



BRIAN SANDOVAL
Governor

STATE OF NEVADA
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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS

July 2011

ADMINISTRATION (ALAN)

1. Attended the IOGCC meeting in Bismarck, ND with Commissioner Snow and Lowell Price. Chaired the Public Lands session.
2. Conveyed information concerning Pah Rah Mining and Fallon Mining to the Secretary of State Securities Division.
3. Responded to Tom Dunkelmann of the EPA concerning AML hazards at the Cordero Mine near McDermitt.
4. Conducted an interview concerning foreign investment opportunities in Nevada mining with the film crew from Japan and officials from Jipangu and Florida Canyon Mining.
5. Distributed announcement for the 2011 Nevada Excellence in Mine Reclamation Awards and contacted and confirmed the committee members.
6. Responded to a complaint from a rancher concerning water rights being impacted by mining claim sales on Ebay.
7. Assisted several callers with information concerning the additional mining claim fee refund process.
8. Provided an overview on Nevada mining and exploration to a group of fund managers from New York City.
9. Assisted NevSearch, Inc. with information concerning AML hazards on their claims.
10. Visited the bat cupola construction site at Virginia City.
11. Met with Barbara Mackey concerning additional projects for the 4th Ward School.
12. Completed Eagle Scout projects for Carson Mullins and Zach Cordisco near Walker Lake in Mineral County.
13. Attended the Northern Nevada Teacher's Workshop; taught the Just Drill It course and gave the keynote address.
14. Secured speakers for the keynote plenary session at the NAAMLPA annual meeting and continued organizing abstracts for the technical session.
15. Received notice from the Governor's Office concerning the appointment of David Parker to serve as Commissioner for Exploration and Development.
16. Facilitated the CMR meeting at DRI-GBSSRL and toured the bat cupola construction site in Virginia City.
17. Received final approval of justification to fill for the AAIIV position with the Division. Received a certified list from Dept. of Personnel with laid-off state employees eligible for re-employment as an AAIIV. Hired Valerie Kneefel as the AAIIV taking over the duties of Linda Wells.

RECLAMATION BOND POOL (DOUG)

1. Issued notice level bonds for Cougar Gold LLC, NV Gold Corp USA (2), Western Energy Development, MAX Resources, Sniper Resources US Inc., Paradigm, Renaissance Exploration, Clipper Gold LLC, Cougar Gold, American Vanadium and NevGold USA (2).
2. Processed one reduction for NevGold USA
3. Processed a bond release and a bond reduction for Western Energy Development Corp.
4. Worked on administrative expenses for the bond pool for FY-11.
5. Spoke with Kristen Geddes about Pallas Resources. Sent dollar summary of deposit, premiums, and sales of equipment at Pallas Resources to Kristen Geddes.
6. Prepared a work program to balance forward the bond pool's FY-11 budget to FY-12.
7. Initiated a request to the BLM to increase the bond pool's authority by \$1 million, from \$2 to \$3 million for notice level bonding.
8. Corresponded with Julie Strandberg about the bond pool budget for FY12.

MINING, LAND AND OTHER ISSUES (DOUG)

1. Spoke with a Mr. Van Ryan from the Netherlands about mining.
2. Updated the 2010 mineral fact sheet.
3. Approved 8 geothermal sundries and 3 permits.
4. Attended NV APPS class required by the Dept. of Personnel.
5. George and I travelled to the flank of Peavine Mountain to rescue 2 stuck summer interns. A tow truck was necessary to retrieve the vehicle.
6. Attended CMR meeting in Reno and toured the 4th Ward School and bat cupola at Virginia City.

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. The summer interns completed, with great assistance from Bill Durbin, their seventh week with 37 securings, 11 hazards and 90 non-hazards logged, and revisits/repairs to 45 sites in Esmeralda and Mineral counties.
2. The interns completed their eighth week with 26 securings, five logged hazards, 35 logged non-hazards and 29 revisits in Humboldt and Pershing counties.
3. The interns completed their ninth week with eight securings, 21 logged hazards, 32 logged non-hazards and 68 revisits in Eureka, Humboldt, and Lander counties.
4. The summer interns completed their 11th week doing inventory and securing work in easternmost Nevada and are in the middle of a 10-day work hitch. Final numbers will be reported next week.
5. Trained two interns on QA/QC procedures for AML data and photo entry, plus ownership research for previous week's work and planning for next week's work in Pershing and Humboldt counties.
6. Prepared and submitted the inventory of AML sites at the Cordero mine to Tom Dunkelman (EPA). Corresponding photographs were sent to him as well.
7. Facilitated purchase of the previously researched downhole camera from Geovision.
8. Interns completed the ownership research, requested by Chris Ross, of 110 sites proposed for hard closure in northern Nevada.
9. Provided updated ownership data to BLM-NSO for sites under consideration of hard closure in Humboldt, Lander and Pershing counties.

10. Supervised and assisted with hard closure efforts of six AML features at the Murphy Mine complex. Environmental Protection Services installed five culvert gates and one PUF closure. Funding for gating efforts provided by NDOW, via BLM grant, and cost of PUF split by BLM and NDOM.
11. Assisted Jenni Jeffers (NDOW-Fallon) with bat survey efforts at additional Murphy Mine features to facilitate closure recommendations.
12. Environmental Protection Services began work on the bat cupola over ST-80 across from the 4th Ward School in Virginia City. Excavation, form-building, and pouring of the concrete stem wall was completed and allowed to cure. Steel work will begin next week.
13. Environmental Protection Services began welding the steel structure in place for the cupola over ST-80 in Virginia City. The four sides were completed by the end of the week without issue.
14. Leslie Olmstead (Golden Predator – Land Manager) called to discuss mitigation plans of AML features on their company’s claims and those on claims held by one of their many subsidiaries. She provided additional contact information and expressed interest in working with the USFS on property boundary issues at Treasure Hill. This information was forwarded to Ken Maas (FS).
15. Robert Kendrick (Renaissance Gold) came by to discuss AML fencing plans for features on their claims in Nye County and inquired about the creation of generic signage to warn the public about AML hazards when they enter regions containing significant concentrations of AML features.
16. Prepared and submitted invoice to Forest Service seeking partial reimbursement of AML expenses incurred doing inventory and securing work on FS managed lands.
17. Communicated with Dave Worley (JBR) regarding AML issues at Hycroft mine and interest in mitigation of bat habitat nearby.
18. Spoke with Ranger Smith at Ft. Churchill State Park regarding a tour as part of the NAAMLTP trip to the Yerington/Anaconda mine.
19. Inventoried and prepped many rock and mineral samples for July’s Teachers Workshop.
20. Assist with preparations for Teachers Workshop next week. Rock and mineral samples prepped and readied for use. Created and printed ten sponsor posters for display at the workshop.
21. Attended quarterly CMR meeting and provided update on AML activities.

AML / GIS (RACHEL)

1. Ran a “hazard Rank monthly” report on the database to show unsecured orphans throughout the state. Added AML securing photos from the June staging folder to the AML Photo Archive and backed up these files.
2. Spoke with Russ Jones with Barrick regarding the status of unsecured hazards on property controlled by Barrick Gold. He requested maps and photos of the sites and informed the Division that Barrick will be conducting wildlife surveys with the help of NDOW in early to mid-August. From the surveys conducted they will develop an approach to securing the hazards.
3. Spoke with Myron Etienne regarding unsecured hazards on patented claims in Lander County. Stated he would look into securing these sites but further land research may need to be conducted. He will send additional information.
4. Spoke with Paul Estridge from Adapx (Digital Pen Software) regarding presenting during a technical session at the NAAMLTP Conference in October. They will be sending someone to speak at the conference and give an overview of what Adapx does and how

their software can benefit AML programs. They have also asked to conduct a case study on how the Division has used the digital pen to aid in data collection in the field. Sarah Robinson later contacted me to discuss how we have been using the pen, problems using the software, how it has helped minimize the time spent entering data into the database, and who uses the pen. She also asked what the Nevada state AML program does and how it compares to other state AML programs.

5. Traveled to the Marigold Mine in Valmy to meet the Summer Interns and Geologist Jim Carver at the mine for a tour. This was the first visit to an active mine for some of the interns and provided some very useful information regarding work at a mine.
6. Received an e-mail from Russ Fields inquiring about the status of unsecured abandoned mines in Eureka County on claims owned by UNR. The hazards in question – known as the Bible Claims – were donated to UNR. Research was conducted to determine which hazards are on UNR claims and of those, which ones were unsecured.
7. Compiled maps, securing lists and revisit lists for work to be completed by the interns during Week 10. Four of the interns will be helping with the Teachers Workshop while the other four will be doing field work in Carson City, Douglas, Lyon and Washoe Counties.
8. Spoke with Claimant Sandi Meck regarding unsecured hazards on her patented claims. She requested signs and additional information and informed us that the road leading to the sites in question was washed out last winter. Her plans include repairing the existing fences and placing a gate on the road leading onto her patent with a no trespassing sign in order to minimize the amount of people accessing the site.
9. Traveled to Cortez Mine to meet with the summer interns and Geologist Ryan Turner for an all-day open pit and underground tour. This provided an excellent opportunity for the interns to meet people in the industry and see what underground mines are like.
10. Conducted revisits with the summer interns on hazards near Beowawe that were secured in 2006. The fences were found to be in good condition. Photos were taken and revisit forms filled out and updated with new UTM data.
11. Secured some moderate hazards outside of Winnemucca off of the Jungo Road with a few of the summer interns. These sites are located on unpatented mining claims and were secured because of their close proximity to the Jungo Road and how easily accessible they are. The current claimant had been notified of these hazards in March but had not yet responded to our letter.
12. Compiled and printed maps for week 11/12. Printed out lists of unsecured orphans, unsecured moderate and high hazards and revisits that will be addressed during the interns 10 day trip.
13. Finished planning and printed remaining maps for the interns during week 11/12 in eastern Nevada. Uploaded GPS units for the weeks work and discussed what will need to be done.
14. Helped the interns working in the office with data entry and research from the previous weeks. Uploaded logged non hazards from week 9 and 10 to the database.
15. Created maps displaying distribution of hazards throughout the state including new logged hazards, non-hazards, hazards secured and hazards revisited since May 1, 2011. Created a graph showing the hazard rank distribution throughout the state. These include all logged hazards and are not limited to ones that have not been secured.
16. Queried the database to determine how many moderate and high hazards there are throughout the state that our records show as being unsecured. This was done to

- determine how many there are and if this would be a feasible project for contractors in the near future. Further work will be done to determine the areas of most importance.
17. Compiled information regarding the hazard notification letters sent out in March. With the help of Debbie Selig, we were able to determine how many owners have responded to the letters and who has secured hazards and how many.
 18. Worked to update the database with new non hazard data interns collected from previous weeks in the field.
 19. Updated the addresses for all of the companies Golden Predator is responsible for. Sent this information to them so that they may move forward with closing abandoned mine land features.
 20. Queried the database to determine how many hazards have been logged or secured by NDOM or NDOM contractors on Forest Service land between October 1st, 2009 and July 22nd, 2011.
 21. Compiled necessary information for teaching “Mining in a Nutshell” at the Workshop. Gave directions to the interns that will be assisting at the workshop and uploaded data onto the GPS units for the interns who will be doing field work.
 22. Attended the 2011 July Teachers Workshop at Bishop Manogue High School in Reno. Set up classrooms, compiled rock and mineral boxes, and assisted and taught in classroom presentations during the workshop. Attended a tour to Pyramid Lake and discussed some of the geology of the area with the teachers on the tour.
 23. Attended the quarterly CMR tour to Virginia City and meeting at NBMG

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Participated in the monthly conference calls for the ARRA-funded AML closure projects in Clark, Lincoln, White Pine and Northern Nevada (Winnemucca Field Office).
2. Participated in the bi-monthly conference calls for status and progress of AML closure projects in Clark, Lincoln, White Pine and Northern Nevada (BLM, USACOE and BOR).
3. Geotemps contractor Kelly August started work on Monday, June 27. She will assist in updating the AML database with re-visit and updated land status research information and photos.
4. Worked with the summer intern crew logging, securing and conducting AML site re-visits in the Lone Mountain, Devils Gate, Gilbert, Dyer/Fish Lake Valley and Mount Montgomery areas of Esmeralda County.
5. Reviewed and approved Pete Herrera’s invoice for AML site re-visit work conducted in Clark County during June 2011.
6. Visited the Arden gypsum mine with the BOR construction crew. Measurements were taken on eight hazards proposed for permanent closure on BLM land.
7. On-going data interpretation, data entry and photograph cataloging for Clark County AML re-visit project.
8. Updating claim research on Sylvania Mill area AML hazards proposed for permanent closure – Esmeralda County.
9. Received closure reports from BOR for 7 AML hazards permanently closed in Clark County during late May and early June 2011.
10. Logging in information and photos for AML securings reported by claimants and property owners in Clark and Lincoln Counties.
11. Site visit to photograph four hazards backfilled by the BOR crew at the Arden gypsum mine.

12. Work continued on AML database and photo database updates of Pete Herrera's site re-visit work in Clark County.
13. Participated in a conference call regarding the status of planning for the NAAMLN national conference.
14. Prepping mineral and rock samples and materials for the Reno teacher workshop.
15. Collected calcite and limestone for teacher workshop mineral and rock kits from Goodsprings, Clark County.
16. Collected basalt from "The Crater" near Silver Peak, schist and marble from localities near Beatty for teacher workshop rock kits and Apache tears from Coaldale Junction.
17. Attended Northern Nevada teacher workshop in Reno. Las Vegas staff assisted with set-up, registration, classroom session coordination and tear down. Taught "Mineral Detective", "Rocks and Geology", "A Paste with a Taste", "Cupcake Core Drilling", "Birdseed Mining" and "Stay Out and Stay Alive" sessions.
18. Prepared report of Las Vegas office activities for the Commission on Mineral Resources quarterly meeting.

GEOHERMAL (LOWELL)

1. Reviewed US Geothermal's permit extension requests for the San Emidio 66-9 and 62-16 production wells. Doug approved a one year extension for both wells.
2. Reviewed US Geothermal's revised permit applications and drilling programs for four observation wells to be drilled at San Emidio, OB-6 through OB-9. All wells are proposed to be drilled to 3,000 feet. Alan approved.
3. Reviewed Nevada Geothermal Power's sundry notice to reclassify the Blue Mountain 38-14 observation well as an injection well. Coordinated approval with Russ Land at UIC. Alan approved.
4. Reviewed TGP Dixie Development's sundry notice to revise drilling program in the Coyote Canyon 58-22 observation well. Received the BLM's notification of approval. Alan approved.
5. Reviewed Department of Veteran Affairs's permit application and drilling program for the VA Hospital's Geothermal Production 002 commercial well. The proposed total depth of the well is 4,500 feet.
6. Reviewed Gradient Resources permit applications and drilling programs for the Patua II TG 87-25 and TG 26-31 temperature gradient holes. Proposed total depth is 1,000 feet for both holes. Doug approved.
7. Reviewed Gradient Resources permit application and drilling program for the Patua II 58-29 production well. Proposed total depth is 11,000 feet. Doug approved.
8. Reviewed Ormat Nevada's sundry notices to revise drilling program for the Tungsten Mountain TG 45-22 and TG 65-22 temperature gradient holes. Doug approved.
9. Reviewed Ormat Nevada's sundry notices to revise drilling program for the Edwards Creek TG 76-24 temperature gradient hole. Doug approved.
10. Reviewed Enel North America sundry notices to perform MIT testing at their Stillwater 24-7, 34-7, 54-7, 17-31, and 21-31 injection wells. Russ Land approved the proposed procedure. Doug approved.
11. Attended the Nevada Geothermal Council meeting in Reno on July 21st. Jim Faulds, Professor of Geology at UNR, and discussed geothermal potential within the Great Basin. Stacy Crowley, Director of the State Office of Energy, discussed recent actions at the PUC hearing where NV Energy was told to re-evaluate their proposal for running transmission lines that will move the electricity generated from renewable resources. The bulk of the electricity generated will be transferred to California.

12. Reviewed Magma Energy's sundry notice to correct erroneous UTM coordinates that were included in original permit. Corrected coordinates remained in the same quarter-quarter section originally permitted. Alan approved.
13. Reviewed Nevada Geothermal Power's sundry notice to extend the Blue Mountain 53-15 injection well, Permit #845, to September 25, 2012. Doug approved.
14. Reviewed Nevada Geothermal Power's sundry notice to extend the Pumpnickel Valley 58-33 observation well, Permit #951, to August 10, 2012. Doug approved.
15. Reviewed Nevada Geothermal Power's sundry notice to extend the Pumpnickel Valley 64-4 production well, Permit #952, to August 10, 2012. Doug approved.
16. Wells drilling: Gradient Resources Patua 24-29 production well; Gradient Resources Patua 88(18-20)-19 production well; Gradient Resources Patua 16-29 production well; Gradient Resources Patua II TG 87-25; Ormat Nevada Edwards Creek TG 31-18; Ormat Nevada Tungsten Mountain TG 76-24; Ormat Nevada Dead Horse 54-11; TGP Dixie Valley 58-22 observation well; Nevada Geothermal Power North Valley 25-31 observation well; Homestretch Geothermal PW3 production well; Homestretch Geothermal PW4 production well.

OIL AND GAS (LOWELL)

1. Reviewed Grant Alliance's verbal request, followed by sundry notice, to perform work-over operations the FLT 1 well. Verbal approval granted by both NDOM and the BLM. Alan approved sundry notice.
2. Reviewed comments regarding permitting in Nevada sent to Lt. Governor Brian Krolicki by Dr. Charles Laser. Prepared response to Dr. Laser addressing his concerns.
3. Reviewed Evans-Barton email request for the refund of their \$40,000 bond at Kyle Springs.
4. Reviewed Western General Energy's sundry notice to perform testing operations on the Kate Spring Wheel of Fortune 1-10 well with Russ Land at UIC.
5. Drilling: Emergent Value FLT 1; VF Neuhaus East Hogback 31-2.

OTHER (LOWELL)

Attended the Commission on Mineral Resources quarterly meeting on Wednesday, July