Thursday, July 9, 2020
1:00 P.M.

MINUTES

CALL TO ORDER
1:05 PM by Richard DeLong

Richard DeLong: Stated we’re in a different location this time and we have some logistical issues both short term and a little more intermediate term. First are the masks, my suggestion is to follow what the Legislature is doing by keeping your masks on unless you’re speaking so we can all hear your enunciations to get a clear recording as well as so the individuals on the phone should be able to hear us. We have people on the phone, we don’t have our standard recording device so we have a couple of cell phones around which hopefully capture everyone’s voice.

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<td>Mary Korpi</td>
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PLEDGE OF ALLEGIANCE
Led by Richard DeLong

COMMENTS BY THE GENERAL PUBLIC
Nigel Bain: Asked who the other person on the phone is.
Rich DeLong: Replied Anthony Walsh, our DAG.

Rich DeLong: Due to time constraints regarding the room, the Governor has indicated he needs the room at 4:30 pm; we will need to be done by at 4:10 pm in order for the appropriate sanitization activities to occur before he arrives. With that in mind we will rearrange the agenda and start with items I, II and III A, then switch the order of the entire agenda from IV C back to III D in reverse order to make sure we go through the action items first. If discussion items are missed during the timeframe of this meeting, we’ll revisit those at the next meeting.

I. AGENDA
A. Approval of the Agenda

Motion to approve the amended agenda made by: Josh Nordquist
Seconded by: Bob Felder
II. MINUTES
A. Approval of the March 19, 2020 special meeting minutes

Motion to approve the agenda made by: Josh Nordquist
Seconded by: Bob Felder
Mary Korpi: I’ll abstain because I was not at the meeting.
Approved by 6 Ayes and 1 abstention

III. NEW BUSINESS

III. A. Introduction of New Agency Staff and Position Assignments
Mike Visher thanked everyone for coming to the meeting and for his recent appointment to Administrator. He went through the hiring process to fill his former position, Deputy Administrator and the Chief of AML position. Rob Ghiglieri was selected as Deputy Administrator and Sean Derby as Chief of AML. Mike introduced Sean and asked him to tell a little about himself.
Sean Derby: Gave a brief description of his background.
Rich DeLong: Welcomed Sean to the Division and congratulated both Mike and Rob.

IV. OLD BUSINESS

IV. C. AME Roundup Conference Exhibit
Mike Visher provided a PowerPoint presentation regarding his experience when he attended the AME Roundup Conference in January 2020 in Vancouver, BC which included fact findings, exhibit hall map, a list of exhibitors, pictures of several different booths, estimated exhibit expenditure report, and a budget estimate proposal to send 2 staff members for 2021.
Rich DeLong: Asked for Bob Felder’s opinion on AME Roundup since he is the Exploration Commissioner
Bob Felder: I think being present at AME is important for the Division. AME is much more focused on a company’s exploration side rather than their business side, whereas PDAC is much more an investment conference. PDAC is also an investor and a supplier conference. I think our presence there at AME is important and I’m very supportive of it.
Rich DeLong: I attend the AME conference regularly and for the industry I think it’s a very useful conference, particularly with all the interest in Nevada, it’s good exposure for the state.
Josh Nordquist: What’s the history behind the Nevada Explorers’ Lounge?
Mike Visher: Mike explained what he was envisioning for the Division, which would be a 10’ x 10’ space and that would be all. The Division would not be a part of the Nevada Explorers’ Lounge and the Division’s booth would be able to provide information centered on Nevada. The Division still can provide information from the Bureau of Mines and Geology like it currently does. Quite a while ago, the Explorers’ Lounge had a room on the main floor but they were relocated to the second floor, and there was never an opportunity to move back to the main floor. The main floor rooms were repurposed for meetings and special sessions instead. Mike believes that Dave Shaddrick really likes having a big room where various entities and companies can be provided a space to conduct business whether it’s for GSN to sell books or a company to market their properties. It’s a way for multiple Nevada companies to conduct business cheaply because they’re not paying for space on the exhibit floor. Unfortunately they don’t get any walk-in traffic unless they’re bringing them in the room for a private discussion. There is coffee available and people make themselves available to that. It is a place for people of Nevada to put all of their supplies for the day, so it becomes a closet behind the curtains. It becomes a home base for some of the exploration community that doesn’t have a robust presence or enough capital to be able to afford the larger floor space, or a core shack.
Bob Felder: The only downside is having two separate Nevada entities in one conference it may confuse some people, but there’s not much choice in that matter at this point. There is the Explorer’s Lounge, where every Nevada entity is represented there: GSN, NBMG, BLM, and others where a lot of them trying to achieve a lot of different purposes all at once. Creating a second space has its positives. The Division can give our message and be able to point people to the Nevada Explorers’ Lounge as well. Did they tell you how long the waiting list is and what it takes to get on it?
Mike Visher: The AME representative indicated that they did not expect it to be a problem to get a 10’ x 10’ space this year.

Bob Felder: Another approach to a larger space on the main floor would be to get two 10’ x 10’ next to each other.

Mike Visher: You have to be there a while to establish a bigger booth space. This is a possible action item, but you may want to defer on that until after the financial update to decide that’s something you want to do.

Rich DeLong: That makes sense to me, any additional discussion on this item? We’ll revisit it after the budget discussion.

Bob Felder: What’s the M&IE for $140.00?

Mike Visher: That’s the meals and incidental expenses, the maximum allowed per diem, those are based on the Secretary of State who establishes the rate for the destination.

Rich DeLong: What was the acronym?

Mike Visher: M&IE stands for meals and incidental expenses.

IV. B. Contracted Closure Work Options

Rob Ghiglieri provided a PowerPoint presentation with an update of current ongoing abandoned mine work. The presentation included present-day statistics, 2020 contracted work, USACE RAMS database update, contracted work forecast, contracting budget, current partnerships/agreements, and an update on the Stay Out, Stay Alive video remake.


Rob Ghiglieri: I believe it expires in June 2021. Discussions with the BLM on renewing the Grant or creating a contract instead have already taken place.

Nigel Bain: Asked regarding the metal structures, are they engineered structures?

Rob Ghiglieri: No, they’re not engineered structures, some states go with engineered structures and they’re the same designs we use with Bat Conservation International (BCI). BCI is a group that has a standard design of these gates and we mimicked our designs off of those. To have an engineered design it would increase the cost and most of these are built to fit on site.

Nigel Bain: Is there a chance that some could drive their vehicle on top of them?

Rob Ghiglieri: Yes, that can be an issue. This is especially an issue on projects such as the Broken Hills project where the grates are flat on the surface. With those situations, we try to leave the fences up around the grates to try to remove that possibility. With this project (Walker River State Park) due to the proximity of potential sage grouse in the nearby Mount Grant area, we were asked by the BLM to remove all fencing for all of these sites. We know that it has happened, we’ve weighed the pros and cons of engineered design on all these but it will more than double the cost of each project, as well as, we haven’t seen any of these fail, minus people actually cutting into them with torches.

Nigel Bain: I was just wondering if... (garbled).

Rob Ghiglieri: At the Forman Shaft in Virginia City, currently our contractor is working with an engineering company for an engineered design; the Combination Shaft closure had engineering design. So for sites that have a higher public interaction or are larger and more complicated, we would then use an engineered design.

Nigel Bain: With the drone, is there a chance that we’re rushing through and not really looking at some of the sites?

Rob Ghiglieri: No, with the drone we’re able to cover areas much faster. In the past, there would be a standard line of prospects or NV points as we call them and we knew 99% of the points were dozer cuts. That line may go 2 miles in one direction then you would turn around and go 2 miles back to the beginning. Now we can park in the middle fly the drone, confirm it and move to the next site. Anytime we use a drone and see something that we can’t determine with the drone, we get out and walk to that site. Courtney is currently working on new software so we can pre-program our flights so it will fly to each point, pause, fly around it, and then move on to the next site. We’re not trying to rush our work; we are just able to cover more ground.

Rob also provided an update on the NAAMLP conference.

IV. A. NBMG Project Update

John Muntean with the Nevada Bureau of Mines and Geology gave a PowerPoint presentation on their recent work which included a Summary of FY20 and FY21 projects: the Mineral Industry report, Major Mines report, Sample Curation, July 2019 to June 2020 Activities, GBSSRL Digital Curation, NBMG, State, National and International impacts, GBSSRL Website Visitation, and the Geothermal Structural Inventory Project.
III. NEW BUSINESS

III. E. 2020-2021 Budget Forecast and 2022-2023 Biennial Budget Planning

Mike Visher went over a PowerPoint presentation which included the Fiscal Year 2020 Forecast, Reserve Balance, Mining Claim Fee Revenue, FY20-FY23 Mining Claim Revenue Forecast, Financial Forecasts through FY23, Budgets and Forecasts FY20 through FY23, Budget Enhancements for Consideration, Enhancement Impacts and CMR Guidance on Expenditures.

OPTIONAL AML PROGRAM ENHANCEMENTS

A. Utility Terrain Vehicle (UTV) and trailer
B. Contract for Clark County Revisit/Repairs
C. Enhance ArcGIS Capabilities
D. Contract Hard Closure Site Geologic Analysis
E. Contract Archaeological Surveys

Mike asked for the Commission’s guidance on Contracted AML, NMBG contract, PDAC, NvMA Education Committee, new proposals including AME Roundup and AML enhancements today so he can plan appropriately for the FY22-23 biennium budget.

Rich DeLong: In Rob’s presentation he has a $242,000 amount above the $500,000 in the budget for FY21, I’m assuming that’s built into your base budget.

Mike Visher: Yes, $742,000.

Rich DeLong: You had mentioned $103,000 that was being carried forward as far as expenses.

Mike Visher: Right, from FY20 to FY21 for projects not completed in FY20 and that is reflected in the base.

Josh Nordquist: Mike, which budget/category do you put your vehicles in?

Mike Visher: The vehicles are under Category 18. At the time we purchased the 2015 GMC we did not have a dedicated category for the fluid minerals program. When Lowell’s truck comes up for replacement it will now come from Category 17, all the other vehicles are generally used solely for AML but not exclusively, they may be used for education and outreach. We do have a Yukon that’s not used for AML much, so that expense can either come out of AML or Category 04 (Carson Office expenses).

Josh Nordquist: We do not have a lot of software costs?

Mike Visher: We do not, the cost for the maintenance for ESRI ArcGIS would go to Category 18 as well. Category 26 is mostly used for computer hardware replacement and the software that’s used agency wide. I’ve included the $12,000 for the new EITS costs in category 26.

Josh Nordquist: Where does the more expensive software like ArcGIS go?

Mike Visher: Category 18

Rich DeLong: Do all of our pickups have trailer hitches?

Mike Visher: Yes.

Bob Felder: How much detail do you go into on estimating the AML enhancements, in particular the cultural surveys and geologic analysis?

Mike Visher: Mike explained the criteria that were used to make the estimated costs per site for the cultural surveys. The reason was that for the most part our hard closure projects are considered by BLM for Categorical Exclusions, they are not Environmental Assessments. The number we got from the archeologist today was $35,000 for an EA type assessment, if it’s just a CX it’s going to be considerably less due to the reporting requirements. So the numbers that we got from BLM were for the Walker River State Park cultural analysis and that used their group from Medford, Oregon.

Rob Ghiglieri: The work by the Medford group was for 102 sites at Walker River with a cost of a little over $16,000

Mike Visher: Then we used the per site basis for our estimates.

Rob Ghiglieri: With the AML cultural survey we’re able to decrease costs because the archeologists are focused on the individual hole in the ground and only 15-20 feet around it. The surveys are very point specific.

Rich DeLong: The thing you might want to dig into on that issue if you do start contracting it out rather than having the agency people do the work, is those contractors are under specific permits with the BLM which means they have to meet the MOU with SHPO as far as field work contact and report contacts which is a lot more than you’re talking about
Rob. I also question that number it seems exceedingly low. When Margo said EA vs. CX that’s a NEPA (National Environmental Policy Act) analysis not a cultural analysis, Section 106 of the National Historic Preservation Act and that’s what the contractors have to follow.

Rob Ghiglieri: With the CX’s that work with AML, the Archeologist is only looking to see if that feature meets the standards that fall under Section 106 or not.

Rich DeLong: And that is the agency archeologists can do that, the question is will BLM let a contracted archeologist who has a permit do that, that’s the question I have. The geology one is $333 a site for that geologic analysis.

Bob Felder: I would suggest having some more details on that enhancement.

Mike Visher: Mike explained the criteria he used to come up with the $333 cost per site. He assumed an annual salary of $80,000 (part-time), per diem rate of $149 a day, based on the GSA CONUS rate, mileage reimbursement rate, average daily miles, estimated from the intern’s typical travel, and then sites per day. Mike evaluated for 4, 5 or 6 sites a day, and included time for literature review sites per day, data entry, assay cost, and samples per site. Estimating how many samples needed per site was complex but an estimate of three samples to characterize a site was used resulting in the analytical cost of $150 per site. So the total analysis cost per site is $333, which is 10% of the hard closure costs per site. At 150 sites a year, that is $49,800. We can cap the contract by including a not to exceed amount in the RFP and put it out there to see what people are willing to do. It does not preclude them from keeping the information themselves, as long as they get us the deliverables. So if it was someone who was semi-retired who was looking to get out into the field, he believes that someone would do it for that cost. It’s really to just mitigate the concerns with AML closures and losing the geologic context of that site. Mike continued to explain the reasoning for why this would benefit the exploration community and that it can now be hosted on the Bureau’s new Mineral Explorer Database.

Art Henderson: Art asked Mike how he came up with $150,000 in the end-of-year reserve amounts with the enhancements. For example when you go with A, B, C and then A, B, C, D that’s a $150,000 difference but by itself, it’s only $50,000. How did you come up with $150,000?

Mike Visher: That’s because the annual costs, if we started in FY21 it would be $50,000 each year so it would be $150,000 for all three. If we implemented D and started that in FY21 it would be $50,000 each year so the impact alone would be $150,000

Art Henderson: So E is the same?

Mike Visher: I did that arbitrarily for only two years to lessen the bottleneck of the AML closures. These are discrete bites of the budget that do not require ongoing commitments.

Mary Korpi: Regarding personnel, is furlough only for FY21 is that what the Governor’s direction has been?

Mike Visher: Correct, and that’s subject to change at the special session but that was the proposal, equates to a $51,000,000 expenditure savings to the state but because we don’t receive any General Fund money our savings is not part of that.

Nigel Bain: We are in a difficult position on what we are going to do. The Division is a unique case where they are self-funded and the legislature could consider the Division as a profit source. I would educate them on how the Division operates.

Mike Visher: Mike stated he has spent a lot of time talking with the Division’s budget officer to make sure there wasn’t any interest in taking any of the Division’s reserve money. They were also very aware of making an impact to an agency with just 11 people, which has huge implications and is much different than larger agencies. Crossing the line to take money from a fee funded agency directly impacts that agency’s ability to do what they have to do for their stakeholders and regulatory requirements. We’re encouraged to stay true to the Division’s statutory requirements in expenditures. This is why we focused the funding on AML because it’s our biggest statutory requirement and it’s a good public safety message that the Legislature loves to hear about. The Legislators know about the successes that the Division has had in Clark County and they see the Division as one of the good guys getting stuff done that doesn’t cost general fund money. They see it as those who participated in the industry, although they did not create these hazards, they see it as legacy issue that gives them the social license to operate and is a win-win for them. I was very concerned about whether or not there was going to be a sweep. To refresh everyone’s memory, they took all the interest ever earned in the two bond pool accounts. We have one for the Reclamation Bond Pool and we have one for Oil, Gas and Geothermal. The legislature swept all of the interest from those which was about $650,000. By sweeping the accounts, it took away from the functionality of the bond pool.
**Nigel Bain:** Good points. We are not sure where the legislature is going to go, just be aware. The Governor has already reached out to the mining industry.

**Mike Visher:** Mike explained that the Governor has had discussions with the Mining industry on accelerating the Net Proceeds on Minerals which is roughly $51,000,000. The Governor is counting on the mining industry to contribute and those discussions were held last week. Everybody wants the money now but that means it’s coming from some place in the future and you won’t get the money then.

**Nigel Bain:** (Garbled)

**Rich DeLong:** My takeaway from this is you’re looking for your first four bullet items, not necessarily a vote but our thoughts on it?

**Mike Visher:** I would like some guidance so we can include it as documentation in our budget to say our Commission approved us to continue these expenditures.

**Rich DeLong:** You do want a vote then?

**Mike Visher:** Yes, I would like there to be a vote.

**Rich DeLong:** I would suggest to the Commissioners that we consider the first four bullet items as a whole, all four at once rather than individually. I’d like some input on the next two bullet items which are the new proposals at some degree. I think they should be individual votes though I’d like to hear what you think about A,B,C,D,E beyond what Bob Felder and I have already previously discussed.

**Mike Visher:** To clarify one thing, if you’d like us to start something in FY21 from these options, then that becomes an ongoing cost and justification for FY22 and FY23, but if you want it to start in FY22 or FY 23 then say so, then that is separated and it becomes an individual item in the budget.

**Art Henderson:** On the AML you originally had $500,000 budgeted but in FY20 you increased it to $735,000?

**Mike Visher:** It was to increase it up to $650,000, which we did but because of the hard closure projects we had more to push in the pipeline. We had to increase that through a work program and once we had a contract extension.

**Art Henderson:** So the base stays at $650,000?

**Mike Visher:** The base stays at $650,000 if you would like it to stay at $650,000.

**Art Henderson:** It could go to $735,000?

**Mike Visher:** It could, yes.

**Art Henderson:** We could take the $735,000 for FY 22 and FY23?

**Mike Visher:** You could.

**Art Henderson:** What’s your suggestion, wouldn’t it be better to increase it to $735,000?

**Rich DeLong:** That would then take the reserve to 1.1 million.

**Art Henderson:** By having $130,000 more it would only reduce the reserve by $260,000

**Mike Visher:** If you look at the top table what happened was the base case instead of $1,694,910 it would drop by $170,000.

**Rich DeLong:** Correct, to $1,500,000 and if everything else is implemented it would end up in $1,100,000 in FY 23.

**Mike Visher:** It’s certainly something we could do Art.

**Art Henderson:** The AML program is the most important expenditure I think we have.

**Mike Visher:** Yes.

**Art Henderson:** And easiest to justify.

**Mike Visher:** It is.

**Art Henderson:** Rich, you wanted to vote on A, B, C?

**Rich DeLong:** My suggestion is we can vote on these individually or all together, whatever you guys are interested in. If we vote for all of these it’s basically a continuation of our base case.

**Art Henderson:** I would like to hear some options on this to increase it from $650,000 to $735,000. I’d like to see if anybody has opinions or think it’s a good idea.

**Mary Korpi:** If we approved the enhancements, aren’t those going to allow us to increase AML work? If you look at the culture surveys they’re going to be done, so we’re going to be able to have more closure work done faster than we anticipate now. A lot of these options are going to allow us to up closures to $750k or $740k.

**Mike Visher:** They are coupled. It’s going to depend on whether or not BLM will continue to count on the Medford crew or not.
Rich DeLong: Maybe another way of what you’re saying is to approve D and E that takes the AML effectively up to $750 anyway.

Mary Korpi: Yes, exactly.

Art Henderson: That does not get more closures done per year.

Rich DeLong: Some of it doesn’t I agree; such as the $50,000 for the geological analysis. But the $50,000 for the cultural may get more done within the existing budget because of the potential bottle neck on archeology. Is that a fair way of saying that?

Mike Visher: It speeds up the timeframe but not the actual expenditure because the cost to close AML is the cost to close. Depending on the timing, if the CX approval comes sooner but we are limited by the amount of funding available.

Rich DeLong: The $50,000 for the archeology ensures our ability to spend $650,000 in a given year.

Mike Visher: The sooner we start that the better we’ll be in FY22 and FY23. If you wanted to increase the expenditure of hard closures for FY22 and FY23 I think you’d want to increase or add option E in FY21.

Josh Nordquist: We have the funds available to achieve the Divisions goals and we should set a plan forward to reach those goals.

Mike Visher: Another way we can look at this is to defer doing option B until FY22 and then we do a work program to include it and that defers spending $150,000 through FY23 that would provide more comfort right now and something to revisit at a later date and that doesn’t directly impact the amount of closures that we do.

Rich DeLong: Art has thrown out this concept potentially increasing the amount of hard closures we potentially fund by $170,000-$180,000 over this next fiscal period which takes us below 1.2. Deferring D allows us to stay closer to the 1.2 is another way to look at that. By still implementing what Art is saying go to $740,000 in a year on contracted AML.

Art Henderson: Can we ask Rob and Mike which one would be better to see what they think? Because what they think is probably what I am going to agree too.

Rob Ghiglieri: Options A thru D, Mike and I have discussed since I started nearly 8 years ago. Option A has been in need drastically for a long period of time. When you’re looking at B, D, & E each one of those has their own benefits to the program.

Rich DeLong: I think what Art was asking was, from your perspective would you rather see these enhancements or would you rather see a general increase in the AML budget, is that where you were going Art?

Art Henderson: Yes, that is all I wanted to know. Which one of the two options?

Rob Ghiglieri: I would say enhancements because that would remove some of the bottlenecks and eventually we’d have the ability to get more closures done. Depending on partner funding, we could then perform a work program to increase the closure work.

Art Henderson: So you don’t have enough closures to meet your budget now?

Rob Ghiglieri: At the current forecast, by FY22-FY23 we would not.

Nigel Bain: I think that is a better way of putting it.

Motion to approve the recommended 4 continuation items - Contracted AML (@$650k/yr), new 2 year NBMG Contract (@$95k/yr), PDAC (@$25k/yr), NvMA Education Committee (@$15k/yr): Mary Korpi

Seconded by: Josh Nordquist

Unanimously approved

Rich DeLong: Next is discussing the Roundup meeting that Mike elaborated on and enhancements A-E that Rob just briefly discussed.

Josh Nordquist: To summarize what we have heard today is that this is something that we want to be involved with, cost are reasonable what we just heard about the enhancements this is the way to go.

Art Henderson: What’s the reason we haven’t had a UTV in the last 8 years?

Rob Ghiglieri: Administration.

Art Henderson: Is that because for the public to reach those places it’s a higher risk somewhere else?

Rob Ghiglieri: The previous administration believed the safety concerns of the UTV outweighed the benefit.

Art Henderson: And the current administration doesn’t have any issues with this?

Mike Visher: No

Bob Felder: UTV’s are safer than they were 8 years ago.
Rob Ghiglieri: Yes they are.
Bob Felder: Discussed various safety systems of UTVs.
Rob Ghiglieri: Discussed various safety systems of UTVs.

Motion to approve the new expenditure proposals shared on page 10 including AME Roundup (@$8k/yr) and AML Enhancements A, B, C, D, and E (as detailed on page 8): Josh Nordquist
Seconded by: Mari Korpi
Rich DeLong: I would like to ask for clarification, for A-E is that a motion for they would be implemented in FY21 through FY23.
Josh Nordquist: That’s what I propose.
Bob Felder: Does Covid-19 factor into the decision for AME and PDAC to place the funding somewhere else?
Mike Visher: The funding amount for AME is not enough to worry about placing somewhere else for this FY.

Unanimously approved

III. D. Impact of Monthly Oil Assessment Fees
Lowell Price reviewed a handout on the Effects on Nevada Oil Industry Due to Drop in Price, NAC 522.342 Administrative Fees, 2019 Oil Production Fees, Taxes, and Royalties.
Rich DeLong: You listed 2019 productions; in comparisons to 2019 what do you expect the 2020 productions will be?
Lowell Price: I would say it will probably be 3/5ths.
Anthony Walsh: I’d like to briefly interrupt; I got cut off for a couple of seconds and redialed in, thank you.
Lowell Price: Lowell continued to give his report on the impact of monthly oil assessment fees
Art Henderson: The federal royalty fees would only be 0.5%
Lowell Price: That would be correct.
Art Henderson: The only reason we raised the fee in the first place was to pay your salary by oil and gas and geothermal, if you look at the budget it looks like geothermal fees produce $150,000 in revenue and Oil and Gas only produces $30,000 in fee revenue. If we want to help the people that are struggling now we would help the oil producers.
Lowell Price: We could look at it as a temporary regulation change like the BLM did to reduce their fees on Oil and Gas
Rich DeLong: This might be a question for Mike or Tony, given that we’re in the third quarter of the calendar year and the first quarter in the fiscal year I think any regulation that we pass right now would be a temporary regulation?
Mike Visher: It would.
Rich DeLong: It would expire when?
Mike Visher: Emergency regulation or temporary regulation expires in six months. If it’s an emergency regulation it has to have the blessing of the Governor as well. We are locked out of normal regulatory changes.
Rich DeLong: How would we do a regulation change now, in my time on the Commission we’ve never done a regulation change during this time period. Is there a difference between an emergency regulation and a temporary regulation?
Anthony Walsh: We are essentially down to the wire for a permanent regulation change if that time hasn’t passed already, it would require a workshop and notice of adoption hearings. The next step would be a temporary regulation or an emergency regulation change, I think the pathway would be a temporary and I think that is a year as well as trying to get a permanent regulation change through on the next cycle.
Rich DeLong: Could we pass a temporary regulation and let it expire and have the old regulation come back in affect?
Anthony Walsh: Yes, that’s my understanding.
Nigel Bain: Asked what Art’s thoughts are.
Art Henderson: I’m the one that asked for this to be reviewed because the oil and gas industry nationwide is struggling. We already have oil companies that are struggling even in the good times and we went to them to increase fees, and they were willing to help us at the time we needed it. We thought our budgets were going to be bad we didn’t know where we were headed. We also thought the claim fees were going down. Now that they’re struggling it would be good to help them in return when we’re not struggling.
Lowell Price: If we do help them I would suggest lowering the fees to mimic the federal fees.
Art Henderson: Yes, it would be the same proportion that the federal agencies gave them. Just because the wells are shut in doesn’t mean they can’t recover that oil when they come back on line. They could produce more than they did before they shut in. It’s important to say that there’re shut in and we are not receiving any revenue at all, but they’re
going to produce more over a short period of time. I thought in our regulation we had some range that we could adjust the fee.

**Mike Visher:** It’s set in regulation at .15 cents and the cap is in statute at $0.20.

**Nigel Bain:** (Garbled)

**Art Henderson:** Nigel my answer is if we can give them any relief I think we should at least on an emergency basis because every time we’ve gone to them they’ve been good to us and supported the Division in our bad times and we’re in the good times more or less now so I think it would be good to support them.

**Rich DeLong:** I would suggest, you said emergency, I would suggest we consider a temporary it sounds like it’s good for a year.

**Anthony Walsh:** Just to clarify NRS 233 B a temporary regulation change is affected only 120 days or less and that’s the same as the emergency regulation as well.

**Rich DeLong:** Does a temporary regulation need to be approved by the Governor or is it just the emergency regulations?

**Anthony Walsh:** Emergency regulations need to be approved by the Governor and the temporary regulations need to go through an adoption process, as well as, Legislative Counsel Input that requires 30 day notices.

**Rich DeLong:** Is it possible to get Legislative Counsel Bureau input now before the regular session starts?

**Anthony Walsh:** One moment.

**Art Henderson:** Lowell, have any companies asked for relief?

**Lowell Price:** Just one specifically.

**Art Henderson:** Which one?

**Lowell Price:** Western Genera, in March or April

**Art Henderson:** So we would offer them $2,000 a year?

**Lowell Price:** Yes that is correct. Anything could help. They are all hurting at the moment. Lowell continued to review his well inspections to the Commission.

**Anthony Walsh:** As far as timing on a temporary regulations in terms of adoption up to 15 days’ notice of a workshop and a 30 day notice for an adoption hearing likely push any temporary adoption hearing out into August. However, Legislative Counsel Bureau in terms of working with the commission on the adoption of a temporary regulation would simply be providing input prior to an adoption hearing. There would basically be a dialog back and forth as to how the wording would be finalized prior to an adoption hearing.

**Rich DeLong:** They would be available to do that communication?

**Anthony Walsh:** Yes. The Legislative Counsel Bureau sits away from the Legislature itself basically they’re subject matter and policy experts regarding how to word a regulation. They would be able to work with the commission regardless of Legislative input.

**Art Henderson:** Asked Lowell if he thinks it’s not significant enough to make the change

**Lowell Price:** I wouldn’t say it’s not significant because these people need our help, I agree with you they stepped in to help us, now we need to step forward to help them.

**Art Henderson:** I think they’re in worse shape than we were.

**Lowell Price:** I know they are.

**Art Henderson:** Mike can you fit this to your workload?

**Mike Visher:** Yes its fairly straight forward, it’s a simple change.

**Motion proceed with rulemaking for a temporary change to NAC 522 to give a temporarily relief to the oil and gas producers in the State of Nevada by reducing administrative fee from .15 cents to 0.05 cents per barrel:** Art Henderson

**Nigel Bain:** Is this going to look bad on the commission?

**Art Henderson:** How so? What do you suspect will happen?

**Nigel Bain:** Nigel asked if during these times of economic downturn would it look bad to reduce fees to help the Oil industry?

**Art Henderson:** The federal government reduced their royalties from 12.5% to 0.5 % for Nevada operators.

**Lowell Price:** Another way to look at this is if we don’t reduce the fee, there may not be an oil industry in Nevada.

**Mike Visher:** If they produce the same amount as last year, there would be a revenue loss of $13,343.60.

**Josh Nordquist:** Stated it will help with keeping jobs in Nevada during these hard times.

**Lowell Price:** To elaborate how bad it is for the oil companies in Nevada, one company just let two employees go who both had been with the company for over 30 years.
Seconded by: Nigel Bain
Unanimously approved

III. C. The “Nevada Mineral Explorer” Interactive Web Application
Lucia Patterson with NDOM and Rachel Micander with NBMG provided a PowerPoint presentation on the new Nevada Mineral Explorer web application which will provide Nevada explorers with helpful information and data. Additional data will be added to it over time and the web application is hosted on the NBMG website.

III. B. AML Summer Work Plan
Rob Ghiglieri and Sean Derby provided a PowerPoint presentation which included past intern statistics, 2020 summer intern planning timeline, communicable disease prevention plan, new field/office procedures due to the COVID-19 pandemic, staff and intern field prioritizations for both northern and southern Nevada, intern field work locations, intern focus, and 2020 by comparison and looking forward.

COMMISSION BUSINESS
Mike Visher stated the staff reports are included in the Commission binders for review.

   A. The next Commission Meeting will be Thursday, September 17, 2020 potentially at Walker River State Park.

COMMENTS BY THE GENERAL PUBLIC

ADJOURNMENT
4:11pm