

NOTICE OF INTENT TO ACT UPON A REGULATION

THE COMMISSION ON MINERAL RESOURCES

NOTICE OF PUBLIC HEARING FOR THE AMENDMENT OF REGULATIONS FOR GEOTHERMAL RESOURCES

For the purpose of receiving public comment from all interested persons, the Commission on Mineral Resources will hold a public hearing regarding the adoption, amendment or repeal of proposed Regulations for Geothermal Resources as set forth in Chapter 534A of the Nevada Administrative Code

DATE: November 21, 2019

TIME: 1 p.m. – 2:30 p.m.

PLACE: Room 3138 of the Legislative Building
401 S. Carson St.
Carson City, NV 89701

As provided in Nevada Revised Statute Chapters 233B, 513.063(5), and 534A.090, the Commission on Mineral Resources is proposing to amend the present regulation for Geothermal Resources (Nevada Administrative Code § 534A.010 through § 534A.690)

The following information is provided pursuant to the requirements of NRS 233B.0603:

- 1) The need for, and the purpose of, the proposed amendment of regulation is to update the language to be consistent with current industry and regulatory practices, to condense and clarify provisions within the regulations, and increase the minimum bond amounts required for both an individual well as well as blanket bonds covering multiple wells.
- 2) The proposed regulation changes are permanent, and can be found on the Legislative Council Bureau web site at:
<https://www.leg.state.nv.us/Register/2019Register/R032-19RP1.pdf>
The regulations are also available on the Division of Minerals web site at:
<http://minerals.nv.gov/>
Printed copies of the proposed regulations changes can be obtained by contacting the Nevada Division of Minerals by phone at: 775-684-7040 or by email at: ndom@minerals.nv.gov
- 3) The proposed regulations would have the adverse effect of slightly increasing the cost to permit and drill geothermal wells. The beneficial effects would be increased workplace safety and increased funding available for plugging wells on non-federal land if an operator fails to fulfill the permit requirements. The short and long-term effects of the fee increases are not significant in the cost of drilling or operating a geothermal well. The requirement for use of mud cooling equipment and increased bond amounts will slightly increase the cost to the industry to permit and drill a geothermal well. On a per-well basis, these increased costs would total approximately \$6,800; however they are not significant when compared to the cost of drilling a typical commercial or industrial geothermal well, which currently ranges from \$1M to \$3M. The immediate and

long-term effect of the proposed regulations to the public is improved ability by the agency to ensure geothermal wells are drilled according to code, conservation of geothermal resources, public safety, and the protection of groundwater.

- 4) There is no additional cost to the agency for enforcement of the proposed regulation.
- 5) The proposed regulation may duplicate or overlap federal regulations only on public lands administered by the U.S. Department of the Interior, Bureau of Land Management.
- 6) Federal law does not require the proposed regulation changes.
- 7) The proposed regulation is more stringent than current federal law with regards to the requirement for the use of mud cooling equipment.
- 8) The proposed regulation does not establish a new fee or increase existing fees.

Interested persons wishing to comment on the proposed regulation may do so by appearing at the above-scheduled hearing or by submitting written comments to the Division of Minerals, 400 West King Street, Suite 106, Carson City, Nevada 89703 by 5:00 P.M. on or before November 15, 2019.

A copy of this notice and the proposed regulation can be reviewed at the Nevada State Library and Archives, 100 Stewart Street, Carson City, or the Division of Minerals Offices in Carson City (400 West King St., Suite 106, Carson City, NV 89703), and in Las Vegas (2030 E. Flamingo Rd., Suite 220 Las Vegas, NV 89119). The proposed regulation may also be reviewed on our web page at <http://minerals.nv.gov>. In all counties in which an office of the agency is not maintained, the proposed regulation may be reviewed and copied at the main public library, during business hours.

This notice and the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and may be viewed on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

As provided in NRS 233B.064 (2), the Division of Minerals, if requested to do so by an interested person, either before adoption of the regulation or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or will incorporate therein its reason for overruling the considerations against its adoption.

This notice of hearing has been posted at the following locations:

Legislative Counsel Building – Carson City and Las Vegas (Grant Sawyer Bldg.)
State Library and Archives, Division of Minerals – Carson City and Las Vegas offices
Capitol Building – Carson City, County Libraries, Division of Minerals website
LCB website, and the State Public Posting website