

United States Department of the Interior
BUREAU OF LAND MANAGEMENT



Winnemucca District Office
Black Rock Field Office
5100 East Winnemucca Boulevard
Winnemucca, Nevada 89445-2921
Phone: (775) 623-1500 Fax: (775) 623-1503
Email: wfoweb@blm.gov
<http://www.blm.gov/nv/st/en/fo/wfo.html>



SEP 02 2010

In Reply Refer To:
N-88355
3250 (NV030.10)

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US Geothermal Nevada
Mr. Scott Nichols, Permitting and Lands Manager
1505 Tyrell Lane
Boise, ID 83706

Dear Mr. Nichols:

On April 28, 2010, the Bureau of Land Management (BLM) Black Rock Field Office (BRFO) received your Notice of Intent to Conduct Geothermal Resource Exploration Operations (NOI) application to conduct 16.5 miles of surface seismic profiles. This survey was proposed for public land located on Federal leases N-42707, N-75233 and N-74196 in T. 29 N., R. 23E., sections 3, 4, 5, 8, 9, 10, 15, 17; T. 30 N, R. 23 E, sections 32, 33, 34, Washoe County, Nevada. US Geothermal Nevada (USGN) agreed to hire a BLM approved third-party contractor to complete a cultural resource inventory of the proposed project location.

On August 23, 2010, we received the USGN request to modify the Application for Geothermal Exploration which identified the final and correct location and alignments in the San Emidio Valley for the seismic survey. These changes reflect Mark Karpinski's (Logan Simpson Design), proposed changes to your original proposal to avoid cultural resources identified in his report, "*A Cultural Resource Inventory of 23.1 Miles of Seismic Line for U. S. Geothermal Nevada's San Emidio Seismic Project, Washoe County, Nevada*", on file at the BLM Winnemucca District Office. The final seismic survey alignments are also identified in the map attached to the modification letter provided by USGN. The map identifies 10 lines with a combined length of 23 miles. The method of collection includes using a truck mounted tri-axial vibroseis machine. No road construction or surface excavation will be used in the process of conducting the survey.

The revised NOI application was determined to be complete on August 23, 2010. National Environmental Policy Act compliance was met with the completion of analysis for a Categorical Exclusion, completed on August 24, 2010. In addition to the applicable lease stipulations, the terms and conditions of the NOI that must be adhered to during operations authorized by approval of this permit, special cultural stipulations for the project include:

1. Access routes to the seismic testing locations will be those described in the cultural resource inventory report for the project (Karpinski, 2010). In that report all cultural resource sites are avoided by a 30 meter buffer. If USGN wants to use any other access routes, they must be inventoried by a qualified archaeologist.

2. If cultural resources not identified in the Class III inventory for the project are recognized in the course of the project, work in the area of the find will be halted and the BLM cultural resource specialist will be notified. Work will not resume in the area of the find until the BLM cultural resource specialist has evaluated the cultural material and has determined there will be no adverse effect to significant resources.

Enclosed is the approved NOI for the San Emidio seismic survey project. Exploration operations approved by the NOI must not start until you have a BLM approved bond for the project in accordance with 43 CFR 3251.14(a). If you must file a new bond for the project, the minimum amount required for a single operation of \$5,000, is adequate for this project. Contact the Minerals Adjudication staff at BLM Nevada State Office if you have questions about bonding. Please note that if there is a long delay or significant change to the project schedule, revised by USGN, to start the week of September 13, 2010, you should notify BRFO with details of change.

If you have questions regarding this letter or the approved NOI, please contact Mark Gingrich, Surface Protection Specialist, at (775) 623-1534, or at the above address.

Sincerely,

Larry R. Denny

Larry R. Denny
Acting Field Manager
Black Rock Field Office