



Dissolved Mineral Resource Exploration regulatory authority now at the Division of Minerals



On June 9, 2017, Assembly Bill 52 was signed into law, allowing for the regulation of dissolved mineral exploration boreholes and wells. The Statute also mandated the joint development of regulations between the Nevada Division of Water Resources, the Nevada Division of Environmental Protection, and the Nevada Division of Minerals. The statute went into effect on January 1, 2018, and the draft regulations are in the process of being approved. The statute and regulation outlines the procedure for the drilling and operation of dissolved mineral resource exploration boreholes and wells. This bill addressed the need for mineral claim holders or private land owners to be able to explore for locatable minerals that are dissolved in brine aquifers that require sampling and pumping to determine economics. Pumping and sampling of wells within a single exploration project of up to 5 acre-feet is allowed without obtaining a water right from the Division of Water Resources. A project is defined as a BLM “notice” or “plan of operation” if on Federal mining claims, or a designated area if on non-Federal lands. This statute also addressed concerns relating to borehole and well drilling in basins with active geothermal or oil operations or leases. Dissolved mineral resource exploration wells or boreholes within these areas of limitations may require blow-out prevention equipment, temperature monitoring or have depth restrictions in order to address safety or resource conflicts with geothermal or oil resources.

A draft of the regulations is available on the Division web site. The adoption hearing before the Commission on Mineral Resources will be noticed once legal review is complete. The Division of Minerals began regulation as guided by the statute, and approved the first two well permits in January. If you intend to drill for lithium brine or other dissolved minerals in Nevada, please note the following changes which became effective 1-1-2018:

1. Exploration boreholes require a notice-of-intent approval by the Division of Minerals. This is for both Federal and non-Federal lands. If the borehole is proposed to be drilled in a “area of limitation”, such as an active geothermal or oil lease, consultation with the Division is required.
2. Exploration wells for dissolved minerals must be permitted through the Division unless an entity already has a legal underground water right issued by the Division of Water Resources.
3. The Division of Water Resources will no longer issue or re-new mining and milling or exploration waivers for dissolved mineral exploration.

Interested parties should see the Division’s website for more information concerning the drilling of dissolve mineral resource exploration wells and boreholes, including all forms and an interactive map operators can use to determine if their project is within an area of limitations.

For further information regarding this topic see the Nevada Division of Minerals website (minerals.nv.gov) or open-data site (<http://data-ndom.opendata.arcgis.com>), or contact the Division at ndom@minerals.nv.gov.