat Management Areas (PHMA)
- Slopes >30%
- Bureau of Land Management
- United States Forest Service
- Mount Rose Wilderness Area
- Bureau of Reclamation
- Highways
- County Boundary
- Water Bodies / Playa or Island
- Reno / Sparks City Boundaries
- Trailheads (as identified by the Sierra Club)
- Truckee River Access (as identified by NDOW)
- Major Roads



Community Services
Department

WASHOE COUNTY
NEVADA

Post Office Box 11130
Reno, Nevada 89520 (775) 328-3600

FRTC Modernization EIS Schedule

Comment Table

NEPA Process



Notice of Intent to Prepare an EIS
Aug. 26, 2016

Scoping Period *
Aug. 26, 2016 - Nov. 25, 2016

Public Release of the Draft EIS
Winter 2018

Public Meetings and Comment Period *
Winter 2018

Public Release of the Final EIS
Fall 2019

Final EIS Public Review and Wait Period *
Fall 2019

Record of Decision
Winter 2020

* Opportunities for public review and comment

III. C. Update on Dissolved Mineral Resource Exploration regulations

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HAND OUTS AND PRESENTATION WILL BE GIVEN AT THE
MEETING.

III. D. Toll Processing and Smelting study update

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

III. E. Update on information available and public use of open-data web site

NDOM Claims/Open-Data Site Updates



Prepared for:

The Commission on Mineral Resources
November 2017 Quarterly Meeting
November 30, 2017

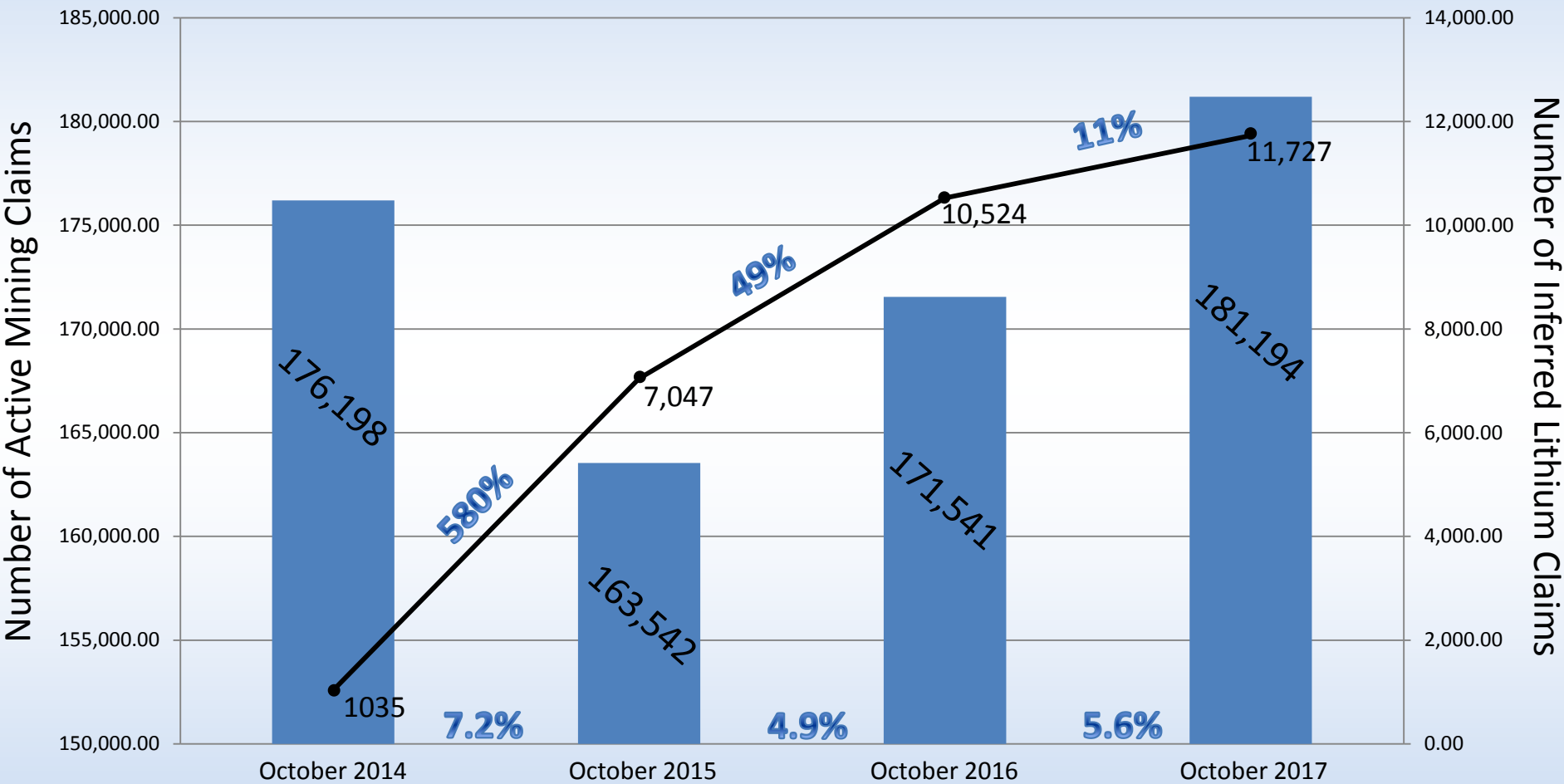
Prepared By:

Lucia M. Patterson
GIS/Field Specialist - Geologist

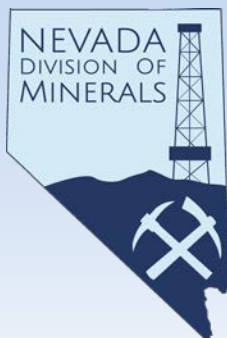




Unpatented Mining Claims By Year



NDOM has been gathering active claim data from LR2000 at the end of October for the last four years. The purpose of this graph is to show claims data and statistics from the same snapshot in time.



NDOM Open Data Home

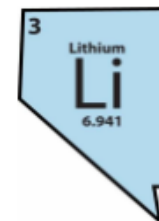
<http://data-ndom.opendata.arcgis.com/>



Active Mining Claims in Nevada



Public Lands Issues



Inferred Active Lithium Placer Claims in Nevada



Historic Mining Districts Vs Land Withdrawals



Greater Sage-Grouse Habitat Management Areas



Fallon Training Complex Modernization

IV. STAFF REPORTS

OIL, GAS, AND GEOTHERMAL ACTIVITY

2017 Permitting and Drilling Activity (Through November 17, 2017)

Permit Type	Issued 2014	Drilled 2014	Issued 2015	Drilled 2015	Issued 2016	Drilled 2016	Issued 2017	Drilled 2017
Geothermal - Ind Production	5	5	10	7	9	10	5	3
Geothermal - Ind Inj	2	2	1	2	3	1	3	4
Geothermal - Observation	10	3	1	1	2	4	3	1
Geothermal - TG	---	---	5	5	---	---	19	15
Geothermal - Com	---	---	---	---	---	---	---	---
Geothermal - Dom	8 ¹	4	8 ²	5	---	4	2	2
Geothermal - Project Area	1	---	1	---	---	---	1	---
Geothermal - Total	27	15	26	20	14	19	33	25
Oil & Gas	16	5	4	2	3	1	0	0

¹Includes 4 wells previously drilled and completed; ²Includes 2 wells previously drilled.

Activity	Geothermal	Ormat Nevada	Ormat completed drilling the McGinness Hills 28C-10 production well (for Phase 3), and spud the 28B-10 production well. Two other permitted production wells in Phase three are to be drilled. Ormat is also drilling the Carson Lake 84A-31 injection well.
		US Geothermal	US Geothermal (USG) is planning on up to a 20 well expansion in the southwest extension of the San Emidio Field. USG has begun their EA with the BLM, where two production well permits have been submitted to the BLM. This new extension of the field is expected to add ~47MW generation capacity. The San Emidio I Power Plant is currently generating ~10 MW.
		Homestretch Geothermal	Homestretch Geothermal drilled Production Well 5 during October. This well was drilled to replace Production Well 2.
		City of Wells	The City of Wells drilled an observation well in the northwestern part of town during late October to early November.
	Oil	Makoil	The Munson Ranch 12-23X and 13-34 permits were approved in 2015, but have not been drilled. The two permits have been extended and will expire on June 12, 2019. The permitted Murphy Gap 14-23, located in Coal Valley, has not been drilled. This permit expires in March 2018.
		Noble Energy	Noble Energy plugged and abandoned the Marys River S25G-S25-33A, Humboldt M2C-M2-21B, Humboldt M10C-M10-11B, and Huntington K1L-1V wells.
		True Oil	True Oil is expected to spud the DY Federal 13-31 well in Railroad Valley in late November.

Summary of Geothermal and Oil Well Inspections for Fiscal Year 2018

FY 2018 Well Inspections	Total Wells	Wells Needed for FY18	Wells Inspected	% of Total Needed	Wells Remaining
Geothermal (13 Locations)	451	150.0	99	66.0%	51
Oil (5 Locations)	128	43	8	19%	35
Totals	579	193	107	56%	86

I witnessed the plugging of Noble Energy's Marys River S25G-S25-33A well during the week of September 6th to 11th. I inspected the previous plugging and current reclamation operations of Noble Energy's Humboldt M2C-M2-21B and M10C-M10-11B, and Huntington K1L-1V wells. I inspected the HSS II Tuscarora Field and the Vosika King production well in Wells during my trip to the Elko area. During late October to mid-November I inspected 10 wells at Steamboat, seven wells at the Peppermill Casino, the Blue Mountain Field, the San Emidio Field, two geothermal wells outside of Gerlach, and the Rye Patch Field. I will be inspecting the Tungsten Mountain and McGinness Hills Fields during the first half of December.

Dissolved Minerals Resource Exploration Database and Web Site Pages

Rich initiated meetings to discuss the structure of the upcoming Dissolved Minerals Resource Exploration (DMRE) database and associated information to be displayed on NDOM's DMRE web pages. The Division will assign unique identification numbers for notices of intent, exploration well permits, well driller's reports, and plugging reports, where these numbers will be used as primary keys in the new database. NDOM already has information related to the DMRE statutes and the development of regulations on the web site. After January 1, 2018, NDOM will also post all notices of intent, exploration well permits, driller's reports, and plugging reports on the web site.

Dissolved Minerals Exploration Regulations

Rich has submitted the Dissolved Minerals Resource Exploration (DMRE) regulations to the Legislative Council Bureau (LCB). Rich is currently working with the LCB on the appropriate language need for the regulations. Rich is hoping to have the regulations back from LCB by the end of November, and then he will set up a workshop for the regulations in Carson City or Reno. Lucia has incorporated all know geothermal leases, geothermal fields, and oil fields into the DMRE associated Areas with Limitations Map. The map identifies areas of higher risk, where DMRE boreholes and exploration wells will have setbacks and possible additional wellbore construction requirements.

Sundry Notice and Transfer of Permit Activity: August 11 (last CMR report) to November 17, 2017

Fifteen geothermal sundry notices were approved. Eight Transfer of Permit Ownership forms for the Rye Patch Field, where Presco Energy transferred ownership of eight production wells to Star Peak Geothermal, a wholly owned subsidiary of Open Mountain Energy. Star Peak Geothermal intends to bring the Rye Patch Field online during 2018 and 2019. The current plant located in the field will be scrapped, and Star Peak Geothermal intends on building a new plant. No oil and gas sundry notices were approved.

BLM Lease Sales

The BLM Battle Mountain District held a lease sale on September 12th. There were three parcels offered, located in Railroad Valley. The three parcels comprised a cumulative total of 3,680 acres, one parcel being 1,120 acres and the other two parcels being 1,280 acres each. The Center for Biological Diversity and the Wilderness Society NGO's protested all three parcels. The BLM did not remove any parcel due to protests. The sale had six bidders, and all three parcels were sold during the competitive lease sale. One of the parcels sold for \$8.00 per acre, and the remaining two parcels sold for \$9.00 per acre. Total receipts for the sale were \$33,120.00. The next oil and gas lease sale is scheduled for December 12th, where the Ely District will offer 208 parcels totaling 388,719.402 acres in Lincoln, Nye, and White Pine Counties.

The BLM held a statewide geothermal lease sale on October 24th. Twenty parcels were offered in Churchill, Elko, Esmeralda, Eureka, Lander, Mineral, and Washoe Counties by the Battle Mountain, Carson City, Elko, and Winnemucca BLM District Offices. None of the parcels were protested. Total cumulative acreage offered for the sale was 38,208.46 acres. There were six bidders attending the sale. Ten parcels totaling 19,208.66 acres were bought at the sale. The highest bid was the minimum of \$2.00 per acre. Receipts for the sale totaled \$78,444.00. The BLM has not set a date for the next annual geothermal lease sale.

Geothermal Resource Council Conference

The Geothermal Resource Council Conference was held in Salt Lake City from October 4th to October 6th. I manned the booth in the Geothermal Education Association exhibit area. Even though there was less attendees at the conference this year, the booth received quite a bit of traffic. I had a dozen handouts, fifty copies each, and just about all of the handouts were taken by visitors to the booth. I fielded a lot of questions about the geology of Nevada, due to the maps hanging on the booth wall, as well as a few questions concerning lithium exploration in areas of geothermal activity. Overall, the booth was quite the success this year.

Elko Forest Service

During the second week of October, I traveled to Elko County, where I help the Forest Service plug and abandon nineteen boreholes about six miles east-southeast of Mountain City. During this trip, I also inspected the four wells recently plugged and abandoned by Noble Energy, as well as inspecting the Blue Mountain Field west of Winnemucca.

Reclamation Bond Pool Status Report			Current to:	10/31/2017																																																																																																															
Plan-level Bonds -Company		Project	Entry Date	Bond Amount	% of Pool	Comments	Deposit	Premiums Paid	% Bond Whole	Premium Schedule	Current thru																																																																																																								
Custom Details		Bovie-Lew	11/17/2006	\$24,364.00	0.75%		\$ 12,217.11	\$20,070.59	132.5%	\$182.73 quarterly	12/31/2017																																																																																																								
New Gold Nevada (formerly NV Rae)		Black Rock Canyon	4/15/2005	\$709,941.00	21.73%		\$ 404,828.37	\$315,761.75	101.5%	\$5,324.56 quarterly	12/31/2017																																																																																																								
So. NV Liteweight		Money Pit	5/21/2004	\$430,088.00	13.16%		\$ 233,171.91	\$250,177.24	112.4%	\$3,225.66 quarterly	12/31/2017																																																																																																								
Western Pacific Clay		Fallon Bentonite	12/11/1997	\$209,900.00	6.42%	terminated	\$ 31,485.00	\$185,648.94	103.4%																																																																																																										
Western Mine Dev.		Victorine Mine	5/24/2000	\$45,875.39	1.40%	terminated	\$ -																																																																																																												
Western Mine Dev.		Kingston Mill	5/24/2000	\$100,450.00	3.07%	terminated	\$ -																																																																																																												
Western Mine Dev.		Manhattan Mill	5/24/2000	\$114,288.77	3.50%	terminated	\$ -																																																																																																												
TNT Venture		Big Canyon	1/27/2010	\$78,161.00	2.39%		\$ 39,615.03	\$42,116.96	104.6%	\$586.21 quarterly	9/30/2017																																																																																																								
Dun Glen Mining		Dun Glen	8/11/2014	\$373,981.00	11.45%		\$ 200,648.22	\$108,678.84	82.7%	\$8,780.45 quarterly	9/30/2017																																																																																																								
Statewide Notice-Level		Various	various	\$1,180,257.00	36.12%	87 Notice-level bonds				Premiums due																																																																																																									
Total Bonded Amount				\$3,267,306.16	100.00																																																																																																														
Cash in Pool's Account				\$4,124,030.55																																																																																																															
Unfunded Amount				-\$856,724.39																																																																																																															
Percent funded				126.2%																																																																																																															
				<div>Notice-Level Bond Actions Executed With NDOM</div> <table><thead><tr><th></th><th># of New Bonds</th><th># of Bond Increases</th><th># of Bond Reductions</th></tr></thead><tbody><tr><td>FY12 Q1</td><td>24</td><td>0</td><td>21</td></tr><tr><td>FY12 Q2</td><td>16</td><td>0</td><td>14</td></tr><tr><td>FY12 Q3</td><td>5</td><td>2</td><td>8</td></tr><tr><td>FY12 Q4</td><td>8</td><td>7</td><td>10</td></tr><tr><td>FY13 Q1</td><td>4</td><td>7</td><td>11</td></tr><tr><td>FY13 Q2</td><td>2</td><td>3</td><td>7</td></tr><tr><td>FY13 Q3</td><td>0</td><td>0</td><td>13</td></tr><tr><td>FY13 Q4</td><td>6</td><td>4</td><td>18</td></tr><tr><td>FY14 Q1</td><td>0</td><td>2</td><td>22</td></tr><tr><td>FY14 Q2</td><td>2</td><td>1</td><td>8</td></tr><tr><td>FY14 Q3</td><td>0</td><td>3</td><td>8</td></tr><tr><td>FY14 Q4</td><td>3</td><td>0</td><td>7</td></tr><tr><td>FY15 Q1</td><td>2</td><td>0</td><td>9</td></tr><tr><td>FY15 Q2</td><td>3</td><td>3</td><td>9</td></tr><tr><td>FY15 Q3</td><td>1</td><td>1</td><td>12</td></tr><tr><td>FY15 Q4</td><td>1</td><td>1</td><td>8</td></tr><tr><td>FY16 Q1</td><td>4</td><td>2</td><td>16</td></tr><tr><td>FY16 Q2</td><td>0</td><td>1</td><td>12</td></tr><tr><td>FY16 Q3</td><td>1</td><td>0</td><td>2</td></tr><tr><td>FY16 Q4</td><td>6</td><td>1</td><td>8</td></tr><tr><td>FY17 Q1</td><td>3</td><td>1</td><td>10</td></tr><tr><td>FY17 Q2</td><td>9</td><td>4</td><td>19</td></tr><tr><td>FY17 Q3</td><td>0</td><td>2</td><td>5</td></tr><tr><td>FY17 Q4</td><td>5</td><td>3</td><td>13</td></tr><tr><td>FY18 Q1</td><td>4</td><td>0</td><td>3</td></tr></tbody></table>									# of New Bonds	# of Bond Increases	# of Bond Reductions	FY12 Q1	24	0	21	FY12 Q2	16	0	14	FY12 Q3	5	2	8	FY12 Q4	8	7	10	FY13 Q1	4	7	11	FY13 Q2	2	3	7	FY13 Q3	0	0	13	FY13 Q4	6	4	18	FY14 Q1	0	2	22	FY14 Q2	2	1	8	FY14 Q3	0	3	8	FY14 Q4	3	0	7	FY15 Q1	2	0	9	FY15 Q2	3	3	9	FY15 Q3	1	1	12	FY15 Q4	1	1	8	FY16 Q1	4	2	16	FY16 Q2	0	1	12	FY16 Q3	1	0	2	FY16 Q4	6	1	8	FY17 Q1	3	1	10	FY17 Q2	9	4	19	FY17 Q3	0	2	5	FY17 Q4	5	3	13	FY18 Q1	4	0	3
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American Exploration & Mining Association (AEMA)
Meeting and Exposition
Nevada Division of Minerals Participation Update

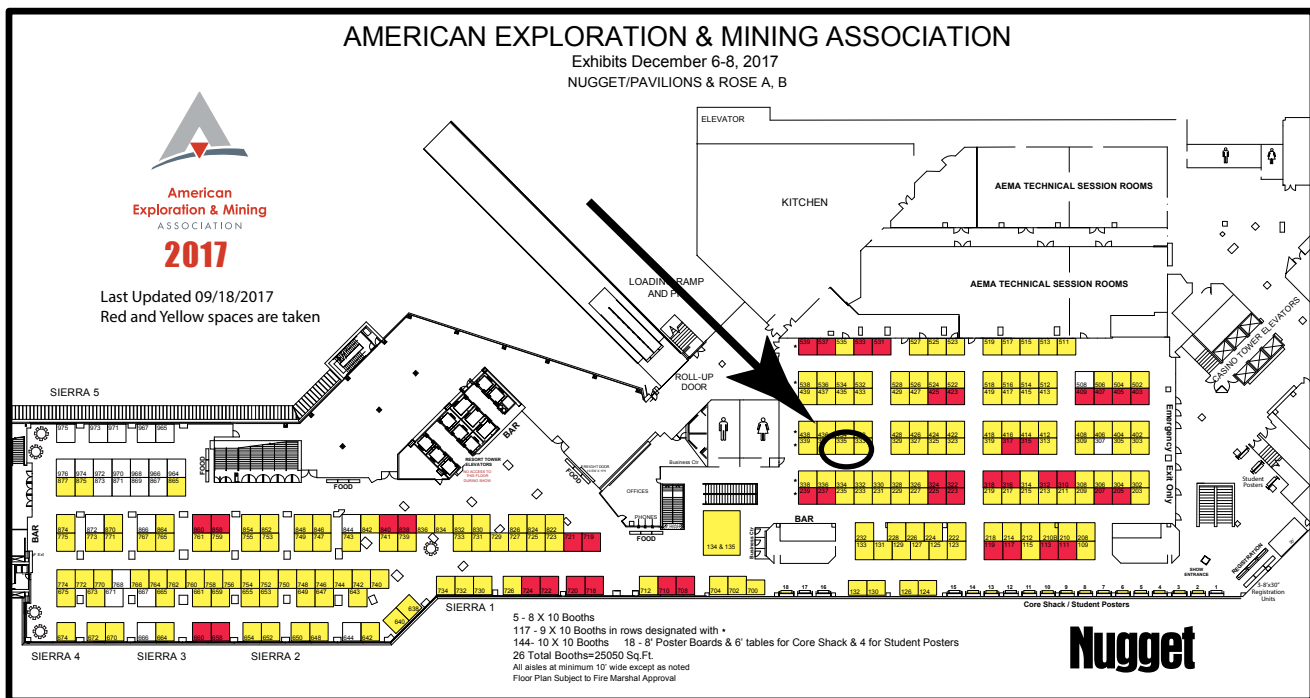
Technical Sessions:

State and Province Reports: Mineral Deposits, Geology & Exploration
Latest activities in western states and provinces. Chaired by Rich Perry, NDOM.

Wednesday, December 6th.

Part 1: 8:00-11:30am, Part 2: 2:00-5:30pm. See AEMA Brochure, pages 9-10.

Exhibition Floor Plan & NDOM Booth:



You can find NDOM at Booth #335 in AEMA's Exhibition Hall. We will be rolling out our new display at this year's booth. NDOM staff has spent a great deal of effort updating our swag content (mugs, stickers, buttons) and our booth displays. Garrett Wake and Michael Visser conducted initial research and investigation to determine the type of display that would most benefit the Division, and Lucia Patterson headed the effort in putting together key information and graphics. During the creation of the display Lucia and Courtney Brailo took turns manning the controls on Adobe Illustrator, while Garrett contributed by phone and screen shares from the Los Vegas office. With many reviews, input, and effort from all members of the Division we came up with a three-paneled professional display and podium. A fourth panel was also created during this process to allow for OGG and Dissolved Mineral Resource Exploration data to replace the AML message at appropriate venues. We think this new display adds a professional look to our booth and helps the Division to be more uniform in our overall message as we attend future venues. *We hope you enjoy visiting us at this event!*