

THE NEVADA DIVISION OF MINERALS
OF THE COMMISSION ON MINERAL RESOURCES
INFORMATIONAL STATEMENT
SUBMITTED IN COMPLIANCE WITH NRS 2338.066.
UPON ADOPTION OF REGULATION FOR DISSOLVED MINERAL
RESOURCE EXPLORATION IN CHAPTER 5348 OF
THE NEVADA ADMINISTRATIVE CODE

R109-17

May 1, 2018

1. A clear and concise explanation of the need for the adopted regulation.

The need for the adopted regulation is to establish language necessary to regulate the drilling and operation of dissolved mineral resource exploration boreholes and dissolved mineral resource exploration wells as required in Assembly Bill No. 52 of the 2017 Nevada Legislature.

1. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Copies of the proposed regulation, notices of workshop and notices of intent to act upon the regulation were sent by U.S. mail and email to persons who were known to have an interest in the subject of dissolved mineral resource exploration as well as any persons who had specifically requested such notice. These documents were also made available at the website of the Division of Minerals, the website of the Nevada Legislature, the Nevada Public Notice website of the Nevada Department of Administration, mailed to all county libraries in Nevada and posted at the following public locations:

Division of Minerals
400 W. King St. #106
Carson City, NV 89703

Division of Minerals
2030 E. Flamingo Rd. #220
Las Vegas, NV 89119

Legislative Counsel Building
401 S. Carson St.
Carson City, NV 89701

State Library and Archives
100 N. Stewart St.
Carson City, NV 89701

State Capitol Building
101 N. Carson St.
Carson City, NV 89701

A workshop was held in Carson City on December 21, 2017, and the minutes of that meeting, attached hereto, contain a summary of the discussion held regarding the proposed regulation. On March 20, 2018, the Administrator of the Division of Minerals issued a Notice of Intent to Act Upon a Regulation which incorporated in the proposed regulation certain suggestions of the parties attending the December 21st workshop.

A document entitled *Response to Summary of Comments on the proposed DMRE regulations of the Nevada Division of Minerals of the Commission on Mineral Resources* dated April 30, 2018 and consisting of 11 pages, was prepared by the agency and is attached to this Information Statement, as Appendix A, in compliance with NRS 233B.066(1)(b),(e). A copy of this document may also be obtained from the Division of Minerals, 400 W. King St. #106, Carson City, NV 89703, 775-684-7040, or email to ndomf@minerals.nv.gov.

3. The number of persons who:
 - (a) Attended the adoption hearing: April 27, 2018: 25
 - (b) Testified at the adoption hearing: April 27, 2018: 8
 - (c) Attended the public workshop: December 21, 2017: 21
 - (d) Testified at the public workshop: December 21, 2017: 6
 - (e) Submitted to the agency written comments: 12 (workshop and hearing)
4. A list of names and contact information, including telephone number, business, address, electronic mail address and name of entity or organization represented, for each person identified in #3 (b) and (c) above, is attached as Appendix B.
5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public. The summary is attached as Appendix A and can also be obtained as instructed in the response to #2.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulation was adopted on April 27, 2018 and included seven non-substantive changes made for clarity.

7. The estimated economic effect of the adopted regulations on the business which it is to regulate and on the public. These must be state separately, and each case must include:
 - (a) Both adverse and beneficial effects; and
 - (b) Both immediate and long-term effects.

(a) The adverse effects are a new application fee, additional reporting and certain operational requirements which, on a per well basis, could increase drilling costs by 4 to 10%, but would be primarily limited to the period of time during active drilling/plugging operations with no significant long-term costs and no cost to the public. The beneficial effects on the regulated industry would be a clear and expeditious regulatory path for dissolved mineral resource exploration of dissolved mineral resources, while at the same time providing for necessary and adequate review of proposed activities to ensure they are protective of existing oil, gas, geothermal and groundwater resources.

(b) The immediate and long-term effects are the lessening of time needed for regulatory approval and potentially increasing exploration activities while providing adequate funding to the regulatory program to ensure that dissolved mineral resource exploration boreholes and wells are drilled safely, are protective of groundwater, oil, gas and geothermal resources.

8. The estimated cost to the agency for the enforcement of the adopted regulation.

The additional cost to the agency for enforcement of the proposed regulation is dependent upon the level of dissolved mineral resource exploration activity and will be offset by permit fees.

9. A description of any regulations of other state or government agencies which the adopted regulation overlaps or duplicates and a statement explaining why the overlapping or duplication is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no other state agency regulations that the proposed regulation overlaps or duplicates. The proposed regulation may overlap or duplicate certain federal regulations only on public lands administered by the U.S. Department of the Interior, Bureau of Land Management (BLM). These federal regulations pertain to the requirements for submission to the BLM Field Office of proposed exploration activities as well as reclamation requirements. The duplication is necessary to afford satisfactory concurrent review while limiting potential delay to initiation of activity.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The proposed regulation is more stringent than current federal law under Title 43 Code of Federal Regulations Part 3800, in that the exploration of locatable minerals, under the General Mining Law of 1872, does not require the use of a licensed water well driller or the use of blow-out prevention equipment during exploration drilling for dissolved mineral resources only.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The estimated total of the new fee proposed to be collected in Nevada Administrative Code §5348 is approximately \$20,000 annually and will be used to cover agency costs of administering Chapter 5348.

Respectfully submitted,

//s//
Richard M. Perry,
Certified Professional Geologist
Administrator, NDOM
May 1, 2018

Appendix B

List of comments received on proposed regulations R109-17

Date Received	Form of Comment	Commenter	Representing	Contact Information
12/4/2017	Written	Walter Weinig	Pure Energy	303-515-7112; w.weinig@pureenergyminerals.com
12/4/2017	Written	Karen Narwold	Albemarle	4350 Congress St., #700, Charlotte, NC 28209; 980-299-5578; karen.narwold@albemarle.com
12/4/2017	Written	Chris Mahannah	Dajin Resources	775-323-1804; chris@mah2o.com
12/21/2017	Written	Thomas Gallagher	Nevada Water Solutions	675 Sierra Rose Dr. #109, Reno, NV 89511; tomg@nevadawatersolutions.com
12/26/2017	Written	Carolyn McIntosh	Albemarle & Dajin	1801 California St. #4900, Denver, CO 80202; 303-830-1776; carolyn.mcintosh@squarepb.com
12/28/2017	Written	Carolyn McIntosh	Albemarle & Dajin	1801 California St. #4900, Denver, CO 80202; 303-830-1776; carolyn.mcintosh@squarepb.com
12/29/2017	Written	Allen Biaggi	NvMA	775-781-2112; freelpeak@gmail.com
1/2/2018	Written	Carolyn McIntosh	Albemarle & Dajin	1801 California St. #4900, Denver, CO 80202; 303-830-1776; carolyn.mcintosh@squarepb.com
4/23/2018	Written	Walter Weinig	Pure Energy	303-515-7112; w.weinig@pureenergyminerals.com
4/24/2018	Written	Ted Wilton	Westwater Resources	6950 S. Potomac St. #300, Centennial, CO 80112; 303-531-0475; twilton@westwaterresources.net
4/25/2018	Written	Carolyn McIntosh	Albemarle & Dajin	1801 California St. #4900, Denver, CO 80202; 303-830-1776; carolyn.mcintosh@squarepb.com
4/27/2018	Written	Andy Maggi	NV Conservation League	
4/27/2018	Testified	Jason King	NDWR	901 S. Stewart St. #2002, Carson City, NV 89701; 775-684-2800
4/27/2018	Testified	Greg Lovato	NDEP	901 S. Stewart St. #4001, Carson City, NV 89701; 775-687-4670
4/27/2018	Testified	Brian Amme	BLM	1340 Financial Blvd., Reno, NV 89502; 775-861-6400
4/27/2018	Testified	Thomas Gallagher	Nevada Water Solutions	675 Sierra Rose Dr. #109, Reno, NV 89511; tomg@nevadawatersolutions.com
4/27/2018	Testified	Carolyn McIntosh	Albemarle	1801 California St. #4900, Denver, CO 80202; 303-830-1776; carolyn.mcintosh@squarepb.com
4/27/2018	Testified	Chris Mahannah	Dajin Resources	775-323-1804; chris@mah2o.com
4/27/2018	Testified	Walter Weinig	Pure Energy	303-515-7112; w.weinig@pureenergyminerals.com
4/27/2018	Testified	Tim Donahoe	SRK Consulting	5250 Neil Rd. #300, Reno, NV 89502; 775-828-6800; tdonahoe@srk.com