



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Ely Field Office  
HC 33 Box 33500 (702 No. Industrial Way)  
Ely, Nevada 89301-9408  
<http://www.nv.blm.gov/Ely>

In Reply Refer To :  
4130 (NV-042)

JAN 18 2001

Blue Diamond Oil Corporation  
c/o Gary Sprouse  
P.O. Box 150432  
Ely, Nevada 89315

Dear Mr. Sprouse:

Your grazing application to transfer a portion of the cattle grazing privileges to Jay Wright was received on March 10, 2000. The term permit and transfer to Jay Wright has been completed. Based on this application, we propose to offer you a revised ten year term grazing permit corresponding to your portion of the base property (609 acres) that was not leased to Jay Wright. The period of the term grazing permit will be for February 1, 2001 to January 31, 2011.

The Acceptance of Terms and Conditions form was signed on January 9, 2001. The term grazing permit will authorize permitted use for 2,057 cattle AUMs and 4,936 sheep AUMs on the summer allotments and 13,263 sheep AUMs on the winter allotments. The Preston/Lund Trail is permitted 731 sheep AUMs and the White River Trail is permitted 663 sheep AUMs. The summer allotments are as follows: West Schell Bench, Copper Flat, Giroux Wash, Lake Area, and Dark Peak. The winter allotments include Timber Mountain, Fox Mountain, Wilson Creek (Deadman Use Area), Narrows, Coal Valley Lake, and Duckwater.

The new grazing regulations require the authorized officer to consult, cooperate, and coordinate (CCC) with affected permittees, the State agencies responsible for managing resources within the area, and the interested public prior to the issuance of grazing permits (43 CFR 4130.2(b)). Therefore, a copy of this letter and a copy of the acceptance form will be sent to individuals, groups or organizations that have expressed an interest in the management of livestock grazing on the above listed allotments.

You meet all of the qualifications for a grazing permittee outlined in 43 CFR 4110.1, and this offering and issuance of a permit complies with the regulations governing issuance of permits outlined in 43 CFR 4110.2-1 and 4110.2-2.

The terms and conditions outlined in the enclosed acceptance form for Giroux Wash, Dark Peak, Lake Area, and Copper Flat are those which have historically appeared on previous term permits authorizing grazing use in these allotments. They are also consistent with the Egan Resource Area Record of Decision and the Egan Rangeland Program Summary. The impacts of livestock grazing under these terms and conditions have been analyzed in the Egan Resource Management Plan and Final Environmental Impact Statement. In addition, the terms and conditions for the

West Schell Bench, Duckwater, Timber Mountain, Fox Mountain, Wilson Creek (Deadman Use Area), Narrows, and Coal Valley Lake are accordance with the terms and conditions in the Final Multiple Use Decisions (FMUDs). The terms and conditions are also consistent with the Northeastern and Mojave-southern Great Basin Area Resource Advisory Councils (RAC) standards for grazing administration.

An Environmental Assessment (NV-040-01-003) has been completed for issuance of this proposed term permit. The proposed grazing use is within the array of options identified for the alternatives and proposed action as analyzed in the Draft Egan Resource Management Plan (RMP) and Final Environmental Impact Statement and Schell Draft Grazing Environmental Impact Statement.

Allotments located within wild horse herd management areas are as follows:

Allotment

Fox Mountain  
Timber Mountain  
Coal Valley  
Wilson Creek  
(Deadman Use Area)  
Fox Mountain (East)  
Duckwater

Wild Horse  
Herd Management Areas

Seaman  
Seaman  
Seaman  
Dry Lake  
  
Dry Lake  
Monte Cristo and Sands Springs East

The Far South Egan Wilderness Study Area (WSA) is within the extreme northern portion of the Fox Mountain allotment.

If we propose to change the terms and conditions of your grazing permit, following the comment period, we will keep you and other interested parties informed. If we determine that it is necessary to offer you this permit via proposed decision, it will be sent to the interested public(s) and will include a 15-day period for protest and a 30-day period for appeal.

Prior to approval of a new term permit, **if the interested publics have any information, data, etc. that they would like to provide, they may do so prior to February 10, 2001.** Any written comments should be sent to James Perkins, Assistant Field Manager, Renewable Resources, Ely Field Office, Bureau of Land Management, HC 33 BOX 33500 Ely, NV 89301.

If you have any questions, please contact Grant Hoggan, Rangeland Management Specialist on my staff, at (775) 289-1886.

Sincerely,

*Chris Mayer, acting*

James M. Perkins  
Assistant Field Manager  
Renewable Resources

cc:

Ms. Catherine Barcomb, Comm. For the Preservation of Wild Horses  
Nevada State Clearing House  
Curt Baughman-NDOW  
John McLain-Resource Concepts  
U.S. Fish and Wildlife Service  
Nevada Department of Agriculture  
Gerald Miller  
Jule Wadsworth  
Varlin Higbee  
Vaughn M. Higbee  
Lincoln County Commissioners  
R.H. Schmutz  
Tim Perkins  
Shirley McCrosky  
Shelley Wadsworth-Hartman  
Nevada Cattlemen's Association  
Eureka County Natural Resources Dept.  
Shaaron Netherton, Friends of Nevada Wilderness  
Jay Wright

**ACCEPTANCE OF TERMS & CONDITIONS**  
**and**  
**REQUEST FOR GRAZING PERMIT**

I, Gary Sprouse, agree to accept the Terms & Conditions listed below and request that I be offered a Grazing Permit to graze the allotments in which I have a grazing preference.

| ALLOTMENT<br>Number & Name | LIVESTOCK<br>Number & Kind | GRAZING PERIOD |       |       | TYPE<br>USE | AUM's |
|----------------------------|----------------------------|----------------|-------|-------|-------------|-------|
|                            |                            | Begin          | End   | %PL   |             |       |
| 0433 West Schell Bench     | 3,000 Sheep                | 06/11          | 06/15 | 100   | Active      | 99    |
|                            | 912 Sheep                  | 09/09          | 10/22 | 100   | Active      | 270   |
|                            | 1,872 Sheep                | 09/17          | 10/22 | 100   | Active      | 443   |
|                            | 2,000 Sheep                | 09/10          | 10/22 | 100   | Active      | 565   |
| 0701 Duckwater             | 2,000 Sheep                | 11/03          | 04/15 | 100   | Active      | 2,124 |
| 0822 Preston/Lund Trail    | 5,000 Sheep                | 11/01          | 11/10 | 100   | Active      | 329   |
|                            | 5,000 Sheep                | 04/01          | 04/15 | 100   | Active      | 403   |
| 0427 Copper Flat           | 3,000 Sheep                | 05/01          | 06/10 | 99.36 | Active      | 809   |
|                            | 429 Cattle                 | 05/01          | 06/10 | 99.36 | Active      | 578   |
|                            | 912 Sheep                  | 10/23          | 10/26 | 99.36 | Active      | 24    |
|                            | 143 Cattle                 | 10/23          | 10/27 | 99.36 | Active      | 21    |
|                            | 1,872 Sheep                | 10/23          | 10/27 | 99.36 | Active      | 62    |
|                            | 286 Cattle                 | 10/23          | 10/26 | 99.36 | Active      | 38    |
|                            | 2,000 Sheep                | 10/25          | 10/28 | 99.36 | Active      | 79    |
|                            | 286 Cattle                 | 10/25          | 10/29 | 99.36 | Active      | 47    |
| 0826 Giroux Wash           | 3,000 Sheep                | 10/23          | 10/31 | 100   | Active      | 158   |
|                            | 3,000 Sheep                | 04/08          | 04/30 | 100   | Active      | 454   |
|                            | 2,000 Sheep                | 10/30          | 11/02 | 100   | Active      | 53    |
| 0827 Dark Peak             | 2,000 Sheep                | 04/17          | 04/30 | 99.69 | Active      | 184   |
|                            | 286 Cattle                 | 04/17          | 04/30 | 99.69 | Active      | 132   |
| 0910 Lake Area             | 2,000 Sheep                | 05/01          | 09/09 | 88.97 | Active      | 1,736 |
|                            | 286 Cattle                 | 05/01          | 09/09 | 88.97 | Active      | 1,241 |

|       |                          |             |       |       |     |        |       |
|-------|--------------------------|-------------|-------|-------|-----|--------|-------|
| 01004 | Timber Mountain          | 2,036 Sheep | 11/01 | 02/28 | 100 | Active | 1,607 |
|       |                          | 2,036 Sheep | 03/01 | 04/10 | 100 | Active | 549   |
| 01201 | Wilson Creek/<br>Deadman | 1,391 Sheep | 03/01 | 04/10 | 100 | Active | 375   |
|       |                          | 1,391 Sheep | 11/01 | 02/28 | 100 | Active | 1,098 |
| 11001 | Fox Mountain/East        | 3,525 Sheep | 03/01 | 04/10 | 100 | Active | 2,781 |
|       |                          | 3,525 Sheep | 11/01 | 02/28 | 100 | Active | 950   |
| 11001 | Fox Mountain/West        | 2,065 Sheep | 11/01 | 02/28 | 100 | Active | 1,629 |
|       |                          | 2,065 Sheep | 03/01 | 04/10 | 100 | Active | 557   |
| 10108 | Coal Valley Lake         | 373 Sheep   | 11/01 | 02/28 | 100 | Active | 294   |
|       |                          | 373 Sheep   | 03/01 | 04/10 | 100 | Active | 101   |
| 11002 | Narrows                  | 904 Sheep   | 12/01 | 02/28 | 100 | Active | 535   |
| 11005 | White River Trail        | 626 Sheep   | 03/01 | 04/10 | 100 | Active | 169   |
|       |                          | 626 Sheep   | 11/01 | 02/28 | 100 | Active | 494   |

### Terms and Conditions:

In accordance with 43 CFR 4130.3-2, the following terms and conditions will be included in the grazing permit for the West Schell Bench, Copper Flat, Duckwater, Preston-Lund Trail, Giroux Wash, Dark Peak, Lake Area, Timber Mountain, Wilson Creek, Fox Mountain, Coal Valley Lake, Narrows, and White River Trail Allotments.

1. Livestock numbers identified in the term grazing permit are a function of seasons of use and permitted use each allotment. Deviations from those livestock numbers and seasons of use may be authorized on an annual basis where such deviations would not prevent attainment of the Multiple-Use Objectives for the above Allotments.
2. Deviations from specified grazing use dates will be allowed when consistent with Multiple-Use Objectives. Such deviations will require an application and written authorization from the authorized officer prior to grazing.
3. To improve livestock distribution the placement of mineral block and or salt blocks will be a minimum distance of ½ mile from water in flat country and out of the bottoms with placement on the ridge tops in mountainous country as approved by the authorized officer.
4. Pursuant to 43 CFR 10.4 (G) the holder of this authorization must notify the authorized officer by telephone, with written confirmation, immediately upon discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (as defined in 43 CFR 10.2). Further, pursuant to 43 CFR 10.4 (C) and (D), you must stop activities in the immediate vicinity

of the discovery and protect it from your activities for 30 days or until notified to proceed by the authorized officer.

5. The authorized officer is requiring that an actual use report (Form 4130-5) be submitted within 15 days after completing your annual grazing use.

6. The payment of your grazing fees is due on or before the date specified in the grazing bill. This date is generally the opening date of your allotment. If payment is not received within 15 days of the due date, you will be charged a late fee assessment of \$25 or 10 percent of the grazing bill, whichever is greater, not to exceed \$250. Payment with Visa, Mastercard or American Express is accepted. Failure to make payment within 30 days of the due date may result in trespass action.

7. Grazing will be in accordance with the Northeastern or Mojave Southern Great Basin Area Standards and Guidelines for grazing administration as developed by the Northeastern and Mojave-Southern Resource Advisory Council and approved by the Secretary of the Interior on February 12, 1997. Grazing use will be in accordance with 43 CFR Sub-part 4180 - Fundamentals of Rangeland Health and Standards and Guidelines for Grazing Administration.

In accordance with 43 CFR 4130.3-2, the following terms and conditions will be included in the grazing permit for the Duckwater, West Schell Bench, and Copper Flat Allotments. In addition, grazing use on the Fox Mountain, Timber Mountain, Coal Valley Lake, Wilson Creek, Narrows, and White River Trail Allotments will be included in the grazing permit in accordance with Seaman HMA Final Multiple Use Decision and Wilson Creek Allotment Final Multiple Use Decision.

#### **Duckwater Allotment:**

Sheep grazing use in the Duckwater Allotment will be in accordance with the Duckwater Final Multiple Use Decision dated June 9, 1995. Sheep trailing use is permitted in Bull Corner, Duckwater Hills, & Ike Spring Use Areas. Sheep trailing use is permitted in other areas. In the Bull Corner Area, Gary Sprouse will graze east of the main Poison Wash (road 4106) and south of the Easy Junior Mine. Sheep will not be trailed in winterfat flats or bottoms. Sheep bedding grounds will be located a minimum of 1/4 mile from winterfat flats or bottoms. Sheep camps will be moved at least every seven days. No two sheep camps will camp in the same area in a grazing season. Sheep camps and bedding grounds will be located a minimum of 1/4 mile from springs. If sheep must water at springs, they must move to and from the area in a timely manner. North of the intersection of State Route 379 and Bull Creek Road, sheep are to be herded in the Duckwater Hills west of Bull Creek Road and Bull Creek, and are not to water in Bull Creek. Water hauling will be required in all use areas in the absence of snow.

### West Schell Bench Allotment:

As per the Final Multiple Use Decision dated December 12, 1990, the following stipulations apply to the West Schell Bench Allotment (0433). The allotment is divided into five units as follows: Hiline Unit (642 AUMs) serviced by Hiline Well; Unit 1 (176 AUMs) water haul at T. 16 N., R. 63 E., Sec. 29 (Mosier); Unit 2 (148 AUMs) water haul at T. 16 N., R. 63 E., Sec. 34 (south of Ely, west of Hwy50); Unit 3 (140 AUMs) water haul at T. 16 N., R. 63 E., Sec. 26 (south of Ely, east of Hwy 50); and Unit 4 (273 AUMs) water haul at T. 17 N., R. 64 E., Sec. 17 (Gonder Substation). Full use of the authorized use requires use of all the water sites or snow availability. Season of use is year-long up to 2,000 head of sheep at any given time not to exceed the total number of animal unit months of specified livestock grazing of 1,389 AUMs.

### Copper Flat Allotment:

1. All grazing use on the Copper Flat will be in accordance with the Final Multiple Use Decision dated November 19, 1997.

2. The season of use for sheep will be 4/15 to 7/10 and 9/15 to 11/01 for native range, the unfenced seeded area, and the fenced seedings. The season of use for cattle grazing will be 06/01 to 11/01 for native range and the unfenced seeded area. The cattle period of use in the fenced seedings will be 6/01 to 6/15 and 9/15 to 11/01 for those years in which sheep also graze the fenced seedings in the spring. The cattle period of use in the fenced seedings will be 06/01 to 11/01 for those years in which no sheep graze the fenced seedings in the spring. One of five fenced seedings will be rested from cattle grazing from 06/01 to 06/15 each year. Cattle grazing will be distributed throughout the fenced seedings.

4. All gates to the fenced crested wheatgrass seedings will be closed when livestock are not authorized to be in the fenced seedings.

5. The following allowable use levels will not be exceeded for native key forage plant species in the Copper Flat Allotment:

| <u>Key Species</u>   | <u>Allowable use level</u> |                 |
|----------------------|----------------------------|-----------------|
|                      | <u>Spring</u>              | <u>Yearlong</u> |
| Indian ricegrass     | 50%                        | 55%             |
| Needlegrasses        | 50%                        | 55%             |
| Bluebunch wheatgrass | 50%                        | 55%             |
| Winterfat            | 50%                        | 50%             |
| Black sagebrush      | 50%                        | 50%             |
| Crested Wheatgrass   | 50%                        | 60%             |
| Bitterbrush          |                            | 45%             |
| Serviceberry         |                            | 45%             |

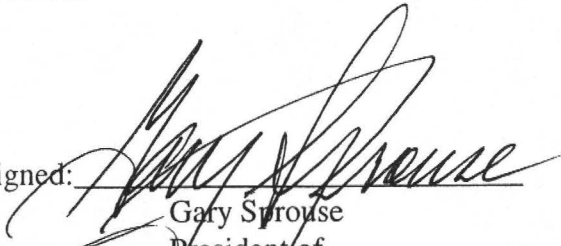
6. Water hauling during spring and fall will occur at agreed upon locations on native range and

the unfenced seeded area. Locations used in any year will vary, to facilitate livestock distribution.

**Fox Mountain, Timber Mountain, Coal Valley Lake, Wilson Creek, Narrows, and White River Trail:**

Grazing use on the Fox Mountain, Timber Mountain, Coal Valley Lake, Narrows, and White River Trail Allotments shall be in accordance with the Seaman HMA Final Multiple Use Decision issued October 18, 1996. Grazing use on the Wilson Creek Allotment shall be in accordance with the Wilson Creek Final Multiple Use Decision dated November 5, 1992.

Signed: \_\_\_\_\_



Gary Sprouse  
President of  
Blue Diamond Oil Corp.

Date: \_\_\_\_\_

1/9/01