

**PROPOSED REGULATION OF THE DIVISION OF MINERALS
OF THE COMMISSION ON MINERAL RESOURCES**

LCB File No. R011-14

Notice of Public Hearing

Thursday, August 28, 2014 10:00 A.M. – 12:00 P.M.

Elko County Nannini Administration Building RM 102- 540 Court St. Elko NV 89801

Attached with this notice is the Notice of Intent to Act Upon a Regulation and the Agenda for the Public Hearing for the proposed amendment of Regulations for Oil and Gas Wells, Wells intended for Hydraulic Fracturing, and for Geothermal Wells.

This notice is posted pursuant to the NRS 233B.061, at the following public places:


**LEGISLATIVE COUNSEL BUILDING- CARSON CITY
LEGISLATIVE COUNSEL BUILDING-LAS VEGAS (GRANT SAWYER BLD)
ELKO COUNTY COURTHOUSE
STATE LIBRARY AND ARCHIVES
DIVISION OF MINERALS- CARSON CITY AND LAS VEGAS OFFICES
CAPITAL BUILDING-CARSON CITY
COUNTY LIBRARIES
DIVISION OF MINERALS WEBSITE
DEPARTMENT OF ADMINISTRATION PUBLIC NOTICE WEBSITE**

The public may contact Valerie Kneefel at (775) 684-7043 or Email Vkneefel@govmail.state.nv.us to request supporting material for the meeting described herein. The agenda and supporting material is available at www.minerals.nv.us

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Division of Minerals, 400 W. King Street, suite 106, Carson City, NV 89701 or by calling (775) 684-7043.

Dated this 25th day of July, 2014


Richard Perry, Administrator
Division of Minerals

Posting Date: July 25, 2014

NOTICE OF PUBLIC HEARING FOR THE AMENDMENT OF REGULATIONS FOR OIL AND GAS WELLS, WELLS INTENDED FOR HYDRAULIC FRACTURING AND FOR GEOTHERMAL WELLS.

Hearing Date: Thursday, August 28, 2014

10:00 A.M. – 12:00 P.M.

Elko County Nannini Administration Building RM 102- 540 Court St. Elko NV 89801

AGENDA

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person.

ACTION WILL NOT BE TAKEN

I. PUBLIC HEARING

The Commission on Mineral Resources will consider written and oral comments and may adopt amendments to regulations for Oil and Gas Wells as set forth in Chapter 522 of the Nevada Administrative Code and for Geothermal Wells as set forth in Chapter 534A of the Nevada Administrative Code.

ACTION MAY BE TAKEN

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. All public comments will be limited to 5 minutes for each person.

ACTION WILL NOT BE TAKEN

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Division of Minerals, 400 W. King Street, suite 106, Carson City, NV 89703 or contact Valerie Kneefel at (775) 684-7043 or Email Vkneefel@govmail.state.nv.us

**Interested persons may be able to observe the meeting on the website http://cms2.revize.com/revize/elkocounty/meetings/board_of_commissioners/index.php# but will not be able to participate in the hearing.

NOTICE OF INTENT TO ACT UPON A REGULATION

NOTICE OF PUBLIC HEARING FOR THE AMENDMENT OF REGULATIONS FOR OIL AND GAS WELLS, WELLS INTENDED FOR HYDRAULIC FRACTURING AND FOR GEOTHERMAL WELLS

For the purpose of receiving public comment from all interested persons, the Nevada Division of Minerals will hold a public hearing regarding the adoption, amendment or repeal of proposed Regulations for Oil and Gas Wells as set forth in Chapter 522 of the Nevada Administrative Code and for Geothermal Wells as set forth in Chapter 534A of the Nevada Administrative Code.

DATE: August 28, 2014
TIME: 10:00 a.m. – 12:00 p.m.

PLACE: Elko County Nannini Administration Building
540 Court St. RM 102
Elko NV 89801

As provided in Nevada Revised Statute Chapters 233B, 513.063(5), 522.040(3), 522.090, 522.119(2) and 534A.090, the Commission on Mineral Resources and the Division of Minerals is proposing to amend the present regulation for Oil and Gas Wells (Nevada Administrative Code § 522.010 through § 522.625), and is proposing to amend the present regulation for Geothermal Resources (Nevada Administrative Code § 534A.010 through § 534A.690)

The following information is provided pursuant to the requirements of NRS 233B.0603:

- 1) The need for and the purpose of the proposed amendment of regulation is to comply with the legislative mandate of NRS 522.119, and to clarify existing language and present new language.
- 2) The proposed changes will provide for additional specificity for all oil and gas well construction, well bore integrity and will provide requirements for groundwater monitoring where unconventional oil and gas development involving hydraulic fracturing is contemplated in Nevada.
- 3) The potential economic impact on the regulated industry involves a moderate increase in the production fee and a minor increase in cost of materials used in oil and gas well construction, and the new costs associated with groundwater sampling prior to and after hydraulic fracturing of oil or gas wells. The immediate and long term economic benefit to the industry involves specific standards to allow for unconventional oil and gas development in Nevada. The potential adverse effect to the public, both short and long term, is expected to be minimal. The immediate and long term economic benefit to the public involves an improvement in the integrity of oil and gas well construction and operation. These proposed changes will offer greater protection of groundwater statewide.
- 4) The estimated additional cost to the agency for enforcement of the proposed regulation is expected to be significant.

- 5) The proposed regulation may duplicate or overlap federal regulations only on public lands administered by the U.S. Department of the Interior, Bureau of Land Management.
- 6) Federal law does not require the proposed regulation changes.
- 7) The proposed regulation is more stringent than current federal law, by requiring additional well construction standards, water sampling, public notice and chemical disclosure.
- 8) The proposed regulation does increase fees on oil and gas production.

Interested persons wishing to comment on the proposed regulation may do so by appearing at the above-scheduled hearing or by submitting written comments to the Division of Minerals, 400 West King Street, Suite 106, Carson City, Nevada 89703 by 5:00 P.M. on August 15, 2014.

**Interested persons may be able to observe the meeting on the website http://cms2.revize.com/revize/elkocounty/meetings/board_of_commissioners/index.php# but will not be able to participate in the hearing.

A copy of this notice and the proposed regulation can be reviewed at the Nevada State Library and Archives, 100 Stewart Street, Carson City, or the Division of Minerals Offices in Carson City (400 West King St., Suite 106, Carson City, NV 89703), and in Las Vegas (2030 E. Flamingo Rd., Suite 220 Las Vegas, NV 89119). The proposed regulation may also be reviewed on our web page at <http://minerals.nv.us>. In all counties in which an office of the agency is not maintained, the proposed regulation may be reviewed and copied at the main public library, during business hours.

This notice and the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and may be viewed on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

As provided in NRS 233B.064 (2), the Division of Minerals, if requested to do so by an interested person, either before adoption of the regulation or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or will incorporate therein its reason for overruling the considerations against its adoption.