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DIVISION OF MINERALS

**NEVADA ABANDONED
MINE LANDS REPORT
2001**



by
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Alan R. Coyner - Administrator

February, 2002

Dennis Bryan; *Small-Scale Mining and Prospecting*
James Chavis; *Large-Scale Mining*
Patrick Fagan; *Geothermal Resources*

Commission on Mineral Resources
Fred D. Gibson, Jr., Chairman; *Large-Scale Mining*

Eugene Kozlowski; *Oil and Gas*
Jay Farmer; *General Public*
Ron Parratt, V. Chair; *Exploration and Development*

E1066

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ASSEMBLY NATURAL RES., AGRICULTURE & MINING
DATE: 2/19/03 ROOM: 3161 EXHIBIT E1-6
SUBMITTED BY: Alan Coyner

NEVADA COMMISSION ON MINERAL RESOURCES

Division of Minerals

The Nevada Division of Minerals, a part of the Commission on Mineral Resources, is responsible for administering programs and activities to promote, advance, and protect mining and the development and production of petroleum and geothermal resources in Nevada. The Division's mission is to conduct activities to further the responsible development and production of the State's mineral resources to benefit and promote the welfare of the people of Nevada. The seven-member Commission on Mineral Resources is a public body appointed by the Governor and directs mineral-related policy for the Division and advises the Governor and Legislature on matters relating to mineral resources. The Division focuses its efforts on three main areas: Industry relations and public affairs; regulation of oil, gas, and geothermal drilling activities and well operations; and abandoned mine lands.

The agency is involved in a wide array of activities relating to mineral development. Staff compiles annual data on all active mines in Nevada and maintains the State's mine registry. Information concerning mining operations and production is made available to the public through this yearly publication. Educational documents and materials concerning many aspects of the minerals industry are also produced. The Division participates in governmental activities affecting policies and laws concerning the minerals industry and resource development. The Division administers the State's reclamation bond pool.

The Division is responsible for permitting, inspecting, and monitoring all oil, gas, and geothermal drilling activities on both public and private lands in Nevada. Staff also monitors production of oil, gas, and geothermal resources to insure proper management and conservation. The Administrator is the Governor's Official Representative to the Interstate Oil and Gas Compact Commission.

The Division's abandoned mine lands program provides for public safety by identifying and ranking dangerous conditions at mines that are no longer operating, and by securing dangerous orphaned mine openings. The program continually urges the public to recognize and avoid hazardous abandoned mines.

Commission on Mineral Resources

Fred D. Gibson, Jr., Chairman (Large Scale Mining)
Ron Parratt, Vice Chairman (Exploration and Development)
Dennis Bryan (Small Scale Mining and Prospecting)
James Chavis (Large Scale Mining)
Patrick Fagan (Geothermal Resources)
Eugene Kozlowski (Oil and Gas)
Jay Parmer (General Public)

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Additional copies of this report may be obtained from the Division of Minerals.
This report may also be downloaded from the Division website at <http://minerals.state.nv.us/>

Executive Summary

The State of Nevada's Abandoned Mine Lands (AML) program entered its 14th year in 2001. Highlights for the program in 2001 include the following:

- No injuries or fatalities related to hazards at abandoned mines were reported to the Division in 2001.
- The total number of AML sites discovered and ranked since the beginning of the program reached 8,525 sites. The total number of sites secured reached 6,332.
- 449 sites were discovered and ranked in 2001, a 10.0% increase over 2000. This increase is due primarily to an expansion of the summer intern program.
- 474 sites were secured in 2001, a 17.3% increase over 2000. 188 sites were secured by mining claimants and private property owners. 286 orphan sites were secured by NDOM staff and volunteers, a record amount of securings.
- Public awareness activities included 68 classroom presentations to approximately 2,800 students. Students and teachers were given brochures, bumper stickers, magnets, and pencils bearing the "Stay Out and Stay Alive" message. 60,100 AML brochures were distributed to every 4th and 8th grade student in the state and the "Stay Out and Stay Alive" video was sent to all new schools in the state.
- The Las Vegas AML Backfill Project, which is a cooperative project between the Division, the Bureau of Land Management, the Nevada Mining Association, and Clark County, permanently closed 22 sites in Clark County in 2001 compared to 13 sites in 2000 and 6 in 1999. The further expansion of this program has been impacted by the cost of biological and cultural surveys associated with permitting surface disturbance activities on public lands.
- The Summer Intern Program was expanded from 2 students in 2000 to 4 students in 2001. All four students were recruited from the Mackay School of Mines at the University of Nevada Reno.
- 39 sites were secured and 9 sites were repaired by 6 Eagle Scout candidates in 2001. Since 1992, 23 Eagle Scout projects have been completed resulting in 135 secured hazards.

- The Division continued its role as the principal facilitator of the state's AML Environmental Task Force. Six field projects and an AML database project were initiated in 2001, primarily through funding provided by the U.S. Army Corps of Engineers.
- The Division exceeded both of the performance measures approved by the state legislature. Total secured sites divided by total discovered sites was 74.0% (70% required) and total public awareness presentations was 12.1 per staff member (12 required).
- Total dedicated funding from mining claim filings and permitted surface disturbance associated with new mining operations on public lands totaled \$282,465 in 2001, as compared with \$173,590 in 2000. The increase in revenue was due primarily to booking a \$120,000 BLM grant in calendar year 2001, which may include calendar year 2002, and a small increase in claim fees passed by the CMR in July, 2001.

Program Background

Nevada's geology provides ideal conditions for the deposition of a large variety of valuable and useful minerals. These mineral deposits have attracted the attention of miners and prospectors for over 150 years. The hearty souls who searched across the state exploring for this vast mineral wealth left behind a legacy of shafts, adits, glory holes, stopes, mill sites and other features that are potentially dangerous to unwary or curious people and to wild and domestic animals. Over time, most of the mine openings have become unstable because of exposure to the elements and decay of support timbers. It is estimated that 200,000 to 300,000 of these mining-related features exist in the state. Of these, the Division estimates that 50,000 are significant hazards that require some type of securing. Appendix A lists the sites discovered and sites secured by the AML program from 1987 through 2001.

The State of Nevada AML program was created by the legislature in 1987 in response to a number of incidents, both fatal and nonfatal, that had occurred in abandoned mine openings. Table 1 shows a 30 year history of known incidents related to abandoned mines. The legislation placed the program with the Division of Minerals and mandated two primary functions: 1) Investigation and inventory of mining-related openings and structures at mining sites that are currently idle or abandoned, and 2) Development and maintenance of an aggressive public awareness campaign to educate the public about dangerous conditions that exist as a result of historic mining activities. The primary Nevada Revised Statutes (NRS) governing the AML program can be found in Appendix B.

In 1989 the legislature expanded the program to include the responsibility of securing hazardous conditions on open public lands where no claimant or property owner could be

Funding

The Division's AML program is funded by three major revenue sources: 1) mining claim fees, 2) surface disturbance fees paid on new mining plans of operations on public lands, and 3) grants from the Bureau of Land Management. As of July 16, 2001, \$1.50 of every mining claim filing collected by the county on behalf of the Division is dedicated to the AML program (NAC 513.315). The Division collects a one-time fee of \$20 per acre for every acre of permitted disturbance associated with new mining operations on public lands. The Division has a memorandum of understanding with the Bureau of Land Management which provides for a grant of approximately \$60,000, which is year-to-year dependent. Table 3 shows the revenues received by the Division from these three revenue sources for the years 1997 through 2001.

Table 3. Revenues to the AML program for the years 1997 through 2001.

| Year | BLM grants | Mining Claim Fees | Disturbance Fee | Total |
|-------|--------------|-------------------|-----------------|-------------|
| 1997 | *a \$117,000 | \$129,333 | \$157,711 | \$404,044 |
| 1998 | 60,000 | 136,514 | 66,812 | 263,326 |
| 1999 | *b 100,000 | 125,985 | 106,380 | 332,365 |
| 2000 | 40,000 | 113,430 | 20,160 | 173,590 |
| 2001 | *c 120,000 | 140,635 | 21,830 | 282,465 |
| Total | \$437,000 | \$645,897 | \$372,893 | \$1,455,790 |

*a = includes \$60,000 grant from fiscal year 1996 that was received in calendar year 1997.

*b = includes \$30,000 urban interface grant and \$70,000 AML Environmental Task Force grant.

*c = may include \$60,000 grant for calendar year 2002

AML revenue is used to pay salary expenses, travel expenses, the summer intern program, vehicle expenses, and field supplies such as fence posts, signs, and barbed wire. The revenue is also used to support the AML public awareness program through school presentations, video distributions, brochures, magnets, pencils, and other means of outreach.

Summary

The AML program continues to make good progress in the discovery and securing of abandoned mine hazards across Nevada. The combined help of the Nevada mining industry, the federal land management agencies, the summer intern program, and many volunteers has greatly enhanced the efforts of the NDOM staff.

The total number of sites discovered and secured has increased in each of the last three years. This has occurred in a time when industry activity, as measured by the number of active mining claims, has decreased. The Division also recognizes that many of the sites near the population centers have been logged and much of the remaining work is located in the more remote, less accessible areas of the state.

The public awareness program has reached over 6,000 people directly through personal interaction with students and members of civic groups and organizations. Many thousands of others may have been impacted through a "Stay Out and Stay Alive" public service announcement on television or reading an AML brochure brought home by a student.

Despite Nevada's tremendous population growth and the growing number of visitors that recreate in Nevada, there has been no apparent increase in the number of injuries or fatalities related to abandoned mine hazards. It is the sincere hope of the NDOM staff that the fences, barricades and signs, and the awareness brought to people through the "Stay Out and Stay Alive" message are factors that contribute to keeping the incident rate as low as possible.

The Commission on Mineral Resources and the Nevada Division of Minerals will continue to aggressively support the AML program through field work and public awareness because the only satisfactory number of abandoned mine injuries or fatalities is ZERO!!