



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>

*See
second
page*

In Reply Refer To:

4130(NV-042)

NOV 16 2001

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

Dear Mr. Sprouse:

Your grazing application to transfer that portion of the cattle grazing privileges from Jay Wright to you was received on November 1, 2001. Jay Wright's lease agreement will be terminated as of December 1, 2001. Based on this application we propose to offer you a revised ten year term grazing permit corresponding to the base property (720 acres) owned by you. The period of the term grazing permit will be for December 1, 2001 to November 30, 2011.

The Acceptance of Terms and Conditions form was signed on November 14, 2001. The term grazing permit will authorize permitted use for 16,707 cattle AUMs and 10,346 sheep AUMs on the summer allotments. In addition, 13,263 sheep AUMs and 928 cattle AUMs are permitted 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: Copper Flat, West Schell Bench, Little White Rock, Chimney Rock, 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, Little White Rock, and Chimney Rock 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 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 in accordance with the terms and conditions in the Final Multiple Use Decisions (FMUDs). The terms and conditions are also consistent with the Northeastern Great Basin Area and Mojave-Southern Great Basin Area standards for grazing administration.

An Environmental Assessment (NV-040-00-003) has been completed for issuance of this proposed term permit. This EA will be reviewed to determine if further NEPA documents are necessary. The proposed grazing use is within the array of options identified for the alternatives and proposed action as analyzed in the Egan Resource Management Plan Environmental Impact Statement and Schell Draft Grazing Environmental Impact Statement.

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

<u>Allotment</u>	<u>Wild Horse Herd Management Areas</u>
Fox Mountain (West)	Seaman
Timber Mountain	Seaman
Coal Valley Lake	Seaman
Wilson Creek (Deadman Use Area)	Dry Lake
Fox Mountain (East)	Dry Lake
Duckwater	Monte Cristo and Sands Springs East

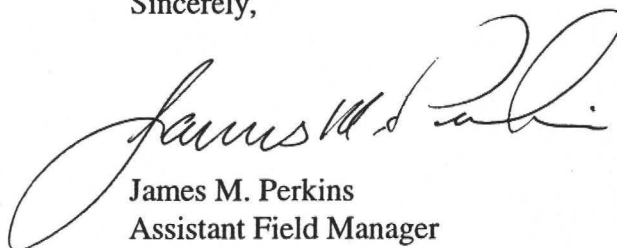
The Timber Mountain and Coal Valley Lake Allotments are located within the Weepah Spring Wilderness Study Area (WSA).

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 December 5, 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,

A handwritten signature in cursive script, appearing to read "James M. Perkins". The signature is written in black ink and is positioned above the printed name and title.

James M. Perkins
Assistant Field Manager
Renewable Resources

cc:

Mr. Bill Wilson, White Pine County Public Land Users Advisory Committee

Mr. David Provost, White Pine County Commissioners

Ms. Catherine Barcomb, Comm. for the Preservation of Wild Horses

Nevada State Clearing House

Mr. Lee Tillman

Mr. Steve Foree-Nevada Division of Wildlife

Mr. Jerry Millett, Tribal Manager, Duckwater Shoshone Tribe

John McLain-Resource Concepts

U. S. Fish and Wildlife Service

Lincoln County Public Lands Commission

Nevada Cattlemen's Association

Friends of Nevada Wilderness; c/o Shaaron Netherton

Ms. Loretta Cartner

Committee for Idaho's High Desert

Western Watersheds Project

Dr. Tom Sanders, DVM - White Pine Conservation District

Mr. Paul Clifford

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.

<u>ALLOTMENT</u> <u>Number & Name</u>	<u>LIVESTOCK</u> <u>Number & Kind</u>	<u>GRAZING PERIOD</u>			<u>TYPE</u> <u>USE</u>	<u>AUM's</u>
		<u>Begin</u>	<u>End</u>	<u>%PL</u>		
0433 West Schell Bench	1,141 Sheep	05/01	11/01	100	Active	1,388
0701 Duckwater	2,125 Sheep	11/01	04/01	100	Active	2,124
0822 Preston/Lund Trail	5,000 Sheep	11/01	11/10	100	Active	329
	5,100 Sheep	04/01	04/12	100	Active	402
0427 Copper Flat	2,020 Sheep	04/15	07/10	99	Active	1,155
	1,980 Sheep	09/15	11/01	99	Active	636
	250 Cattle	06/01	11/01	99	Active	1,266
0826 Giroux Wash	2,195 Sheep	04/01	11/01	100	Active	3,107
	276 Cattle	04/01	12/15	100	Active	2,214
0827 Dark Peak	753 Sheep	04/01	11/01	99	Active	1,068
	108 Cattle	04/01	11/01	99	Active	758
0910 Lake Area	1,433 Sheep	05/01	11/01	89	Active	1,743
	203 Cattle	05/01	11/01	89	Active	1,235
0913 Little White Rock	433 Sheep	05/01	11/01	92	Active	527
	62 Cattle	05/01	11/01	92	Active	377
0914 Chimney Rock	594 Sheep	05/01	11/01	95	Active	722
	84 Cattle	05/01	11/01	95	Active	511
01004 Timber Mountain	2,036 Sheep	11/01	02/28	100	Active	1,607
	2,036 Sheep	03/01	04/10	100	Active	549
	40 Cattle	03/01	04/10	100	Active	54
	40 Cattle	11/01	02/28	100	Active	158

01201 Wilson Creek/ Deadman	1,391 Sheep	03/01	04/10	100	Active	375
	1,391 Sheep	11/01	02/28	100	Active	1,098
	106 Cattle	03/01	03/31	100	Active	108
	106 Cattle	01/01	02/28	100	Active	206
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
	76 Cattle	03/01	04/10	100	Active	102
	76 Cattle	11/01	02/28	100	Active	300
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, Little White Rock, Chimney Rock, 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%

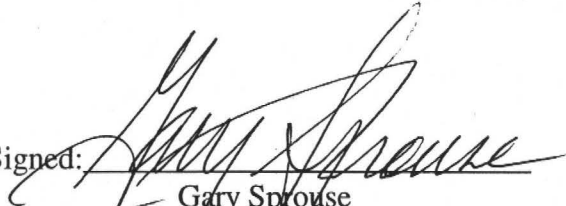
6. Water hauling during spring and fall will occur at agreed upon locations on native range and

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:

11/14/01