

**STATE OF NEVADA
 COMMISSION ON MINERAL RESOURCES MEETING
 Wednesday, November 2, 2011 – 1:00 p.m.
 Great Basin Science Sample Library (GBSSL)
 Desert Research Institute
 2175 Raggio Parkway
 Reno, Nevada**

COMMISSIONERS IN ATTENDANCE	STAFF IN ATTENDANCE	
Fred Gibson (Chairperson)	Alan Coyner	Mike Visher
Dennis Bryan	Rachel Wearne	Jon Price
Richard DeLong	Russ Fields	Gary Johnson
John Mudge	Lowell Price	Bill Durbin
David Parker	Craig DePaoli	John Muntean
	Barbara Mackay	Valerie Kneefel
	Jim Faulds	Cory Hunt
	Kristen Geddes (Deputy Attorney General)	

I. OPENING AND INTRODUCTIONS

Chairperson Gibson called the meeting to order at approximately 1:00 p.m. Alan Coyner introduced Commissioners and Staff in attendance. He introduced Valerie Kneefel as the new administrative assistant replacing Linda Wells-Carrion and Cory Hunt as the new Governor Liaison. Ms. Kneefel and Mr. Hunt provided a brief summary of their professional backgrounds. Mr. Coyner requested BLM agenda items be presented after agenda item III, due to time constraints by Commissioners and Staff. There were no objections.

II. APPROVAL OF THE AGENDA

It was moved, seconded, and carried unanimously to approve the November 2, 2011 meeting agenda.

III. MINUTES OF THE JULY 27, 2011 MEETING

It was moved, seconded and carried unanimously to approve the July 27, 2011 meeting minutes as presented.

At this time, agenda item V was presented.

V. PUBLIC COMMENT

A. Gary Johnson reported the proposed consolidation of the Office of Surface Mining (OSM) into the Bureau of Land Management will have minimal impact because there is no coal being mined in Nevada. The discussion of OSM merging with the BLM is only preliminary. Impacts of the merger were briefly discussed.

Alan Coyner stated there possibly could be an impact if the hard rock mining fee being discussed in Congress came to fruition and was administrated through OSM.

B. Alan Coyner reviewed information regarding the success of the notice level statewide bond of the state reclamation bond pool versus streamlining of the BLM adjudication system. He stated the BLM was still considering the request to increase the bond pool statewide notice level bond from \$2 million to \$3 million due to the legislative sweep of bond pool funds in 2010. Gary Johnson reviewed issues with the request that still need to be addressed by the BLM. With regard to geothermal bonding, Mr. Coyner noted the BLM was considering geothermal bonding in amounts between state-wide drilling bonds and full-scale bonding like the 3809 mining program. Mr. Johnson noted a team was developed to determine an approach that will allow BLM to be more consistent in their decision-making and that would give the industry more predictability with regards to geothermal bonding.

IV. REPORT OF THE ADMINISTRATOR

1. Division of Minerals Activities

1. Administration – Alan Coyner reported the following:

- The Board of Examiners will be meeting on November 8, 2011 regarding the first batch of refunds of the additional mining claim fee which was repealed by the 2011 legislature.
- A meeting was held with several Asian companies regarding the Buena Vista Valley iron mines and other mining opportunities in Nevada to supply metals to the Chinese market.
- He facilitated the investigation of an AML site near the Desert Peak geothermal plant brought to the attention of NDOM by ORMAT.
- He traveled to the National mining district near McDermitt and logged, inventoried, and revisited abandoned mine hazards.
- The 2010 Major Mines publication has been finalized.
- He attended the NAAML P annual meeting in October at Squaw Creek, CA. Attendance was low due to out-of-state travel bans. He and Mike Visher led a tour to Yerington, NV.
- He and Lowell Price attended the IOGCC meeting in Buffalo, NY to be updated on the regulation of hydraulic fracturing. Lowell Price stated that one of the biggest problems associated with “oil shale” development was the massive amount of water that would be needed for hydraulic fracturing.
- He and Commissioner Snow attended the Mackay EAB tour of the Marigold mine and the Cyanco plant in Winnemucca.

2. Mining/Reclamation Bond Pool – Doug Driesner was not in attendance to provide a report. Alan Coyner stated Mr. Driesner has verbally expressed his intention to retire in January 2012. He reported the following on behalf of Mr. Driesner:

- He received word from NDEP that Art Wilson needs to increase the bond at the Adams claim gypsum mine from \$77,113 to \$227,396.
- The Exploration Survey will be available soon.

3. Abandoned Mine Lands – Mike Visher reported the following:

- The employment of two additional Mackay students working through the GeoTemps contract in each office helped with the AML program.
- A work program for an additional \$200,000 for AML Enhancements (contracts) was submitted and approved.
- Contract amendments were being worked on and would be submitted for approval at the December BOE meeting.
- He reviewed recent abandoned mine land closures.

- Seven down-hole camera surveys have been conducted. A DVD has been created using the camera. A demonstration of the camera may be presented at the next Commission meeting.

4. AML/GIS – Rachel Wearne distributed and reviewed an AML map regarding recent work that has been completed and areas with unsecured hazards. She reported the following information:

- Work with the summer interns has been completed.
- A request from Newmont was received regarding unsecured hazards on their claims.
- She was working on the Virginia and Truckee Railroad list of unsecured sites and talking with the Department of Wildlife regarding the list to begin wildlife surveys at several sites.
- She and Bill Durbin led the NAAMLTP tour to Virginia City. The tour went very well.
- A second round of AML notification letters was issued encompassing sites that had been returned from the original letter for additional research. Thirty-five letters of the 731 letters issued were returned. Recently, ten sites have been secured bringing the overall total of securings since the initial mail-out in March 2011 to 223. Responses have been received from 737 owners. Those owners that have not taken action on securing their site will be issued another notification letter.

5. Southern Nevada Operations – Bill Durbin reported:

- The AML site re-visit project in Clark County was in full operation. Approximately 770 sites have been re-visited since the contractor started last December. To date, approximately 29% of those sites need some work. Two GeoTemps contractors were working in the office over the spring/summer on the re-visit information. A third Geo Temps student contractor will be hired.
- Permanent closure work for the Clark County area has been completed.
- 64 of the 108 closures for Lincoln County have been completed.
- Work in Northern Nevada has been halted as of September 6, 2011. Work may continue in the spring/summer.
- There are 218 hazards proposed for closure in White Pine County.
- There were three new projects and approximately eight pending projects for the Eagle Scouts to begin in early December.
- Approximately 200 lbs. of a stick powder was disposed of at the Bay State mine, east of Eureka in White Pine County.
- He has attended several meetings and field trips regarding the Mountain Vista Mines in the Gypsum Ridge area. There may be possible sources of funding to secure the area. BLM and Clark County are developing a recreational trail system in the area.
- The McCaw School of Mines held their first annual Haunted Mine Halloween Open House event last weekend. An estimated 1,500 people attended the event. Approximately \$2,200 was raised for the foundation.
- The Executive Director has solicited the John Keesh Foundation for a 3-year grant at \$10,000 per year and a request to Molycorp for a \$10,000 donation and placement of their logo on the visitor center.
- The 2012 Gala is scheduled for Saturday, April 14, 2012 at Sam's Town.

6. Oil, Gas, and Geothermal – Lowell Price reported:

- Geothermal activity has decreased since last year.
- He reviewed well drilling activity.
- An oil and gas lease sale was held in September. Of 106 parcels, 66 parcels were sold for approximately \$2.7 million.

- He and Alan Coyner attended the Geothermal Energy Association's first annual conference in Reno in August.
- He attended the Geothermal Resource Council Conference in San Diego.
- NDOW was discussing turning "sumps" into artificial ponds. He may meet with them in December to discuss the issue.

2. Budget Update

1. Budget Status Report: FY12 to date – Alan Coyner reviewed the Budget Status Report. He reported for FY11 there was approximately \$2 million in revenue and that slightly less than that amount was spent for expenditures. Mining claim fees have increased slightly.

At this time, Chairperson Gibson called for a five-minute break.

VI. OLD BUSINESS

A. Election of the Vice Chairman of the CMR – Chairperson Gibson explained the Commission only elects the Chairman and election of a Vice Chairman is not required by statute or regulation. He recommended Dennis Bryan be named as CMR Vice Chairman. There were no objections.

B. Appointments to the CMR Committees – Alan Coyner stated Chairperson Gibson recommended Dennis Bryan to the Budget Committee as Chair; Commissioner Snow for the Human Resources Committee; and Commissioner Parker on the Bond Pool Committee. There were no objections.

C. Reconsideration of the support for the Endowed Chair in Economic Geology at the UNR Mackay School of Earth Sciences and Engineering (*tabled from the April and July meetings*) – Russ Fields expressed his appreciation to the Commission for addressing this issue. He stated endowments would be considered in the future, but not at this time.

A motion was made for this item to remain in effect until 2013. The motion was seconded and carried unanimously.

At this time, agenda item VIIB was presented.

VII. NEW BUSINESS

B. Request for financial support for projects proposed by the 4th Ward School – Barbara Mackay expressed her thanks to the Commission for their support of \$5,425 to the school. She reviewed projects for additional financial support. She stated \$2,300 was needed for booklet printouts. Approximately \$9,400 was needed for a new security system or the system could be installed in sections. A fluorescent mineral display could be installed for approximately \$3,000. Approximately \$5,000 would be used to investigate establishing an interactive tour of underground mines.

The Commission decided more discussion was needed on the interactive tour before funding can be allocated.

A motion was made to approve \$14,700 (\$2,300, \$9,400, and \$3,000) to the 4th Ward School. The motion was seconded and carried unanimously.

A. Request for financial support for projects proposed by the Nevada Bureau of Mines and Geology – Jon Price reviewed the following projects being proposed for financial support: 1) the Major Mines of Nevada publication; 2) the Annual Mineral Industries of Nevada publication; and, 3) help support information services for the mineral industry. He stated it costs approximately \$400,000 for their publications, but recent budget cuts have reduced that funding. The request was for approximately

\$300,000 per year for that function. Russ Fields expressed his support of the projects and stated the entire school was in support of the projects.

Commissioner Bryan asked if UNR would match the support the Commission may provide to these projects. Mr. Fields stated Commission support does not go unnoticed by the school. Commissioner Bryan noted the Commission could not commit to year-after-year funding.

Alan Coyner stated he did not question the value of the projects. He commented on the additional assistance that would be needed for these projects.

At this time, Commissioner Mudge left the meeting.

The Commission discussed and decided to table this issue.

Discussion was heard regarding different alternatives on how to publish the two publications.

C. Review of the budget for the FY12 mining claim fee payment to the UNR Mackay School of Earth Science and Engineering – This item was tabled.

D. Recommendations concerning CMR/NDOM regulations per the Governor's Executive Order 2011-01 – Alan Coyner noted he did not have enough time to discuss recommendations, but that recommendations would need to be submitted by December 31, 2011. He added that no CMR regulations were under consideration for elimination.

VIII. PUBLIC COMMENT – There were no public comment requests.

IX. COMMISSION BUSINESS

A. Determination of Time and Place of Next CMR Meeting – Commissioner Bryan suggested the Commission discuss the core mission of NDOM at a future meeting. The next CMR meeting was tentatively scheduled for February 2012.

X. ADJOURNMENT – There being no further business, the meeting adjourned.

A motion was made, seconded, and carried unanimously to adjourn the meeting.