

GEOTHERMAL BRANCH

November 10, 1980

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

Re: Proposed Plan of Operations to Drill Geothermal Test Wells
at McCoy Unit, Churchill County, Nevada.

Dear Scott:

AMAX Exploration, Inc. hereby requests an extension of four (4) months on the drilling commitment for the next geothermal test well at the McCoy Unit. The next well should be spudded in on or before November 25, 1980, and the extension would allow the well (38-9) to begin on or before March 25, 1981. The enclosed Sundry Notice gives the appropriate information regarding the well and the approximate starting date as March 25, 1981.

The reason for the requested extension is that we are still in the process of evaluating data from a gravity survey, magnetotelluric survey, electromagnetic survey, detailed geologic mapping and a geochemical survey on drill cuttings which have been done since the above P00 was submitted. Our preliminary evaluation of the data suggests our original geothermal model for the property must be revised, and we plan on submitting a new Plan of Exploration on November 20, 1980.

If the requested extension is approved, it would be our plan to drill well 38-9 (1979 Plan of Operation) starting on or before March 25, 1981. Upon completion of well 38-9 we would plan on using the same rig to drill well 26-9 (new 1980 Plan of Exploration) with a starting date of on or about April 25, 1981. The proposed program will allow us 1) more time to fully evaluate the geological, geochemical and geophysical data accumulated, 2) meet the drilling commitment

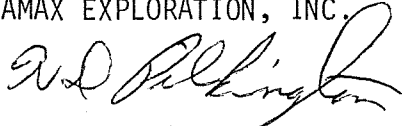
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of the 1979 P00 and 3) begin to evaluate the new geothermal model in a more cost efficient way.

Sincerely,

AMAX EXPLORATION, INC.



H. D. Pilkington
Chief Geologist, Geothermal Branch

HDP/c

Enclosure: Sundry Notice, Well 38-9

cc: Wendy Merrill
J. E. Deymonaz