

**PROPOSED REGULATION OF THE
STATE ENVIRONMENTAL COMMISSION**

LCB File No. R052-15

P2015- 04

July 6, 2015

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-8, NRS 519A.160

A REGULATION relating to mining reclamation; defining mine impacted waters; revising provisions governing the contents of plan for reclamation; revising provisions relating to requiring operator of a mining operation to perform certain types of reclamation required; revising provisions relating to amount of surety required; revising provisions relating to the general requirements of surety; and providing other matters properly relating thereto.

Section 1. Chapter 519A of NAC is hereby amended by adding thereto a new section to read as follows:

“Mine impacted waters” means:

The actual drainage or seepage from waste or development rock piles or other non-process components; underground mines; or bodies of water that are the result of mine pits that penetrate the water table that require stabilization, management, control, or treatment to prevent or mitigate:

- 1. Degradation of waters of the state; or*
- 2. Adverse effects to the health of human, terrestrial, or avian life.*

Sec. 2. NAC 519A.270 is hereby amended to read as follows:

519A.270 The plan for reclamation for a mining operation must include:

1. A topographic map of the area of the operation depicting:
 - (a) The boundaries of the area of the operation;
 - (b) Surface ownership of the land within the area of the operation;
 - (c) The areas to be affected in sufficient detail so that they can be located from the ground;
 - (d) The kind of disturbances, including:
 - (1) Tailings impoundments;
 - (2) Leach pads;
 - (3) Waste rock dumps;
 - (4) Buildings;
 - (5) Roads; and
 - (6) All other surface facilities; and
 - (e) A description of the land within the area of operation which was affected by:

- (1) An operation conducted by a previous operator and which is inactive on the date on which the application for a permit for an operation is filed;
 - (2) The current operator before January 1, 1981, and which is inactive on the date on which the application for a permit for an operation is filed;
 - (3) The current operator before January 1, 1981, and which is active on the date on which the application for a permit for an operation is filed;
 - (4) The current operator on or after January 1, 1981, but before October 1, 1990, and which is inactive on the date on which the application for a permit for an operation is filed; and
 - (5) The current operator on or after January 1, 1981, but before October 1, 1990, and which is active on the date on which the application for a permit for an operation is filed.
2. A description of any land within the area of operation:
 - (a) On which the operation is active on or after October 1, 1990; and
 - (b) Comprising access roads which were created before January 1, 1981.
 3. The location of any surface water body within one-half-mile down gradient of the operation which may be impacted by excess sedimentation resulting from the mining operations.
 4. An estimate of the number of acres affected by each type of disturbance.
 5. A proposed productive postmining use of the land.
 6. A proposed schedule of the time for initiation and completion of activities for reclamation.
 7. The proposed postmining topography.
 8. The technical criteria used to determine the final gradient and stability of slopes created or affected by the mining operation.
 9. The proposed methods to be used in reclaiming impoundments used during the operation.
 10. A statement of any constraints on the estimated time to complete reclamation caused by the residual moisture content or physical or chemical qualities of impoundments.
 11. The kinds of access roads and their estimated width and length which will be built and the manner in which they will be reclaimed.
 12. The best management practices that will be used for control of erosion and to minimize the sedimentation of surface water during operation and reclamation, as described in the State of Nevada Handbook of Best Management Practices or practices equivalent thereto.
 13. The proposed revegetation of the land for its postmining land use, including:
 - (a) A plan for the management of topsoil and growth medium;
 - (b) A list of each species of vegetation;
 - (c) The rate of seeding of vegetation;
 - (d) The type of fertilizer and mulch to be used;
 - (e) When the planting will occur; and
 - (f) The proposed methods to monitor, control, and eradicate noxious weeds during reclamation activities.
 14. The proposed disposition of:
 - (a) Buildings;
 - (b) Equipment;
 - (c) Piping;

- (d) Scrap;
 - (e) Reagents; and
 - (f) Any other equipment and materials.
15. A description of any surface facilities such as buildings or roads which will not be reclaimed.
16. A description of any necessary monitoring, *stabilization, management, control, or treatment of mine impacted waters*, and maintenance of fences, signs and other structures which will be performed by the operator on the reclaimed land.
17. A description of any reclamation which is necessary because of instream mining.
18. A statement of the effect that the proposed reclamation will have on future mining in the area.
19. A statement setting forth the effect that the proposed reclamation will have on public safety.

Sec. 3. NAC 519A.345 is hereby amended to read as follows:

519A.345 The Division may, if appropriate, require an operator of a mining operation to reclaim:

- 1. Roads and drill pads by:
 - (a) Recontouring or regrading to round off, cut and fill slopes to the original contour or to approximate the form of the land before its disturbance;
 - (b) Removing culverts;
 - (c) Ripping or scarifying the surface;
 - (d) Constructing water bars;
 - (e) Revegetation; and
 - (f) Restoring or stabilizing drainage areas or streambeds.
- 2. Drill holes from exploration by plugging the holes with the minimum surface plug required pursuant to Chapter 534 of NRS.
- 3. Waste and development rock piles by:
 - (a) Regrading to round off sharp edges, enhance the stability, reduce susceptibility to erosion and facilitate efforts for revegetation;
 - (b) Implementation of measures to stabilize, manage, control, or treat mine impacted waters;*
 - ~~(b)~~ *(c)* Revegetation; and
 - ~~(c)~~ *(d)* Diverting runoff.
- 4. Dams for tailings ponds by:
 - (a) Covering with waste rock, topsoil or growth medium;
 - (b) Revegetation; and
 - (c) Rendering the dam incapable of storing any mobile fluid in a quantity which could pose a threat to the stability of the dam or to public safety.
- 5. Impoundments for tailings by:
 - (a) Regrading to promote runoff and reduce infiltration;
 - (b) Covering with waste rock, topsoil or growth medium;
 - (c) Revegetation;
 - (d) Process fluid stabilization; and
 - (e) Diverting runoff.
- 6. Heaps from leaching by:

- (a) Regrading to enhance structural stability, promote runoff, reduce infiltration and control erosion;
 - (b) Covering with waste rock, topsoil or growth medium;
 - (c) Revegetation;
 - (d) Process fluid stabilization; and
 - (e) Diverting runoff.
7. Solution ponds, settling ponds and other nontailings impoundments by:
- (a) Backfilling and regrading to approximate the natural land form; and
 - (b) Restoring the regime of the surface water to the regime that existed before the disturbance.
8. Buildings, foundations, facilities, structures and other equipment by:
- (a) Demolishing to the level of the foundation and burying the demolished items on the site in conformance with applicable requirements for the disposal of solid waste;
 - (b) Salvaging and sale;
 - (c) Disposal off of the site in conformance with applicable requirements for the disposal of solid waste; and
 - (d) Continuing use in a manner consistent with the postmining land use.
9. Open pit mines by:
- (a) Performing activities that will provide for public safety;
 - (b) Stabilizing pit walls or rock faces where required for public safety;
 - (c) Constructing and maintaining berms, fences or other means of restricting access;
 - (d) Implementation of measures to stabilize, manage, control, or treat mine impacted waters;***
 - ~~(e)~~ ***e*** Creating a lake for recreational use, wildlife or other uses; and
 - ~~(f)~~ ***f*** Revegetation.
- Reclamation of open pits or rock faces does not require backfilling although backfilling in whole or in part with waste rock from an adjacent mining operation may be encouraged if backfilling is feasible and does not create additional negative environmental impacts.
10. Underground mines by:
- (a) Sealing shafts, adits, portals and tunnels to prevent access; ~~and~~
 - (b) Implementation of measures to stabilize, manage, control, or treat mine impacted waters; and***
 - ~~(c)~~ ***c*** Constructing and maintaining berms, fences or other means of restricting access.

Sec. 4. NAC 519A.360 is hereby amended to read as follows:

519A.360 1. The operator shall provide surety in an amount sufficient to ensure reclamation of:

- (a) The entire area to be affected by his or her project or operation; or
 - (b) A portion of the area to be affected if, as a condition of the issuance of the permit, filing additional surety is required before the operator disturbs land not covered by the initial surety.
2. The amount of surety required must be based on an estimate of the cost of executing the plan for reclamation which would be incurred by the state or federal agency having jurisdiction over the land.
3. The operator's estimate of the cost for reclamation must be based on either:

(a) The costs of equipment rental, operation and labor appropriate for the geographic area that would be incurred if a third-party contractor was to perform the reclamation;

(b) Estimated costs provided by an outside contractor which are acceptable to the Division; or

(c) Any other method which is acceptable to the Administrator, the Bureau of Land Management, the United States Forest Service or another federal land management agency, if applicable.

4. In determining the cost of executing the plan for reclamation, the operator shall consider all activities in the plan for reclamation that are required by NAC 519A.010 to 519A.415, inclusive, or chapter 519A of NRS, including, if appropriate:

(a) Earth moving, regrading, stabilization of heaps and dumps, recontouring of roads and erosion control;

(b) Process fluid stabilization;

(c) Stabilization, management, control, and treatment of mine impacted waters to prevent or mitigate any degradation of waters of the state;

~~(d)~~ ***Revegetation, preparation of seedbed and planting;***

~~(e)~~ ***Demolition of buildings and other structures;***

~~(f)~~ ***Removal and disposal or salvage of buildings, structures, equipment, piping, scrap and reagents;***

~~(g)~~ ***Any ongoing or long-term activities which are required to maintain the effectiveness of reclamation; to ensure the continuation of any long-term, post-reclamation stabilization, management, control, and treatment required to protect waters of the state; and to provide for post-mining maintenance requirements, for are necessary in lieu of reclamation;*** including periodic clean-out of sediment basins ***and ponds used to collect mine impacted waters,*** or maintenance of berms and fences which are used to prevent access to areas which pose a threat to the public safety;

~~(h)~~ ***Equipment mobilization and demobilization; and***

~~(i)~~ ***Administration and management by the Division, the Bureau of Land Management, the United States Forest Service and another federal land management agency, if applicable.***

Sec. 5. NAC 519A.350 is hereby amended to read as follows:

519A.350 1. An operator shall file a surety with the Division or a federal land management agency, as applicable, to ensure that reclamation will be completed on privately owned and federal land. The surety may be:

(a) A trust fund;

(b) A bond;

(c) An irrevocable letter of credit;

(d) Insurance;

(e) A corporate guarantee; or

(f) A cash deposit;

~~(g)~~ ***Any combination thereof.***

2. If the surety is a trust fund:

(a) The operator shall make periodic payments to the trust fund at least annually for the term of the exploration project or mining operation.

(b) The initial payment to the trust must be:

(1) For a new exploration project or mining operation, made before the land is affected.

(2) For an exploration project or mining operation which is active on October 1, 1990, made within 60 days after the operator receives a permit from the Division.

(c) The balance of the trust fund must be sufficient at all times to satisfy the requirements of NAC 519A.360.

3. If the surety is the bond of a corporation:

(a) It must state that the operator shall faithfully perform all requirements of the permit issued by the Division.

(b) The corporation must be licensed to do business in the State of Nevada.

4. The operator may provide evidence of a surety provided by the program for the pooling of reclamation performance bonds developed by the Division of Minerals of the Commission on Mineral Resources pursuant to NRS 519A.290.

5. If the surety is an irrevocable letter of credit, the letter of credit must:

(a) Be executed and issued by a bank authorized and doing business in the State of Nevada or a correspondent bank which is authorized to do business in the State of Nevada.

(b) Be made at the request of the operator.

(c) State that the issuing bank will honor drafts for payment upon compliance with the terms of the credit.

(d) Be irrevocable and issued for at least 1 year.

The operator shall notify the Division at least 60 days before the expiration of the letter of credit. The notice must state whether it will be renewed or replaced with another form of surety.

6. If the surety is insurance:

(a) The policy must guarantee the performance of each reclamation obligation and permitting requirement of the operator if the operator defaults on any such obligation or requirement.

(b) The insurance company issuing the policy must be authorized to conduct the business of insurance in the State of Nevada.

(c) The insurance company issuing the policy must have a superior financial strength rating and a superior credit rating as determined by A.M. Best Company of Oldwick, New Jersey, or equivalent ratings from a nationally recognized insurance rating service.

The policy must provide for a financial guarantee which satisfies the requirements of NAC 519A.360 and which is available at all times if the operator defaults on any reclamation obligation or permitting requirement.

7. If the surety is a corporate guarantee:

(a) Not more than 75 percent of the required surety may be satisfied by the corporate guarantee, which is subject to periodic review and approval by the Administrator of the Division. The remaining portion of the surety must be satisfied by a surety identified in this section.

(b) The audited financial statements of the corporation must indicate that the corporation has two of the following three ratios:

(1) A ratio of total liabilities to stockholder's equity less than 2 to 1.

(2) A ratio of the sum of net income plus depreciation, depletion and amortization to total liabilities greater than 0.1 to 1.

(3) A ratio of current assets to current liabilities greater than 1.5 to 1.

(c) The net working capital and tangible net worth each must equal or exceed the amount established for reclamation pursuant to NAC 519A.360.

(d) The tangible net worth must be at least \$10,000,000.

(e) Ninety percent of the assets of the corporation must be:

(1) Located in the United States; or

(2) At least six times the amount established pursuant to NAC 519A.360.

8. If the surety is a cash deposit:

(a) The cash deposit shall be held by the State Treasurer;

(b) The Division shall adjudicate the specific cash amount allocated as the surety for each exploration project or mining operation that has submitted a cash deposit to the Division;

(c) The State Treasurer may release the cash deposit, or portion thereof, to the operator or to the Division only upon receipt of a written request from the Administrator or designee; and

(d) All interest earned on a cash deposit held in the trust account shall be added to the trust account balance to be used by the Division to ensure that all provisions of NAC 519A.010 to 519A.415, inclusive, are fulfilled if a surety was subject to forfeiture and an insufficient surety had been filed to complete reclamation. Operators are not entitled to receive any interest on cash deposits held by the State Treasurer.

9. Any financial information submitted to the Division pursuant to this section must be prepared in accordance with accounting principles that are generally accepted in the United States.