

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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In Reply Refer To:
3809 (NV-920) P
Ref. IM WO No. 2006-135

EMS TRANSMISSION 09/29/06
Instruction Memorandum No. NV-2006-072
Expires: 9/30/2007

To: Field Managers, Nevada

From: State Director, Nevada

Subject: Drill Hole and Well Abandonment Policy for Activities Approved Under 43 CFR 3809

Program area: Mining Law Administration, Surface Management

Purpose: The purpose of this Instruction Memorandum (IM) is to replace IM No. NV-2005-021 and to be consistent with WO IM No. 2006-135.

Policy/Action: The following policy on drill holes was extracted from WO IM No. 2006-135 and replaces previous state office guidance as outlined in IM No. NV-2005-021:

The cost of plugging, capping, and isolation of drill holes, including exploration, production and monitoring holes, must be addressed in the reclamation cost estimate. Specifically, care needs to be taken in determining plugging costs based upon whether drill holes encounter water, water under artesian pressure, or dry holes. Proposed plugging must meet all applicable Federal and State requirements.

Where the operator is proposing drilling, the reclamation cost estimate must include, at a minimum, the estimated cost of plugging the maximum number of drill holes that may be open at one time, or the number of drill holes at a particular phase of the exploration program. The reclamation cost estimate must never be less than the cost of plugging one drill hole for each drill rig that will be working in the project area.

Where the submitted Notice or approved Plan of Operations calls for drill holes to be plugged, but doesn't specifically require the drill holes be plugged before the drill rig has been moved from the drill pad, the reclamation cost estimate must include the plugging cost for all drill holes identified in the Notice or Plan of Operations. For all drill holes, and water, monitoring and piezometer wells scheduled to be left open, the estimated plugging cost must be included in the reclamation cost estimate. Where the approved Plan of Operations proposes mining through an area where drilling is to occur and the cost of the post-

mining reclamation is included in the reclamation cost estimate, the cost estimate for plugging those drill holes is not needed.

Time Frame: This IM is effective immediately and will be in effect unless formally modified.

Contact: If you have any questions concerning this Instruction Memorandum, please contact Reg Reid at (775) 861-6567 or Craig Smith at (775) 861-6453.

Signed by:
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