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DECISION RECORD

SAN EMIDIO GEOTHERMAL EXPLORATION PROJECT
DOI-BLM-NV-W030-2010-0006-EA
Geothermal Drilling Permits
Geothermal Leases NVN-42707, NVN-75233, and NVN-74196
Exploration Well Numbers 62-4, 68-33, 57-33, 73-9, 84-16, and 87-16

Introduction

The BLM Black Rock Field Office (BRFO) received and accepted US Geothermal Nevada's 6 revised geothermal drilling permit applications (GDPs) and operating plan for proposed operations in the San Emidio Desert on October 16, 2010, under the provision of 43 CFR 3261.12. The GDPs proposed to drill wells 62-4, 68-33, 57-33, 73-7, 84-16 and 87-16 on geothermal leases N-42707, N-75233 and N-74196, part of the San Emidio Geothermal Unit Agreement area located in northern Washoe County, Nevada.

The operating plan describes common to all GDP's under consideration includes construction of 6 well pads, construction of access roads, surface pipelines and associated ancillary facilities at the San Emidio Geothermal Unit Area. USGN also proposed to conduct flow tests of the completed wells. The expected disturbance associated with the operation is 21.5 acres.

Conformance

The Proposed Action is subject to the BLM, Winnemucca District Office Sonoma-Gerlach Management Framework Plan (MFP), dated July 9, 1982. Objective M-5 of the Sonoma-Gerlach MFP states: "Make energy resources available on all public lands and other lands containing federally owned minerals."

Monitoring and Mitigation Measures

The proponent proposed environmental measures described in the operating plan and the proposed action in the Environmental Assessment (EA) as well as lease stipulations and one recommended mitigation measure also in the EA contain appropriate measures to minimize identified impacts from the operations and are hereby incorporated into this Decision Record, and are included in the attached Conditions of Approval (COAs) for individual Geothermal Drilling Permits.

The BLM will be responsible for monitoring approved operations to ensure compliance with Conditions of Approval for the Operations Plan, Geothermal Drilling Permits (GDPs) and associated leases.

Decision

Based on the San Emidio Geothermal Exploration Environmental Analysis (EA) DOI-BLM-NV-W030-2010-0006-EA and the attached Finding of No Significant Impact (FONSI), it is my decision to allow for geothermal exploration as analyzed under the proposed action in the EA.

This decision is subject to the attached Conditions of Approval (COAs) that will be attached to the Operations Plan and the Geothermal Permits to Drill (GDPs).

Per Instruction Memorandum (IM-2002-053), this decision has taken into consideration the President's National Energy Policy and Executive Order 13212. The Proposed Actions would not generate any adverse energy impacts or limit energy production and distribution.

This decision does not authorize the surface use of nearby private land. Coordination of proposed uses associated with this project on private property is not the responsibility of the BLM.

Rationale

The selected alternative addresses the purpose by providing USGN with the opportunity to test the geothermal reservoir and evaluate the geothermal power development potential of the resource in a manner that ensures the exploration proceeds as allowed by the terms of the leases and any special lease stipulations.

The need for the action is established by the BLM's responsibility under the Geothermal Steam Act of 1970 and the implementing regulations under 43 C.F.R. 3260; the Minerals Leasing Act of 1920 as amended under the implementing regulation of 43 C.F.R. 2800, and Department of Interior Secretarial Order 3285A1, signed February 22, 2010 which establishes the development of renewable energy as a priority for the Department of Interior and establishes policy to encourage the production, development and delivery of renewable energy.

Development of geothermal resources at the San Emidio site supports state and federal initiatives to expand development and use of renewable energy resources.

Public Outreach/Involvement

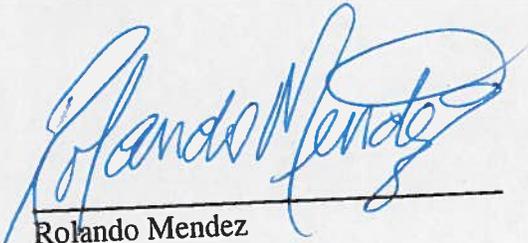
A 30-day scoping period beginning in early November 2008 yielded a comment from the Nevada Division of Water Resources and an interested party in favor of further developing the geothermal resource at the San Emidio site. The issues identified during this scoping were incorporated into the planning effort, along with discussions with other agencies, and the professional insight of BLM staff.

The preliminary EA was posted on the BLM's Winnemucca Field Office web page for a 15 day public review on August 31, 2010. Letters to interested parties notified the public of the Preliminary EA's availability on the website. Four comment letters were received during the

comment period. Based on one comment from Nevada Division of Wildlife, mitigation was recommended to minimized collisions with new safety fences associated with drill sites. A comment from a nearby landowner regarding access across private land did not change the analysis but additional analysis could be needed if modification to the access is proposed by the proponent.

Appeal

If you feel you are adversely affected by this decision, you may appeal to the Interior Board of Land Appeals per the attached appeal form (1842-1). You must file your appeal and attach a statement of reasons, within 30 days from receipt of this decision.



Rolando Mendez
Field Manager
Black Rock Field Office

10/29/10

Date

Attachments:
COAs to Operations Plan
COAs to GDPs
Form 1842-1