

GEOHERMAL BRANCH

October 23, 1979

Mr. Bernie Moroz
District Geothermal Supervisor
U.S. Geological Survey
4600 Kietzke Lane
Building D, Suite 137
Reno, Nevada 80502

Dear Mr. Moroz:

This letter is written to document a telephone conversation on October 22, 1979 between myself and Doug Koza concerning the McCoy Project. AMAX Exploration, Inc. received verbal approval of our Plan of Operations for the McCoy Project on October 18, 1979 from Kirk Cargill of the U.S. Geological Survey. AMAX Exploration, Inc. will begin pad construction in compliance with the approved Plan of Operations on October 23, 1979. We are anticipating moving a rig on to the site between October 26, 1979 and November 1, 1979. We will notify you when the rig actual moves on to the first drill site.

At the present time, we anticipate that the first drill site will be 56-8. As I indicated to Doug Koza, the cadastral survey which has been completed by the Bureau of Land Management has resulted in a change in the Kettleman designation of the drill sites. I want to emphasize that the change in the Kettleman designation is the result of the cadastral survey. The drill site locations have not been relocated. AMAX Exploration, Inc. is forwarding the results of the cadastral survey and new drill hole numbers to the U.S. Geological Survey. The U.S. Geological Survey should subsequently forward this information to you. If you do not receive this material, please notify me and I will send you the necessary information.

If I can be of further assistance in explaining AMAX Exploration, Inc.'s drilling activities at the McCoy Project, please do not hesitate to call.

Sincerely,

Wendy E. Merrill

Wendy E. Merrill
Permit Coordinator

WEM/c

cc: Harry Olson
Dean Pilkington ✓