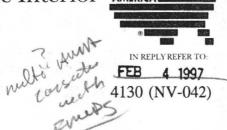
2-4-97



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Ely District Office HC 33 Box 33500 Ely, Nevada 89301-9408



Dear Interested Public:

On 11/22/96, the Blue Diamond Oil Corp. (lien holders) of base property containing 24,866 sheep animal unit months (AUMs) and 7,421 cattle AUMs applied to have the grazing privileges for the following allotments placed in their name: Fox Mountain, Timber Mountain, Coal Valley Lake, Narrows, White River Trail, Wilson Creek, Copper Flat, West Schell Bench, Duckwater, Preston-Lund Trail, Giroux Wash, Dark Peak, Lake Area, Little White Rock, and Chimney Rock. Blue Diamond Oil Corp. meets all of the qualifications for a grazing permittee outlined in 43 CFR 4110.1, and this transfer, offering, and issuance of a permit complies with the regulations governing trasfers of grazing privileges and issuance of permits outlined in 43 CFR 4110.2-1, 4110.2-2 and 4110.2-3. This transfer and permit were approved on 12/2/96.

The terms and conditions outlined in the term permit were developed through coordination, consultation, and cooperation (CCC) with the interested public during the evaluation and decision process. The terms and conditions are consistent with the West Schell Bench Final Multiple Use Decision (FMUD) dated 12\12\90; Duckwater Full Force and Effect FMUD dated 6\9\95, and the Seaman FMUD dated 10\18\96. The Narrows, Copper Flat, Preston-Lund Trail, Giroux Wash, Dark Peak, Lake Area, Little White Rock, and Chimney Rock Allotments have not gone through the (CCC) process and their terms and conditions will remain unchanged.

The terms and conditions and the impacts of livestock grazing under these terms and conditions are consistent with and have been analyzed in both the Egan Resource Management Plan and Environmental Impact Statement, and the Schell Management Framework Plan.

The Sand Springs East, White River, Monte Cristo, and Seaman wild horse herd management areas are located within some of the allotments.

If you have any questions please contact Jay D'Ewart, Grant Hoggan, or Mark Lowrie of my staff at (702) 289-1800.

Sincerely yours,

Hal M. Bybee, ADM

Renewable Resources