

Nevada's Black Gold

Fifty years ago, Nevada joined the league of oil producing states when the Shell Eagle Springs Unit Number One well went into production, pumping at the rate of 241 barrels of oil a day. The well was the first recorded wildcat well drilled in Nye County's Railroad Valley. The odds of hitting an oil reserve on the first try were astronomical. And the odds of hitting oil in a volcanic tuff, which is not a traditional reservoir rock, made the discovery all the more exciting.

News of the discovery traveled fast. Landmen, geologists, wildcaters and corporate suits descended on Ely. The discovery touched off a flurry of proposed leasing at the federal government's Nevada Land Office in Reno. The manager estimated his office had leased five million acres right after the strike in February 1954. Within a month, the San Francisco Examiner reported that nine

million acres had been leased—and issued a warning to the public to “watch out for slickers” and “beware of mountain tops, where oil is seldom found.”

Shell drilled seven more wildcat wells in Railroad Valley over the next two years, but all the drill rigs brought up were rocks and clay and water. Twenty-two years would pass before Nevada's second oil producing field was discovered.

The Grant Canyon Field in Pine Valley was Nevada's second claim to oil fame. The Grant Canyon Number Three may be the highest producing onshore well in the lower 48 states during its productive life. The well produced on average 2,000 barrels a day, producing 23 million barrels over its production lifetime.

Despite some high points in oil production, Nevada does not produce as much oil as California, Wyoming, Texas, Oklahoma and Louisiana. On the 50th anniversary of the discovery, annual production is around 571,000 barrels which brings in more than \$1.5 million in royalties and another \$3 million in rentals; half of each go to the U.S. Treasury and to the state school fund.

Black gold may never rival Nevada's production of gold, but it is among the many benefits Americans derive from their public lands.

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Associate State Director's Comments



When I was offered the job as associate state director in Nevada, I could not believe my good fortune. I was left quite speechless—the opportunity to work for a great

boss, in a beautiful town, on lots of challenging and diverse issues in a huge public land state. After spending my first two days on the job in a budget meeting, I knew that boring days were not in my immediate future.

I think what is unique about Nevada is that every citizen in the state is affected, either directly or indirectly, by every decision BLM makes. That is a tremendous responsibility placed on us as public servants. We need to remain mindful that it is critical to work closely with our publics as we develop solutions to public land challenges.

One of the things that surprised me when I came to Nevada, besides the housing prices in the Reno area, was what terrific partnerships we had in place. I had heard about the Sagebrush Rebellion and assumed that the relationship between BLM and our publics was a bit contentious. But what I have seen is the commitment of our partners and our employees to meeting BLM's multiple use mission. The number of partnerships we have is astounding and impressive. These groups are energized and aggressive in taking action that moves us forward to meeting demands and resolving issues.

The Nevada staff shows a dedication to the public process that is a hallmark of the BLM. BLM is an agency that is very involved with the public. That was one of the things that attracted me to work for BLM. When I was just starting my career, I became acquainted with some of the people that worked for BLM and the BLM mission. I liked the people and I liked the variety and challenge that managing such a range of uses offered.

I spent time in my career in Washington during which I gained a bureauwide perspective that has been invaluable to me. I worked as a mineral economist, in the Budget Office and in the Management Systems/Evaluations Office. I also spent a year on the Hill, working as a congressional staffer.

Retired State Director Tom Allen summed up the benefit of having both Washington Office and field office experience best. He told me that there are two realities, they are very different and they are equally valid. It is important to know the motivations and the reasons that drive decisions inside the beltway. And it is equally important to be in a field office and work out a multitude of issues among the people that are most affected by the decisions that are made.

As the manager of the Las Cruces, New Mexico, field office I was immersed in the full range of BLM issues, from urban issues associated with one of the fastest growing communities in the state, to rural issues where there were less than 2,000 people in an entire county. The BLM manages about 5.5 million acres in six southwest New Mexico counties, which seemed like a lot at the time,

but is only a grazing allotment or two by Nevada standards. Although small compared to some of Nevada's offices, the issues were just as prickly.

Two of the major challenges we face in Nevada are wild horses and sage-grouse habitat. I think we are well positioned to take advantage of opportunities that have been created by working with state and local governments, tribes and interest groups. I believe that if we all work together we can resolve any issue that comes our way.

People ask me what my job is as the associate state director. And although the short answer to that is I do whatever Bob Abbey asks me to do, the longer answer is I'm here to make the organization as successful as it can possibly be. That includes telling our story so that folks in the Washington Office know what great work we are doing, what challenges we face, and the opportunities we have to accomplish the BLM's priorities. It includes looking at our internal processes and making sure that they are as efficient and understandable as possible. It includes ensuring that we are utilizing our scarce resources to get the highest priority work in the state done, and ensuring that the staff has the tools to get that job done.

When I look at my 13-month-old son, I am reminded why we do this job—because the decisions and actions we take today do make a difference on what our public lands will be like in the future.

—Amy Lueders

E N V I R O N M E N T

Compliance Check Gets Results

Frank Bergwall was doing a compliance check near the Buckhorn Mine in Pine Valley when he noticed reddish-colored water flowing from an old exploration hole.

Bergwall, a geologist with the Elko Field Office, knew this sort of artesian flow was a problem. The flow was nearly one gallon per minute and could affect the water table or allow surface water to drain back into the water table. It could have consequences to wildlife habitat, vegetation and water quality.

A review of mining records showed the six-inch, 260-foot-deep hole was drilled and abandoned in 1988 by Cominco American Incorporated. BLM contacted the company; they researched their records and came up with a plan to fix the hole and reclaim the drill roads associated with the exploration project.

Last October, local crews supervised by SRK Consulting of Elko, re-drilled the hole, plugged it with cement, re-contoured about a mile of access road to its original shape and reseeded the area.

"This is an excellent example of first-class, responsible environmental ethics in Nevada's mining industry," said Dave Vandenberg, Elko assistant district manager. "Cominco spent more than \$30,000 replugging the hole and reclaiming a site where a problem cropped up more than 10 years after the activity was completed."

This spring Tech Cominco intends to visit the site and reseed roads or possibly plant sagebrush from the Duckwater nursery to ensure the success of the rehabilitation.

-Mike Brown
Elko Field Office

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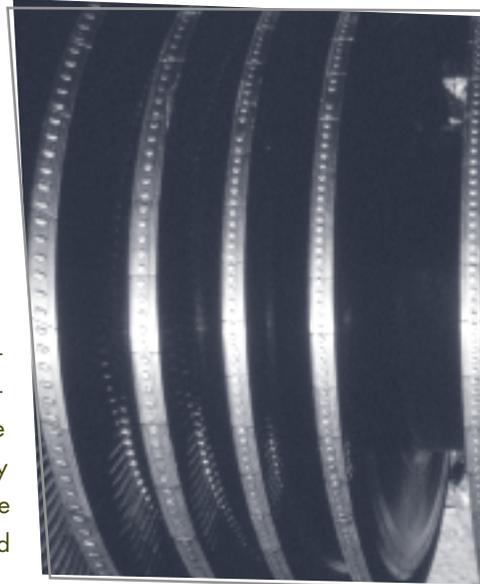
G E O T H E R M A L + D e v e

Nevada's public lands hold great potential for geothermal power, and the geothermal industry has noticed. California's energy problems, the implementation of state renewable energy portfolios, and the prospects for a geothermal production tax credit have created a favorable business climate for the development of geothermal energy.

The Nevada State Office, bombarded with hundreds of lease applications, is making tremendous strides to meet this expected spike in industry interest. Through the President's National Energy Policy and Department of the Interior direction, BLM has opened the valve on geothermal leasing to full-steam-ahead. Nevada has more geothermal leases than all other states combined, and that number just keeps going up.

BLM Nevada has awarded 158 noncompetitive leases and offered three competitive lease sales. More than 130 tracts were offered competitively and led to the issuance of 29 leases. Winning bonus bids for these leases exceeded \$617,000.

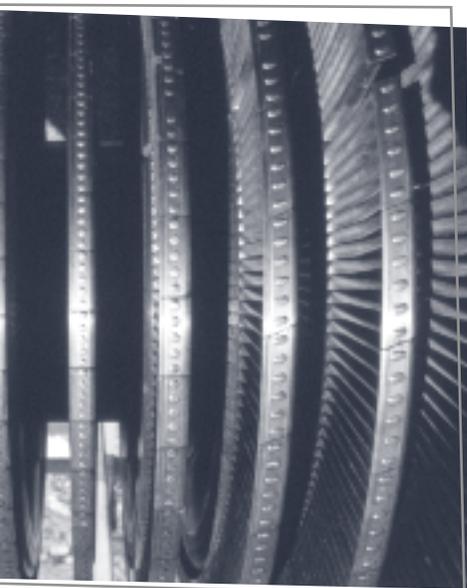
A backlog of 111 non-competitive lease applications is expected to be nearly eliminated by early next year. In areas where we have recently completed



ALL PHOTOS BY CHRIS ROSS

l o p r e m e n t U = C P t o w e r N

environmental documents, lease applications are being approved within four months. Eight drilling permits have been approved since the first of the year.



Geothermal Production

Nine power plants using federal geothermal resources are providing an electrical generation capacity of 170 megawatts. This generation capacity has the thermal equivalent to the annual production of 2.48 million barrels of oil. Since

these power plants began operating in 1986, gross sales of electricity have exceeded \$1.2 billion, resulting in the payment of royalties totaling over \$47 million. Half of all royalties, bonus bids and lease rent are returned to the state. These power plants are a significant revenue source to rural counties through taxes and they provide jobs.

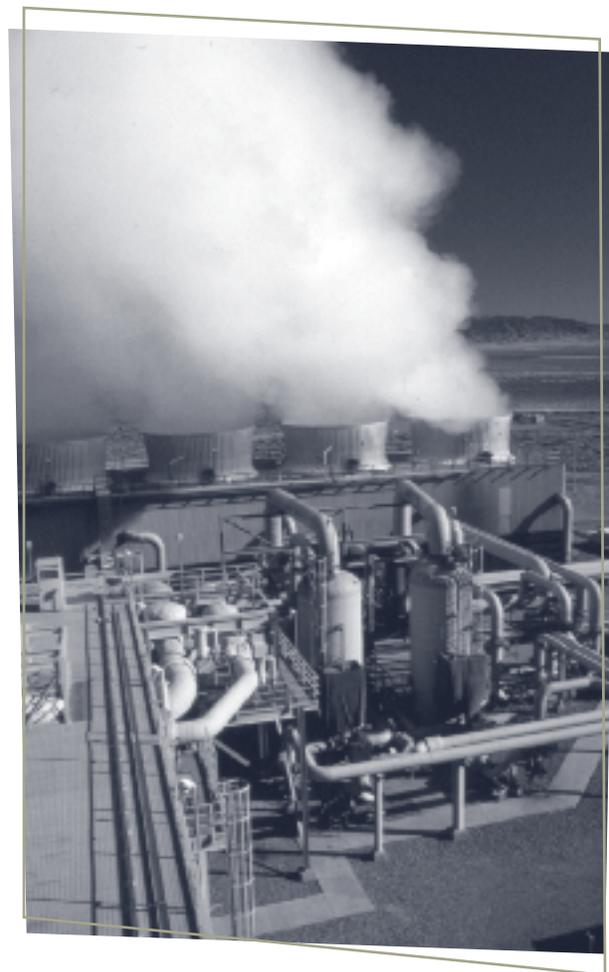
The Steam Team

Getting a geothermal power plant online requires coordination among many players. Two groups are being established to improve that coordination: a state/industry group to address technical issues related to geothermal development; and a BLM Nevada geothermal group, the Steam Team, to address policy and procedural issues. A memorandum of understanding with the Nevada Division

of Minerals is being developed to help each office meet regulatory responsibilities more efficiently.

Native American tribes and environmental groups also will be asked to participate. Several drilling permit applications involve significant issues, such as cultural concerns, threatened and endangered species, and potential impacts to historic trails and visual resources.

-Richard Hoops
Nevada State Office



PREVENTION

Could a Wildland Fire Put Your Property at Risk?

Many homes and businesses are built on the edge of the wildlands, the place known in the firefighting community as the wildland-urban interface. But the danger of catastrophic wildfire is greater for some of these areas than for others.

For those homes and businesses at the greatest risk, wildfires pose a grave danger to property, natural resources and human safety.

To keep communities safe from wildfires, a risk assessment of wildland fire hazards is necessary to prioritize actions that reduce the risk.

A BLM grant of \$1.35 million to the Nevada Fire Safe Council is paying for threat assessments for more than 250 communities throughout the state.

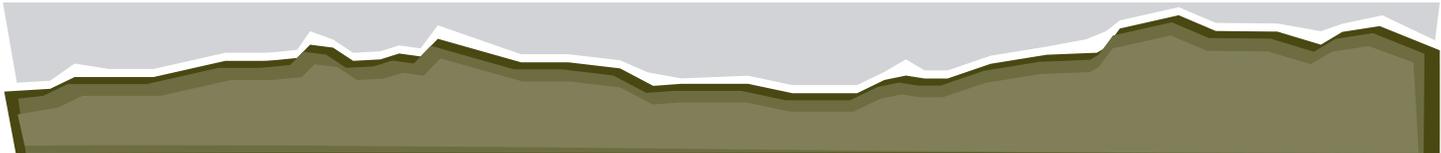
The Fire Safe Council has hired a contractor to conduct the assessments and to develop mitigation plans for each county. Resource Concepts Incorporated (RCI) will coordinate with county, state and federal fire suppression agencies, local governments, community leaders and interested citizens during the evaluation and plan development.

How it works...

The threat assessments will objectively score a community's risk for wildfire, and identify specific hazards that may increase the vulnerability to damage from a wildfire. Fuel hazards, slope, aspect, ignition risk, local fire suppression capabilities and prioritized recommendations for future fuels treatment projects will be incorporated into the final analysis and plans.



A cleared swath of brush will reduce the risk of wildland fire for this property.



...continued

A county-by-county report will recommend specific actions to reduce fire intensity and improve structure defensibility. Results for each community will be displayed on maps that will show the hazards, risks and locations of recommended mitigation measures.

Additional areas of natural resource or economic values will also be shown on the risk maps. These will include such features as critical habitat for wildlife, including federal and state-listed threatened or endangered species, critical watersheds, utility corridors, historic and cultural sites, and other infrastructure components.

Benefits to communities at risk

Wildfire is a natural component of the western landscape. The fire threat assessments will help communities be

more aware of potential losses and take appropriate action to effectively increase protection for the community from wildfires.

The threat assessment and mitigation plans may be used to apply for fuels treatment grants. Such grants could come from a variety of sources, including state and federal government and private organizations. The grants will also help federal agencies form public-private partnerships.

For more information about the project and a schedule for field evaluations, call Shelia Anderson, project manager with RCI, (775) 883-1600.

-Richard Brown
Nevada State Office

Wildland Fire Risk Assessment Partners

Bureau of Land Management

Nevada Fire Safe Council

U.S. Forest Service

Nevada Division of Forestry

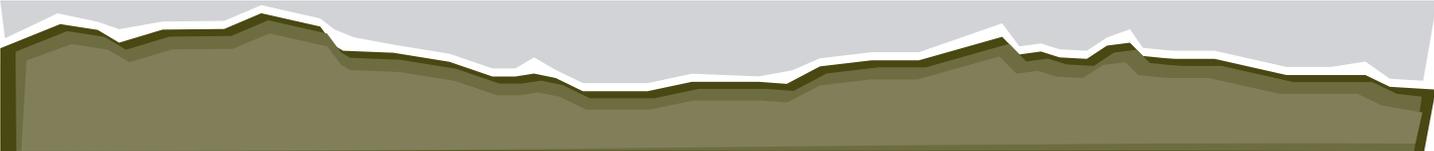
Nevada Association of Counties

Bureau of Indian Affairs

U.S. Fish and Wildlife Service

National Park Service

University of Nevada, Cooperative Extension Service



Tonopah Feels a Boom Coming On

Near the turn of the 20th century, the towns of Tonopah and Goldfield were on everyone's minds. Both towns were booming because of large silver and gold strikes. Everyone was on the move to cash in on the mining boom. By 1908, Goldfield had a population of 20,000 people. Since that high point, mining activity in the area has waxed and waned as the remaining townspeople waited for the next big strike. One hundred years later, at the turn of the 21st century, both Tonopah and Goldfield are experiencing the excitement of the prospect of having renewed mining activity in the area.

In recent years, an increasing number of mining companies and individuals have filed notices and plans of operations with the BLM Tonopah Field Station. Notices and plans of operation cover mining-related activities like exploration and production. The area is being explored for lode gold, placer gold, silver, turquoise, apache tears, variscite, wollastonite, travertine, talc, and building stone.

Gold exploration at the Midway exploration area began in late 2002. Newmont Mining Company entered into a partnership agreement with Midway Gold Corporation and provided them with the capital to continue exploring the area. Midway Gold filed a plan of operations to expand their exploration.

Round Mountain Gold Mine has been exploring for and producing gold since the mid 1980s. They have proposed an expansion which could add several more years to the life of the mine.

Metallic Ventures Gold, Inc., is exploring for gold in Gemfield, less than a mile north of Goldfield. The company filed an exploration plan of operations to determine the boundaries of the ore body they have discovered.

Smaller mining companies have filed notices for areas located throughout the BLM Tonopah planning area. These smaller companies are engaged in exploration activities such as trenching, drilling, or bulk sampling. If the companies find economic ore deposits and financial backing, these notices could someday become plans of operations. However, not every exploration target has a high enough grade of ore to make it economical to mine.

If the increased exploration activity leads to large scale active mining, Tonopah and Goldfield may boom again.

-Karen Eller
Tonopah Field Station

There's Still Gold in the Hills

When the price of gold goes up, an increase in mining claims is sure to follow. There has been a 15 percent increase in active mining claims for Nevada, which roughly equals 12,000 new filings and 110,000 total filings. The last year showing an increase was in 2001 with 103,000 claims. Years 2002 and 2003 showed decreases of 88,000 and 87,000 claims. The BLM started to see a gradual increase in the number of mining claims when gold prices hit \$300 an ounce, and claims continued increasing and peaked when gold reached \$400 per ounce.

Small claim miners and large mining corporations are filing claims, but the majority of the claims are being

made by the large corporations which typically have more financial stability. The main areas where claims are being filed are in Tonopah and the Carlin/Elko region. The fee for filing a claim is \$135 to establish the claim and \$100 a year to maintain it.

Two types of claims can be filed: a lode claim for gold and silver, and a placer claim for other minerals. The largest increase is in lode claims.

-Chelsea Harnar
Nevada State Office

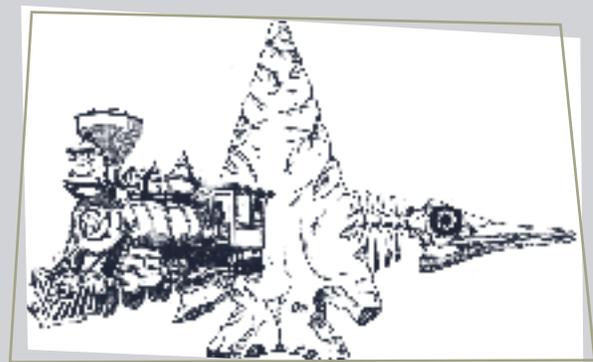
Cultural Resource Publications Available on CD

It's not quite "books on tape" but the entire collection of BLM Nevada cultural resource series and technical reports on cultural resources are now on compact disk and posted on the Internet.

There are 11 issues in the cultural resource series. These publications take a broad scale look at archaeological topics such as, "Archaeological Investigations at Panaca Summit" or "A Cultural Resources Overview of the Carson and Humboldt Sinks, Nevada."

The technical reports focus more narrowly on a specific project. There are 17 technical reports and they include such titles as, "The History and Archaeology of Fenelon, A Historic Railroad Camp" and "Test Excavations at Painted Cave, Pershing County, Nevada."

The publications are in pdf format and require Adobe Acrobat to be read. The free CD is available from Tom Burke, (775) 861-6415. The reports are posted at www.nv.blm.gov.



Start the Summer Right. Get Out of the House...and Into the Wilderness

Do you remember the first time you truly fell in love with the Great Outdoors, and maybe even made a career choice based upon a special trip to a beautiful spot? It happened to me at age 15 when my family traveled from the jungle-like August heat and humidity of Texas to the cool paradise of Rocky Mountain National Park in Colorado. I will never forget mountain camping and going to the campfire programs and meadows walks with the National Park Service staff. I also remember thinking that those park rangers had to be smartest people in the world; I mean, who gets paid to live and work in a place like this? My career path was chosen.

Now, years later, I'm not a park ranger in Colorado, but I am working for a natural resource agency. And I know for a fact that career dreams of the outdoors can still take root in the hearts and minds of today's teenagers.

The High Sierra Resources Workshop is a great opportunity for high school students ages 15 to 18 years to learn about the natural resources and management challenges along the Carson River watershed. Beginning at BLM's Silver Saddle Ranch, students follow the river and staff specialists up into the high reaches of the Carson-Iceberg Wilderness, taking water samples, learning about aquatic life, insects, forests, archaeology, and finding out about professions in resource management. Students get eight days of hands-on, thought-provoking environmental education, plus the chance to camp, hike and eat some great dutch-oven cooking in some of the most beautiful scenery the Sierra Nevada Mountains offers.

The workshop is a partnership among Nevada natural resource management agencies and the not-for-profit Western Nevada Resource Conservation and Development. BLM's Carson City Field Office and the U.S. Forest Service, Carson Ranger District,

are the primary sponsors. The Back Country Horsemen of Nevada set up the camp and pack in food and supplies.

Students who may be interested in a career in natural resource management are encouraged to ask their science teacher for workshop application forms. The teacher signs the application and forwards it to the workshop sponsors by mid-May. Students accepted to the workshop pay \$100 for the session. That's the total cost of the workshop to the student. Most of the cost of the workshop is paid through environmental education grants, financial and in-kind sponsors, and contributions from individuals and organizations.

-Mark Struble
Carson City Field Office

**Do you remember
the first time,
you truly fell in love
with the
Great Outdoors?**

**This workshop will be held
June 15 to 22.**

To find out more check out:
www.nnrec.org/programs/hsrw

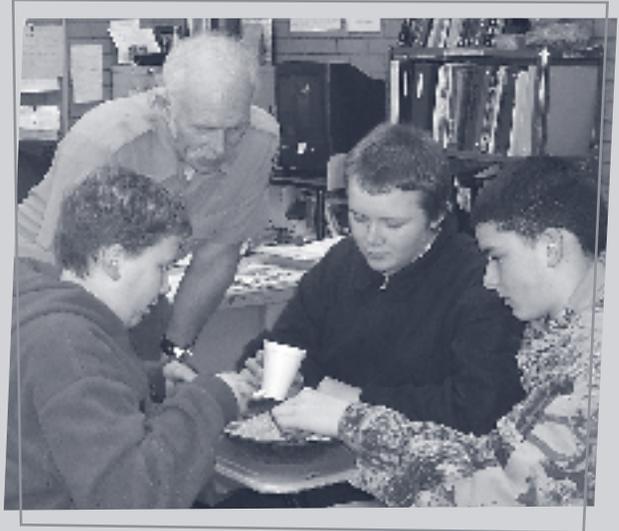
Or contact:
Steve Hale, Forest Service, at (775) 882-2766, shale@fs.fed.us

Chris Miller, BLM, at (775) 885-6148, Christina_Miller@nv.blm.gov

in other words...

Carlin High School students Anthony Matosich, Jason Ray and Austin Anthony participate in an exercise designed to show how mining, multiple use and reclamation are all components of mining on public land. BLM Elko geologist Frank Bergwall sets the students up with a pan of kitty litter, nuts and bolts. The students must mine the nuts and bolts and then reclaim the mine when they're done. They rent a shovel (plastic spoons), rent a mill (Styrofoam cup with holes), and rent a drill (16 penny nail). When they get the nuts and bolts out of the ground, they must pay rental fees of two nuts for the mill, two nuts for the spoon and one for the drill. Then they reclaim the site. They must also pay taxes and pay labor for each kid on the team. If the kitty litter spills out of the gold pan, they are fined for environmental damage. Bergwall also gave the presentation to students at the Carlin Elementary School. The goal of the exercise is for students to learn about mining, reclamation, money and responsibility.

-Mike Brown,
Elko Field Office



BLM Elko range technician Kristine Dedolph holds her sheep dog Audrey and explains to students from Spring Creek Elementary School how the dogs are used to herd bands of sheep. In addition to showing how the dogs herd sheep by responding to commands, Dedolph also talks about the BLM and how sheep are managed on public land. Dedolph lives in the ranching community of Lamoille, southeast of Elko, and raises sheep and sheep dogs as a hobby. For the past five years, Dedolph has shown her dogs herding sheep at Elko's Cowboy Poetry celebration and at area schools.

-Mike Brown,
Elko Field Office

Wild Horses

Saddle-trained, ready to ride
Looking for a home off the range

Adoption

Saturday, May 22

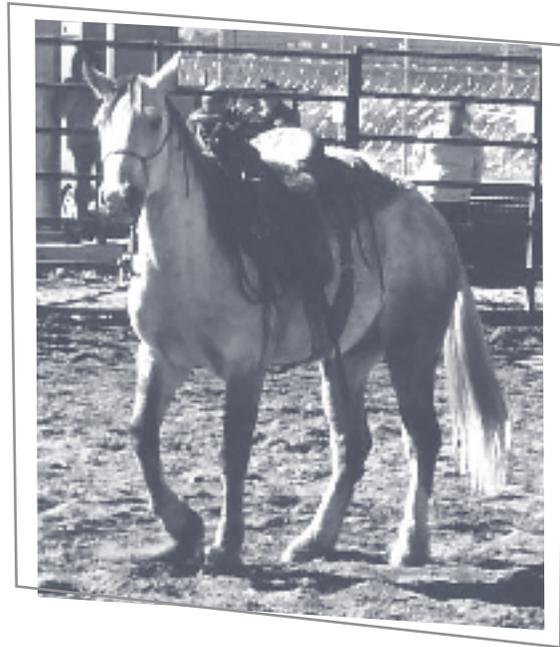
Gates open 8:30 a.m.

Auction 10 a.m.

**Warm Springs Correctional Center
off Edmonds Drive in Carson City**

Catalog and applications at BLM offices
Call to qualify: 775-861-6469

Wild horses gentled by
Nevada Department of Corrections inmates.
No blue jeans, work shirts, denim jackets
or cell phones at adoption.



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