

GEOTHERMAL BRANCH

May 5, 1981

Mr. Scott Ellis
U. S. Geological Survey
345 Middlefield Road
Menlo Park, California 94025

Re: McCoy Geothermal Unit - Churchill and Lander Counties, Nevada

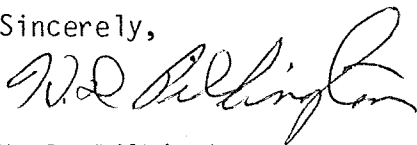
Dear Scott:

Pursuant to Article III, paragraph 3.4 and Article IV of the Unit Agreement for the Development and Operation of the McCoy Unit Area, AMAX requests that the unit be expanded to include the revised lease application N-31296, N-31297, N-31298, N-31299, sections 21, 22, and 28 of lease N-28940 and the lease application filed for section 26 T22N R39E of Exhibit "A" and "B".

The reason for the requested expansion is the evidence from some additional shallow thermal gradient holes drilled in the spring of 1981. The thermal gradients from these wells were continued downward as straight line projections to arrive at the temperatures shown on Plate VI and VII which show location of the 200°C isotherm at 2,000 and 3,000 meters respectively. The new proposed Unit boundary is shown on Plate VII and includes those sections where 50% or more fall within the 200°C isotherm.

AMAX Exploration, Inc. requests the effective date for the revised Unit be May 11, 1981.

Sincerely,



H. D. Pilkington
Chief Geologist, Geothermal Branch

HDP/c

Enclosures

cc: Wendy Merrill