



OCT 22 1979

UNITED STATES  
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY  
Area Geothermal Supervisor's Office  
Conservation Division, MS 92  
345 Middlefield Road  
Menlo Park, CA 94025

OCT 11 1979

Amax Eploration, Inc.  
4704 Harlan Street  
Denver, CO 80212

Re: Plan of Operation, N-17449, N-17451, N-17452, N-17455, and N-18852  
Dixie Valley KGRA, Churchill County, NV

Gentlemen:

Amax Exploration, Inc.'s Plan of Operation to drill six (6) 2000' exploratory wells on Federal Leases N-17449, N-17451, N-17452, N-17455, and N-18852 in the Dixie Valley KGRA, Churchill County, NV. is hereby approved with the following special conditions in accordance with Environmental Assessment #137-9.

Unless otherwise directed by the Supervisor in consultation with the Authorized officer, Amax Exploration, Inc. shall comply with the following requirements:

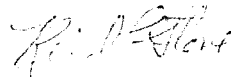
1. Until the BLM determines that the subject public lands do not meet the criteria for wilderness study area or until Congress decides against the designation of lands included within this Area of Operations as wilderness, the Operator agrees not to occupy or use the surface for electrical power development or production purposes, except for certain exploration activities and associated improvements detailed in EA #137-9. If all or any part of the Area of Operations is formally designated by Congress as wilderness, all geothermal resources operations taking place or to take place on that part of the Area shall become subject to: (1) The provisions of the Wilderness Act of 1964 which apply to National Forest wilderness areas, 16 U.S.C. Sec. 1131, et seq., as amended; (2) the Act of Congress designating the land as wilderness; and (3) Interior Department regulations and policies pertaining thereto.

The Area of Operations map is incorporated herein by reference (30 CFR 270.2 (o)), as shown on the attached map.

Approval of this Plan of Operation does not constitute authorization to commence operations per se. A Sundry Notice must be submitted to the Area Geothermal Supervisor for the approval of site clearing, construction of the access road, preparation of the drill site, and to conduct subject operation.

In addition, an Application for Permit to Drill (APD) must also be submitted for approval by the Area Geothermal Supervisor for each proposed well.

Sincerely,




Reid T. Stone  
Area Geothermal Supervisor

Referred to Carson City District Office, Bureau of Land Management, this date.

I concur and approve.

10-18-79  
Date approved and effective

  
District Manager  
Carson City District Office  
Bureau of Land Management

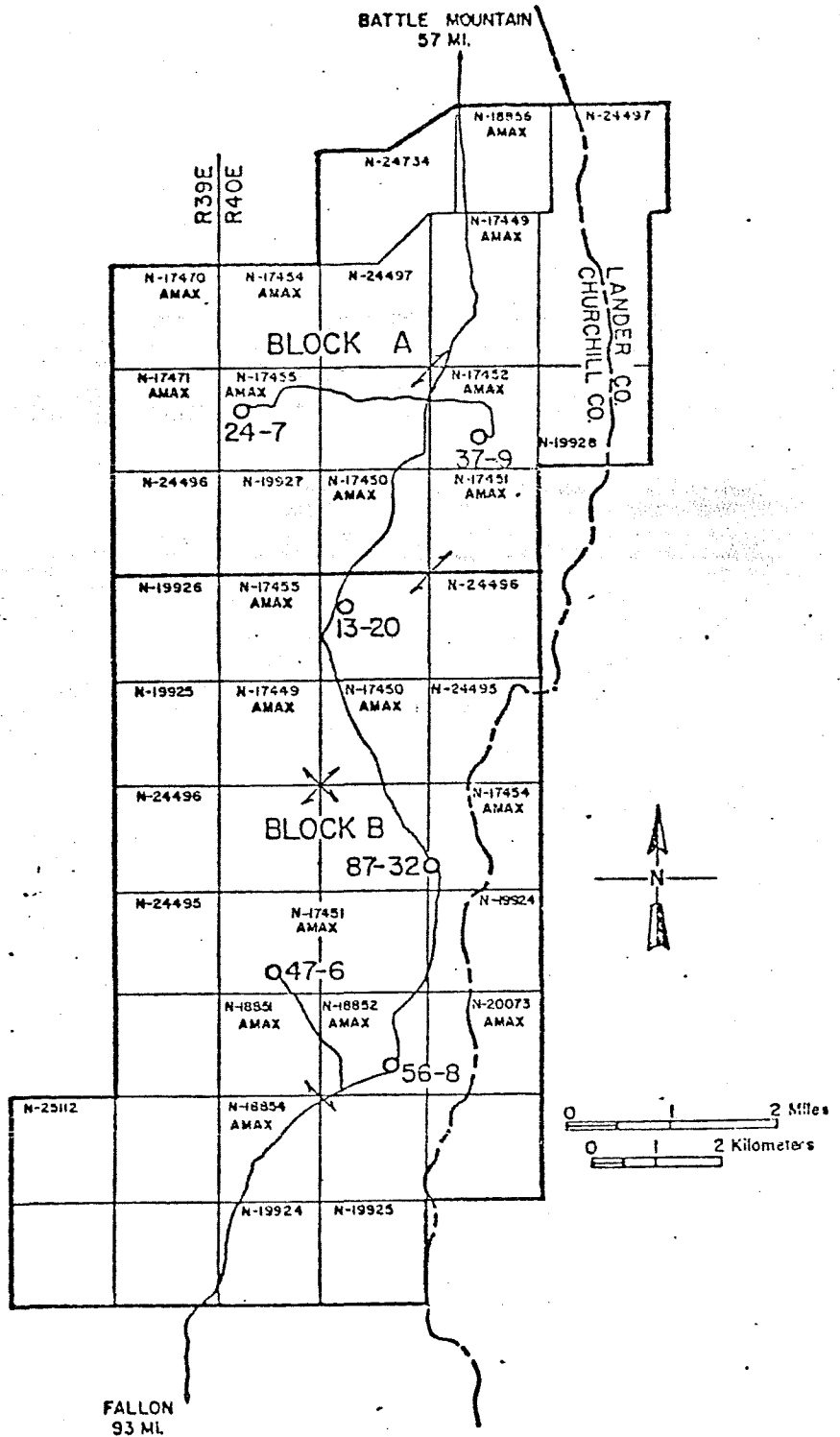
Enclosures

cc: District Manager, BLM, Carson City, NV  
Area Geothermal Supervisor, Menlo Park, CA

R38E  
R39E  
T24N  
T23N

T23N  
T22N

T22N  
T21N



Federal Leases; N-17449, N-17451,  
N-17452, N-17455, N-18852

Amax Exploration, Inc.  
Dixie Valley KGRA  
Churchill County, Nevada

CONDITIONS OF APPROVAL FOR APD NO. 0090

Well #14-7

Amax Exploration, Inc.

McCoy Federal Unit

Dixie Valley Area, Churchill County, NV

1. A detailed drilling report shall be given by telephone to the District Geothermal Supervisor in Reno, NV, (702) 784-5696, Monday through Friday at approximately 8:30 a.m. until subject well is completed or abandoned.
2. A copy of this permit, No. 0090, the approved drilling program, blowout and noncondensable gas contingency plans, and one copy of each well survey log shall be available at the well site for the Area Geothermal Supervisor. In addition, immediately after the completion of each well survey (including daily mud logs), field copies shall be mailed or delivered to the District Geothermal Supervisor, Kietzke Plaza, Bldg. D, Suite 137, 4600 Kietzke Lane, Reno, NV 89502, and the Area Geothermal Supervisor, 2465 E. Bayshore Rd., Suite 400, Rm 401. Palo Alto, CA 94303.
3. An exception GRO Order No. 2, Section 2A, requiring installation of at least one expansion type preventer on conductor casing before drilling below the conductor shoe is granted.
4. An exception to GRO Order No. 2, Section 1D, permitting the use of surface casing for production casing is granted.
5. All casing strings and well head assembly must comply with GRO Order No. 2, Section 1F, requirements and be tested compliant thereto and/or to the satisfaction of the Reno District Geothermal Supervisor.
6. An exception to GRO Order No. 2, Section 2, is hereby granted so that the drilling assembly may be equipped with manually operated double ram blow out prevention equipment with a manually operated steam master valves, rotating head and steel valved fill and kill casing lines and/or as approved by the Reno District Geothermal Supervisor.
7. Pursuant to GRO Order No. 2, Section 3B, degassers, desilters, desanders and hydrogen sulfide indication equipment may be omitted unless the Supervisor determines that such equipment is needed.

8. Ram-type blowout preventers and auxiliary equipment shall be tested to a minimum of 69 bars (1,000 psi) or to the working pressure of the casing or assembly, whichever is the lesser. Expansion-type blowout preventers shall be tested to 70 percent of the above pressure testing requirements.

The blowout prevention equipment shall be pressure tested:

- (1) When installed;
- (2) Prior to drilling out plugs and/or casing shoes;
- (3) Not less than once each week, alternating the control stations; and
- (4) Following repairs that require disconnecting a pressure seal in the assembly.

During drilling operations blowout prevention equipment shall be actuated to test proper functioning as follows:

- (1) Once each trip for blind and pipe rams but not less than once each day for pipe rams; and
- (2) At least once each week on the drill pipe for expansion-type preventers.

9. The Reno District Geothermal Supervisor shall be given sufficient advance notice prior to testing so that he may witness any or all tests.
10. Prior to initiating any variances from the approved well program such variances must be approved by the Area Geothermal Supervisor or District Geothermal Supervisor.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

Area Geothermal Supervisor's Office  
Conservation Division, MS-92  
345 Middlefield Road  
Menlo Park, CA 94025

RECEIVED

AUG 20 1979

CON

AUG 14 1979

Memorandum

To: INTERESTED PARTIES

From: Area Geothermal Supervisor

Subject: Plan of Operation, Amax Exploration, Inc., Dixie Valley Area  
(McCoy Unit), Churchill County, Nevada  
Ref: 2403-01 N-17449 (POO for EA#137-9)

Amax Exploration, Inc., has submitted a Unit Plan of Operation in accordance with 30 CFR 270.34 to drill six (6) 2000'+ geothermal test wells on Federal leases N-17449, N-17451, N-17452, N-17455, and N-18852 in the Dixie Valley Area, Churchill County, Nevada. A copy of the Plan of Operation is attached for your review and files.

An Environmental Assessment (EA#137-9) will be prepared by the office of the Area Geothermal Supervisor for the proposed action. You are invited to participate in a field inspection of the proposed site to be led by Bernie Moroz, Reno District Geothermal Supervisor, USGS. Participants are asked to meet at the Bonanza Inn Coffee Shop on U.S. 50, Fallon, Nevada at 9:00 a.m., August 29, 1979.

We urge you to send written commentary and will appreciate hearing from you even if you are of the opinion that the existing regulations, lease terms and operational orders provide adequate environmental protection.

All comments concerning the proposed actions should be received no later than September 12, 1979:

Area Geothermal Supervisor  
U.S. Geological Survey-Conservation Division  
345 Middlefield Road  
Menlo Park, CA 94025

Telephone: (415) 323-8111 X2848; (FTS): 467-2848

All comments will be given serious consideration in the preparation of the Environmental Analysis and any subsequent conditions of approval.

The Area Geothermal Supervisor's Office will not send a draft Environmental Analysis to Interested Parties for review for the proposed action. Certain parties, however, such as the surface managing agency, the lessee, GEAP and USFWS will receive a copy of the completed EA. Other interested parties will not receive a copy of the final EA unless such parties comment on the proposed action in writing or request a copy of the particular EA pursuant to the Freedom of Information Act. Copies of Environmental Analyses are available for inspection during normal business hours at the Area Geothermal Supervisor's Office, and the Carson City BLM District Manager's Office.

*Reid Stone*

Enclosure