

BATTLE MOUNTAIN FIELD OFFICE PUBLIC LANDS REPORT

April 28, 2006

Non-Renewable Program Activities

MINERALS

- Hard Rock Mining-The BMFO district has the largest Mining Law workload in the Bureau. Hard rock mining in the 11 million acre Battle Mountain Field Office (BMFO) is the public's primary employer. With over 1,500 people employed at area mines, there are another 4,500 employed in support services providing goods and services for Nevadans and their families. Area mining operations produce substantial amounts of gold, silver, barite, diatomite, lithium and magnesium. The Battle Mountain Field Office and its Tonopah Field Station, administer a case file consisting of 273 authorized operations (70-plan level and 203-notice level operations); 539 expired notices; as well as 37 pending plans of operation (two requiring EIS review and the remainder requiring EA review) and 28 pending notices. During FY05 the BMFO processed 77 new notice level operations and amended 33 existing notices.
- The BMFO is currently processing the permits for the Cortez Hills Expansion Project, the Cortez Underground Exploration Decline, and the Round Mountain Gold Corporation is amending their existing plans of operation to combine the permitting for the Smoky Valley Commons pit expansion and the Gold Hills Mines. In addition, we anticipate two new plans of operation to be submitted, one from Idaho General Mines for their Mount Hope Project and another form U.S. Gold Corporation for the Tonkin Springs LLC exploration.
- Newmont Mining Company ceased mining at the Mule Canyon Mine in early December.
 Post mining reclamation and closure activities are occurring. Final permanent closure plans have been received and are being reviewed. These plans will eventually develop an Amended Plan of Operations for closure.
- Newmont's Phoenix is conducting mill trial operations prior to official commissioning and production. A proposal for expanding pits and changing the mining sequence is being evaluated by BLM and NDEP.
- Cortez Gold Mines submitted a proposed Amendment to the Pipeline Mine Plan of Operations for the Cortez Hills Mine on August 31. A Notice of Intent to prepare a Supplemental Environmental Impact Statement was published in the federal register on

EXHIBIT D - LANDS
Document consists of 6 pages.
Entire Exhibit Provided
Meeting Date: 04-28-06

- December 2, 2005. Public scoping meetings were held on December 19 and 20, 2005, in Crescent Valley and Battle Mountain. Baseline studies are under review.
- Idaho General Mines intends to submit a plan of operations for the Mount Hope Molybdenum Mine in May. Recently, Idaho General purchased the Hall Mine (a.k.a. Equatorial's Tonopah Mine) and plans to process concentrates produced at Mount Hope in roasters at the Tonopah site.

Abandoned Mine Lands

• Reclamation efforts for five abandoned mine sites are on-going. Demolition and removal of the Norse Windfall plant building is out for bid. This will be followed by an earthworks bidding process to contour the heap and construct a storm water diversion channel. An Environmental Assessment for closure of the Elder Creek Mine is nearly complete for the closure design and an earthworks contract is ready to be awarded. Reclamation of the Atlas Gold Bar Mine commenced in October and ceased in February because of wet ground conditions. Reclamation of the tailings impoundment will start again when the ground dries. Demolition of the Monarch Mill continues with reclamation earthworks to follow shortly thereafter. The Bureau of Reclamation in Denver is preparing a closure design for the Paradise Peak Ketchup Flat heap leach facility.

Lands and Realty

- R&PP patents of the Eureka sewage facility and Kingston transfer bin site are awaiting
 completion of Land Transfer Audits. A Mineral Potential Report is needed for the Kingston
 site and a Phase I Environmental Site Assessment (HazMat) report is needed for the Eureka
 facility.
- A proposal for a new wastewater delivery line and evaporation ponds was received from the Austin, NV, Water and Sewer District. This will be authorized as a R&PP action that is required to go directly to patent.
- The BMFO is working on four Baca land sales. The Antelope Valley Land Sale, located approximately 40 miles south of Battle Mountain, NV. The proposed sale is 409.34 acres. The Austin land sale is a competitive sale of approximately 200 acres surrounding the town of Austin. Nominations for 2 other sales were accepted by the NSO. The proposed "Eureka" sale contains 42 acres and is located approximately 5 miles west of Eureka and 1 mile south of U.S. Highway 50 in the southern end of Diamond Valley. The other proposed sale, the "Reese River Valley Land Sale" is located along the western side of Reese River Valley, approximately 20 miles southwest of Austin. It is comprised of 2 parcels totaling 878.34 acres.
- The TFS is working on three additional BACA direct land sales. In Esmeralda County the BACA land sale is for 16.06 acres to Della Patterson to resolve a long-standing unauthorized occupancy. The Hadley Airport (Nye County) of 105 acres is to Round Mountain Gold Corporation. It is anticipated these two sales should be finalized by October 2006. Another 39.73 acre BACA competitive land sale in Beatty is in the preliminary stages of the EA process. It is anticipated this sale will be held in late September or early October 2006.

Energy

- Diamond Mountain Development, LLC's, application for a wind energy test tower and project area in the Diamond Range is still pending. Their proposal calls for the installation of a concrete tower base which will require writing an EA
- Orion Energy stated that they would be installing their proposed wind energy test tower on their Bates Mountain site this past fall but to date, they have not done so and their Grant expires in November, 2006.
- The Environmental Assessment for the Spencer Hot Spring Geothermal Leases is completed. The Decision Record and Finding of No Significant Impact that was signed in late January 2005 and has been appealed to IBLA. The Office of the Regional Solicitor is preparing an answer to the appellant's statement of reasons.
- Currently there are 7 pending geothermal leases.
 - o Four are pending coordination with the US Forest Service;
 - o The remaining three were recently processed by The Environmental Assessment for the Spencer Hot Spring Geothermal Leases, which was appealed.
- Three applications for permit to drill geothermal resources (GPDs) are being processed with one in the Fish Lake Valley area and two in the Battle Mountain area.
- Four notices of staking for oil and gas drilling are being processed for drilling in the Railroad Valley east of Tonopah.
- The BMFO has temporarily suspended oil and gas lease sales within the Shoshone-Eureka Resource Management Plan area. The RMP will be amended to allow for public consultation during updating and revising of the plans decisions. However, the lease sales will continue for the Tonopah Resource Management Plan Area.

Recreation

A cooperative planning effort is under way for the development of managed off-highway vehicle (OHV) opportunities in the Shoshone Range south of the community of Battle Mountain. Current plans call for the Shoshone Range OHV Trail System to offer full day riding opportunities that will primarily be of interest to recreational OHV users living in the communities of northern Nevada. The cooperative effort between the Northern Nevada ATV Association, Lander County and BMFO is currently in the consultation phase with various interested publics.

Plans for the redevelopment of the Hickison Petroglyph Recreation Site are making progress. The recreation facilities at the site, which consist of an accessible interpretive trail, a day use area and a 16-unit camp ground, are badly in need of upgrades to bring them up to modern standards. In addition, the public has expressed an interest in more hiking/equestrian trail opportunities in the Simpson Park Range immediately north of the site. Consultation with interested publics has

been ongoing. Discussions to date have centered on the possibility of upgrading the current day use area and campground, the addition of 3-8 horse user campsites, a trailhead parking area and hiking/equestrian trails



Renewable Resource Program Activities

Range Management

- The BMFO has developed a strategy for complying with the congressional mandate (PL 108-108) and National/State direction to fully process all riders and expiring grazing permits by the end of FY 2009. Battle Mountain Field Office must process 51 ten-year grazing permits (35 issued under the rider and 16 that will expire between now and the end of FY2008). This workload will be the top priority for the range program between now and 2009. The proposed strategy will be focused largely on developing grazing agreements with affected livestock permittee's. The BMFO has begun to coordinate this effort with the Nevada Cattlemen's Association, Eureka County, NDOW, Nevada Department of Agriculture and the Cooperative Extension. A permit renewal schedule has been developed for the Shoshone Eureka Resource Area. The Dry Creek, Austin, Manhattan Mountain, and Gilbert Creek allotments are the first priority for monitoring and permit renewals in 2006.
- The BMFO is currently in the process of implementing Final Multiple Use Decisions by planning several range improvement projects. These include the following: Antelope Valley fences and the Kobeh Seeding/Restoration project west of Eureka in the Lucky C Allotment, several riparian exclosures in the JD, Romano, South Smith Creek, Carico Lake and Simpson Park Allotments, the Willow Barton Fence in the Simpson Park Allotment and the FRC Fence in the Carico Lake Allotment. The Simpson Park Fence Phase 3 is also planned for construction this year.

Soil, Water, and Air

Anticipate at least 10 water rights actions, which include, but are not limited to PWR notifications, filing BLM water rights applications, changes in beneficial use on BLM applications, protests, and providing information to the State Water Rights Engineer on permitted use on Public Lands.

Forestry/Woodlands

 David Greenwood, masters candidate, under Dr. Peter J. Weisberg, Department of Natural Resources and Environmental Science, University of Nevada – Reno will be completing the final report on approximately 800,000 acres of woodland inventory in the Shoshone-Eureka planning area by December 2006. This project was initiated in 2004 to inventory woodlands and to quantify cover, density, age structure, diameter structure, and vigor of pinyon-juniper woodland and to hopefully shed some light on the extent of PJ expansion occurring in the SERA.

- The BMFO anticipates issuing around 500 700 individual and commercial firewood, posts, pine nuts, and Christmas tree permits in FY 06.
- The BMFO plans to fence 100 acres of aspen/riparian-wetland fencing in the Smith Creek and Porter Canyon Allotments as part of the Desatoya Plan developed in 2000 by the CC and BMFOs. In addition, the BMFO and the CCFO plan to complete 100 acres of P-J thinning in the Porter Canyon and S. Smith Creek Allotments under the Desatoya Plan.

Wildlife

- The BMFO will continue development and implementation of the South Central NV Sage Grouse Conservation Plan priority PMUs. Studies, monitoring, and implementation items planned in FY 06 are listed below:
 - O An independent habitat evaluation contract of Fish Creek and Battle Mountain Sage Grouse PMUs was awarded. The evaluation is scheduled to be completed in FY 06. The evaluation will provide basic information on sage grouse habitat condition and assess risk to sage grouse habitat as identified in the plan.
 - The BMFO plans to monitor sage grouse habitat in the Fish Creek and Battle Mountain PMUs; establish key areas and monitoring protocols per the South Central Sage Grouse Conservation Plan for these priority PMUs;
 - o BMFO plans to participate with NDOW to identify important sage grouse seasonal habitats in Argenta Allotment, Shoshone PMU through radio tracking collared birds.
 - o Newmont Mining has agreed to fund and construct an exclosure around the Wild-Horse Basin Meadow (19 acres) located in the Battle Mountains on Newmont and public lands.
- The FO plans to continue the Falcon-Gonder Transmission Line sage-grouse / anti-perching study, initiated in 2003 as mitigation in the F-G EIS and ROD. The study is being funded by Sierra Pacific, UNR, and BLM and should provide insight into possible disturbance to sage grouse habitat created by large transmission lines and structures.
- The BMFO plans to re-launch the Bootstrap Program in cooperation with UNR Cooperative Extension, and the local community. The Bootstrap Program, initiated in 2005, employed crews of 5-6 local youth and a job coach to complete an impressive list of projects for the protection of wildlife habitat and the improvement of grazing systems. Work completed in 2005 included: construction of four meadow pasture fences in the Fish Creek Mountains; construction of an aspen protection exclosure in the Desatoya Mountains; thinning of 350 acres of pinyon-juniper in the Simpson Park Mountains; maintenance of several water developments and wildlife guzzlers; construction of 18 micro exclosures to enhance aspen regeneration; and clean-up of Mill Creek Campground.

Wild Horse and Burro

• The BMFO completed a wild horse gather in the Simpson Park Mountains between November 27 and December 7, 2005. The goal was to remove 200 horses, which were

located outside of BLM Herd Management Areas, 218 horses were removed during the gather. An adoption event was held in Eureka, NV on December 9 and 10, which resulted in thirteen wild horses being adopted.

• The BMFO completed the wild horse gather of the Fish Creek Complex initiated in July 2005. A total of 832 wild horses within four BLM Herd Management Areas (HMAs) and two USFS Wild Horse Territories (WHTs) and several areas outside of HMA/WHT boundaries on BLM and USFS lands were removed during the July gather. The gather of the Complex was completed between January 27 and February 12, 2006. An additional 300 wild horses were removed from the Fish Creek, Sevenmile, North Monitor and Little Fish Lake HMAs and from outside of HMA boundaries and USFS Little Fish Lake WHT.

Fire Management Program Activities

Preparedness

The carry-over fuels, particularly the standing dead cheat grass from 2005 remains a concern for the FY 06 fire season. Historically, the wetter summer of 2005 combined with these carry-over fuels equates to a potentially severe fire season in 2006. Additionally, the moderately wet late winter/early spring indicates an above normal green-up of cheat grass, particularly at the lower valley elevations. The BMFO intends to apply for earlier than normal severity funding.

• Wildland Urban Interface Projects

The BMFO intends to continue to pursue an aggressive schedule of wildland urban interface (WUI) projects in and around our rural communities in 2006. Implementation of new or continued projects around Eureka, Austin, Manhattan, Belmont and Yomba Tribal lands are currently being implemented or will be implemented shortly.

• Hazardous Fuels Projects

The BMFO continues to work with the Austin-Tonopah Ranger Districts towards completion of the Seven Mile Hazardous Fuels Project Environmental Assessment. Mid-April to early May will see approximately 500 acres of black-lining and other preparation work for the Red Hills prescribed burn project. The major portion of the burn will occur this fall.