

The creation of two Notice areas will allow IGMI to acquire the geotechnical data required by BLM to analyze pit stability for the Environmental Impact Statement analysis and to conduct condemnation drilling in the vicinity of the pit.

While this action should not affect the existing total reclamation cost estimate, it was noted that a slight increase in the bond cost resulted from the creation of the two Notices. This increase was due to using the latest version of the SRCE-based Reclamation Cost Model with Calculators for Notice-Level Exploration (Notice Model).

As you requested, the Notice Model provided by the BLM was used to estimate reclamation costs. As a first step, the reclamation costs for the existing Notice were calculated using this model. Total reclamation cost of \$42,606 was determined for the existing Notice, using the BLM Notice Model. (During this effort, a problem was discovered with respect to acreage calculations for the exploration trenches. In the case of the Mount Hope Notice, only one trench with dimensions of 49 ft x 20 ft is permitted. The BLM Notice Model requires trench disturbance input in linear feet (although the model footnote indicates that dimensions of 300 ft x 14 ft x 5 ft are assumed for each trench). In order to make the total disturbance acreage equal to the permitted amount of 4.29 acres, a length of 990 feet has been entered in the BLM Cost Model.

The BLM Notice Model was then used to estimate reclamation costs for each of the two Notices that will result from the proposed division of the existing Notice. These costs are estimated to be \$23,722 and \$23,198 for the amended NVN-080914 and the new Notice (number not yet assigned). The reclamation cost estimates for both Notices are attached, along with the reclamation cost for the existing Notice (i.e., total disturbance).

If you have any questions regarding this request, please contact me at 753-4988.

Sincerely,

Idaho General Mines, Inc.



Pat Rogers  
Environmental Director

Attachments: Table 1 and Figure 1

cc: Jim Moore, IGMI

Table 1: Existing Disturbance in each of the Two Proposed Notice Areas

Disturbance Type	ACREAGE		Proposed New Notice		Amended Notice NVN 080914	
	Test Pits, Drill Holes	Roads	Test Pits, Drill Holes	Roads	Test Pits, Drill Holes	Roads
TP-1	0.022				0.022	
TP-2	0.022				0.022	
TP-3	0.022				0.022	
TP-4	0.022				0.022	
TP-5	0.022				0.022	
TP-6	0.022				0.022	
TP-7	0.022				0.022	
TP-8	0.022				0.022	
TP-9	0.022				0.022	
TP-10	0.022				0.022	
TP-11	0.022				0.022	
TP-12	0.022				0.022	
TP-13	0.022		0.022			
TP-14	0.022		0.022			
TP-15	0.022		0.022			
TP-16	0.022		0.022			
TP-17	0.022		0.022			
TP-18	0.022		0.022			
TP-19	0.022		0.022			
TP-20	0.022		0.022			
TP-21	0.022		0.022			
TP-22	0.022		0.022			
TP-23	0.022				0.022	
TP-24	0.022				0.022	
TP-25	0.022				0.022	
TP-26	0.022				0.022	
TP-27	0.022				0.022	
TP-28	0.022				0.022	
TP-29	0.022				0.022	
TP-30	0.022				0.022	
TP-31	0.022				0.022	
TP-32	0.022				0.022	
TP-33	0.022				0.022	
TP-34	0.022				0.022	
TP-35	0.022				0.022	
TP-36	0.022				0.022	
TP-37	0.022				0.022	
TP-38	0.022				0.022	
TP-39	0.022				0.022	
TP-40	0.022	0.31	0.022	0.31		
Sub total <sup>1</sup>	0.900	0.31	0.242	0.31	0.652	0.00
IGM 169	0.048	0.28	0.048	0.28		
IGM160/165	0.048	0.50			0.048	0.50
IGM 162	0.048	0.75	0.048	0.75		
Sub total <sup>1</sup>	0.144	1.53	0.096	1.03	0.048	0.50

<b>Disturbance</b>	<b>ACREAGE</b>		<b>Proposed New Notice</b>		<b>Amended Notice NVN 080914</b>	
<b>Type</b>	<b>Test Pits, Drill Holes</b>	<b>Roads</b>	<b>Test Pits, Drill Holes</b>	<b>Roads</b>	<b>Test Pits, Drill Holes</b>	<b>Roads</b>
RCH07-172	0.048				0.048	
D3	0.048				0.048	
RCH07-176	0.048				0.048	
RCH07-175	0.048				0.048	
D6	0.048				0.048	
RCH07-173	0.048				0.048	
RCH07-174	0.048				0.048	
<b>Sub total<sup>1</sup></b>	<b>0.336</b>	<b>0.00</b>	<b>0.000</b>	<b>0.00</b>	<b>0.336</b>	<b>0.00</b>
IGM-155	0.048				0.048	
IGM-154	0.048		0.048			
IGM152	0.048		0.048			
IGM-157	0.048	0.41			0.048	0.41
IGM-156	0.048				0.048	
IGM-158	0.048				0.048	
<b>Sub total<sup>1</sup></b>	<b>0.288</b>	<b>0.41</b>	<b>0.096</b>	<b>0.00</b>	<b>0.192</b>	<b>0.41</b>
<b>Other Roads</b>		<b>0.37</b>	<b>0.000</b>	<b>0.22</b>	<b>0.000</b>	<b>0.16</b>
<b>TOTAL</b>	<b>1.668</b>	<b>2.62</b>	<b>0.434</b>	<b>1.56</b>	<b>1.228</b>	<b>1.07</b>
<b>GRAND TOTAL</b>	<b>4.29</b>		<b>1.99</b>		<b>2.29</b>	

<sup>1</sup>Sub totals are based on summation of disturbance calculated to three or four decimal places. The individual component disturbance is rounded to two or three decimal places. Consequently, the sub totals may be less than the sum of the individual two decimal place disturbance numbers due to rounding.





Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet									
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.									
1.	There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.								
2.	All slopes over 30% (>30%) are assumed to have a slope of 40%.								
3.	All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat 'driveable' part of the road without any safety berms.								
4.	All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.								
5.	All Road and Drill Sites cut banks are assumed to have a 60 degree slope.								
6.	All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.								
7.	Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.								
8.	Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada.								
9.	Area pay= \$3.00 per hour. FICA = 7.65%. Unemployment = 3% and Workmen's Comp= 10.75%.								
10.	Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.								
11.	Revegetation costs are based on a per acre basis.								
12.	Drill Sites recontouring cost is based on a standard pad width and length.								
13.	Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.								
14.	Drill Sites on slopes >30% are 30 feet wide by 83 feet long.								
15.	On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.								
16.	On Drill Sites <30% slopes they are assumed to be outside the Drill Site.								
17.	On Drill Sites >30% slopes sumps are assumed to lie within the 30 foot * 83 foot dimension of the Drill Site.								
18.	Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.								
19.	Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.								
20.	Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.								
21.	Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.								
22.	Mobilization and Demobilization are based on 160 miles one way to project and are based on 2006 Vega Construction and Trucking quotes.								
23.	Travel times are assumed to be 2.73 hours one way to the project.								
24.	Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.								
25.	If any Tranches or Cross Country travel is included a D6 dozer will be mobilized also.								
26.	All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.								
27.	If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.								
28.	If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.								
29.	Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.								
30.	Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.								
31.	Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								

Nevada BLM, January 17, 2007

**MOUNT HOPE EAST**  
**FOR NOTICE-LEVEL EXPLORATION**  
**SRCE-based Reclamation Cost Model With Calculators**  
**For Notice-Level Exploration**  
**MOUNT HOPE EXPLORATION, IDAHO GENERAL MINES, INC., FEBRUARY 5, 2007 - NVN080914(07-4A)**  
**FY 2007 Model**

Linear Feet of Road	Linear Feet	Recontouring Cost <30%	Recontouring Cost >30%	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
On a Side Slope	589	\$82	\$155		\$0.11	\$0.13	\$0.00	\$0.24	\$140
>30%	546				\$0.28	\$0.36	\$0.00	\$0.64	\$350
Drill Sites and Sumps	Number							Cost each	Pad & Sump Reclamation
Drill Sites < 30% slopes	9	Recontouring Cost	\$206		\$34.00	\$42.80	\$0.00	\$76.80	\$691
Drill Sites > 30% slopes	3	Recontouring Cost	\$327		\$109.00	\$137.00	\$0.00	\$246.00	\$738
Drill Sites Cross Country	0	Ripping Cost	\$0		\$7.00	\$3.50	\$0.00	\$10.50	\$0
Sumps	9	Recontouring Cost	\$332		\$35.90	\$46.40	\$0.00	\$83.30	\$750
Trenches	Linear Feet	Recontouring Cost	\$536		\$0.93	\$1.71	\$0.00	\$2.64	\$1,520
Cross Country Travel	721	Ripping Cost	\$29		\$0.04	\$0.02	\$0.00	\$0.06	\$43
Total Disturbance	Slope Acres	Revegetation Cost	\$178		\$75.50	\$64.00	\$275.00	\$414.50	\$976
160 miles Mobilization		Mobilization Cost-excavator	\$417		\$417.27	\$489.83		\$907.10	\$807
160 miles Mobilization		Mobilization Cost-digger	\$276		\$275.52	\$380.46		\$656.00	\$656
Drill Holes Open	#Feet	Plugging Cost - Wet	\$2,428		\$1.17	\$2.08	\$0.53	\$3.78	\$7,839
Feet of Open Holes - Wet	2075	Plugging Cost - Dry	\$0		\$0.47	\$0.22	\$0.05	\$0.75	\$0
Feet of Open Holes - Dry	0	Pulling Casing	\$795		\$1.66	\$4.06	\$0.00	\$5.72	\$2,738
Feet of Casing to Pull	478								
160 miles Mobilization		Mobilization Cost - Wet	\$720		\$719.84	\$1,279.72		\$1,999.56	\$2,000
160 miles Mobilization		Mobilization Cost - Dry	\$0		\$364.91	\$196.49		\$561.40	\$0
Disturbance Type	Total Acres	Total Linear Feet	Slope Acres						Total Reclamation Cost
Roads	0.55	1,135	0.58						\$19,348
Drill Sites	0.86		0.90						
Sumps	0.24		0.24						
Trenches	0.54	575	0.54						
Cross Country	0.10	721	0.10						Total Labor
total Notice acres	2.29		2.35						\$6,561
green cells with blue font is for user input		Insurance						1.5% Labor Cost	\$98
yellow cells are unit costs		Bond*						3% Total Reclamation Cost	\$0
		Contractor Profit						10% Total Reclamation Cost	\$1,935
		Contract Administration						10% Total Reclamation Cost	\$1,935
		Indirect Costs						21% of Contract Administration Cost	\$408
* Bond required only if total reclamation cost > \$100,000								Total Administration Cost	\$4,374
		Cost per acre	\$10,361					Financial Guarantee	\$23,722
		Amount						Amount	\$23,722

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet									
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1.	There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.								
2.	All slopes over 30% (>30%) are assumed to have a slope of 40%.								
3.	All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.								
4.	All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.								
5.	All Road and Drill Sites cut banks are assumed to have a 60 degree slope.								
6.	All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.								
7.	Roads are linear features and the units required for input to this worksheet are in linear feet.								
8.	Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.								
9.	Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada. Area pay= \$3.00 Per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%.								
10.	Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.								
11.	Revegetation costs are based on a per acre basis.								
12.	Drill Sites recontouring cost is based on a standard pad width and length.								
13.	On Gross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.								
14.	On Drill Sites <30% slopes they are assumed to be outside the Drill Site. The assumed dimensions are 13 feet wide, 30 feet long and 5 feet deep.								
15.	Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.								
16.	Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.								
17.	Gross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.								
18.	Revegetation costs for all Gross Country disturbance is based on a 12 foot wide seeding width on one pass.								
19.	Revegetation and Demobilization are based on 150 miles one way to project and are based on 2006 Vague Construction and Trucking quotes.								
20.	Travel times are assumed to be 2.73 hours one way to the project.								
21.	Demobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.								
22.	If any Trenches or Gross Country travel is included a D6 dozer will be mobilized also.								
23.	All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.								
24.	If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.								
25.	If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.								
26.	Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.								
27.	Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.								
28.	Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								

NVN-083120 MOUNT HOPE WEST

February 5, 2007									
SRCE-based Reclamation Cost Model With Calculators									
For Notice-Level Exploration									
MOUNT HOPE EXPLORATION, IDAHO GENERAL MINES, INC., FEBRUARY 5, 2007 - NEW NOTICE									
FY 2007 Model									
Linear Feet of Road On a Side Slope	Linear Feet	Recontouring Cost <30%	Recontouring Cost >30%	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
>30%	1,307			\$91	\$0.11	\$0.13	\$0.00	\$0.24	\$207
				\$371	\$0.28	\$0.36	\$0.00	\$0.64	\$838
Drill Sites and Sumps									
	Number	Recontouring Cost		\$102	Manpower	Equipment	Materials	Cost each	Pads Sump
Drill Sites < 30% slopes	3	Recontouring Cost		\$109	\$34.00	\$42.80	\$0.00	\$76.80	Reclamation
Drill Sites > 30% slopes	1	Recontouring Cost		\$0	\$109.00	\$137.00	\$0.00	\$246.00	\$230
Drill Sites Cross Country	0	Ripping Cost		\$0	\$7.00	\$3.50	\$0.00	\$10.50	\$0
Sumps	3	Recontouring Cost		\$111	\$36.90	\$46.40	\$0.00	\$83.30	\$250
Trenches									
	Linear Feet	Recontouring Cost		\$373	Manpower	Equipment	Materials	Cost/Linear Foot	
	1,040	Ripping Cost		\$42	\$0.93	\$1.71	\$0.00	\$2.64	\$1,057
Cross Country Travel					\$0.04	\$0.02	\$0.00	\$0.06	\$62
Total Disturbance									
	Slope Acres	Revegetation Cost		\$156	Manpower	Equipment	Materials	Cost/Acre	
	2.07				\$75.50	\$64.00	\$275.00	\$414.50	\$857
160 miles Mobilization									
					Manpower	Equipment		Mob+Demob	
					\$417.27	\$489.83		\$907.10	\$907
160 miles Mobilization					\$275.52	\$380.48		\$656.00	\$656
Drill Holes Open									
	#Feet	Plugging Cost - Wet		\$3,319	Manpower	Equipment	Materials	Cost/Feet	Drill Hole Plugging
Feet of Open Holes - Wet	2837	Plugging Cost - Dry		\$0	\$1.17	\$2.08	\$0.53	\$3.78	\$10,718
Feet of Open Holes - Dry	0	Pulling Casing		\$259	\$0.47	\$0.22	\$0.05	\$0.75	\$0
Feet of Casing to Pull	166				\$1.66	\$4.06	\$0.00	\$5.72	\$892
160 miles Mobilization									
					Manpower	Equipment		Mob+Demob	
					\$719.84	\$1,279.72		\$1,999.56	\$2,000
160 miles Mobilization					\$364.91	\$196.49		\$561.40	\$0
Disturbance Type									
	Total Acres	Total Linear Feet		Slope Acres					Total Reclamation Cost
Roads	1.11	2,178		1.17					\$18,921
Drill Sites	0.29			0.30					
Sumps	0.08			0.08					
Trenches	0.38	400		0.38					
Cross Country	0.14	1,040		0.14					
total Notice acres	1.99			2.07					
Insurance Bond*									
								1.5% Labor Cost	\$95
								3% Total Reclamation Cost	\$0
								10% Total Reclamation Cost	\$1,892
								10% Total Reclamation Cost	\$1,892
								21% of Contract Administration Cost	\$397
Contractor Profit									
									Total Administration Cost
									\$4,277
* Bond required only if total reclamation cost > \$100,000									
green cells with blue font is for user input									
yellow cells are unit costs									
				Cost per acre					
				\$11,649					
					Financial Guarantee Amount				
					\$23,198				

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet									
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2.	All slopes over 30% (>30%) are assumed to have a slope of 40%.								
3.	All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.								
4.	All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.								
5.	All Road and Drill Sites cut berms are assumed to have a 60 degree slope.								
6.	Roads are linear features and the units required for input to this worksheet are in linear feet.								
7.	Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.								
8.	Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada.								
9.	Area pay = \$3.00 per hour. FICA = 7.65%. Unemployment = 3% and Workman's Comp = 10.75%.								
10.	Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour. FICA = 7.65%. Unemployment = 3% and Workman's Comp = 10.75%.								
11.	Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.								
12.	Drill Sites recontouring cost is based on a standard bed width and length.								
13.	On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.								
14.	On Drill Sites <30% slopes they are assumed to be outside the Drill Site.								
15.	On Drill Sites >30% slopes sumps are assumed to lie within the 30 foot * 83 foot dimension of the Drill Site.								
16.	Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.								
17.	Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.								
18.	Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.								
19.	Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.								
20.	Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes.								
21.	Travel times are assumed to be 2.73 hours one way to the project.								
22.	Mobilization for a Cat 320C excavator will be charged for grading of Roads, Drill Sites only.								
23.	If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.								
24.	All projects that propose drilling will require a minimum Drill Hole - Open abandonment cost.								
25.	If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.								
26.	If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.								
27.	Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.								
28.	Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.								
29.	Drill Hole Plugging Cost for Open Hole - Wet is based on average lime to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								
Nevada BLM, January 17, 2007									







# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820  
<http://www.nv.blm.gov/battlemountain>  
(775) 635-4000 or [bmfwweb@nv.blm.gov](mailto:bmfwweb@nv.blm.gov)



In Reply Refer To:  
3809 (NV063)  
NVN-080914  
(08-1A)

**FEB 07 2008**

*Jmarine 2/7/08*

**CERTIFIED MAIL: 7006 0810 0001 5139 3893**  
**Return Receipt Requested**

### DECISION

Brian Musser	:	43 CFR 3809 – Surface Management
Environmental Manager	:	Notice Amendment
General Moly, Inc.	:	
2215 N. 5 <sup>th</sup> St.	:	
Elko, NV 89801	:	

### Determination of Required Financial Guarantee Amount

On January 24, 2008, General Moly, Inc. (GMI) submitted a Notice amendment for the Mt. Hope East Project located in MDB&M., T. 22N., R. 51 E., sections 1, 2, 12, 13 & 14. The Notice amendment has been assigned Bureau of Land Management (BLM) case file number NVN-080914 (08-1A).

Your Notice amendment request to add seven piezometers with no increased acreage keeps the project acreage at 4.7 acres. The notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR 3809 for operations conducted under a Notice.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$85,487** is sufficient to meet all anticipated reclamation requirements associated with this Notice. This amount is based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee.

This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

**Required Financial Guarantee** – Within sixty (60) days of receipt of this Decision, GMI must submit an acceptable financial guarantee in the amount of **\$85,487** to the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006. **Failure to provide an acceptable financial guarantee within the specified time frame will result in an enforcement action against GMI for failure to maintain an acceptable financial guarantee.**

**Term of Notice** - Your Notice will remain in effect for 2 years from the date of the original decision of March 28, 2006, unless you notify this office beforehand that operations have ceased and reclamation is complete. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

**Cultural Resources** – There have been numerous cultural resource sites identified within the Project area. Therefore, it is recommended that Idaho General Mines have a BLM approved archeologist on site to monitor Project activities. If archaeological sites are damaged you could be assessed fines under the civil provisions of the Archaeological Resources Protection Act (see 43 CFR 7, parts 7.4, 7.14, 7.15 and 7.16). Therefore, it is recommended that you hire an archaeological contractor to do a cultural survey of the project area prior to beginning work. Pursuant 43 CFR 10.4(g) you must notify the authorized officer, Assistant Field Manager, Non Renewable Resources/Field Station Manager, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. 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.

**Guidelines for Operations Conducted Under a Notice** - *The enclosed document provides additional stipulations concerning your notice.*

**Appeal of the Decision Determining the Required Financial Guarantee Amount** - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805.

If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the IBLA, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle



Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the IBLA and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Cory Gardner, Environmental Protection Specialist, at 775-635-4192 or at the above address.

Stephen C. Drummond  
Acting Assistant Field Manager  
Nonrenewable Resources

Enclosures

cc: BLM, Branch of Minerals Adjudication (NV-923)

CGARDNER:cc:02/06/2008:\\Blm\dfs\nv\bm\pub\nonrenewable\minerals\letters\LETTERS  
FINALIZED\nOTICESAMENDEDINWOFORMATIGMNINGMI\_80914\_081A\_MtHopeEast\_7Pei  
zometers.doc



## GENERAL MOLY, Inc.

2215 North 5<sup>th</sup> St.  
Elko, NV 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: [bmusser@generalmoly.com](mailto:bmusser@generalmoly.com)  
Website: [www.generalmoly.com](http://www.generalmoly.com)

RECEIVED-MAILROOM

2008 FEB 14 10:11 AM

BUREAU OF LAND MANAGEMENT  
BATTLE MOUNTAIN  
FIELD OFFICE

February 13, 2008

Mr. Stephen C. Drummond  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Amendment to Notice NVN-080914  
3809 (NV063)

Dear Steve:

General Moly, Inc. (General Moly) submitted a notice amendment in August 2007 to add four new piezometers within and adjacent to the proposed Mount Hope pit area to obtain data for the Environmental Impact Statement analysis. General Moly is proposing to add one new test well in the pit area to determine the viability of this location for pit dewatering. General Moly is also proposing to modify the Notice Boundary.

### New Test Well

Well GMI-PDW3 will be located at T 22 N, R 51 E, Section 12, SE¼ NE ¼ (Figure 1). The borehole will be 12.75 inches in diameter to accommodate 12-inch diameter steel casing set to a minimum of 50 feet below ground surface (bgs). Eight-inch diameter casing will be placed down the hole with gravel pack between the casing and the borehole walls. The top 50 feet of the hole will have a sanitary seal of neat cement. The well will be screened at the appropriate depth (see Plate 1). The borehole will be drilled to 1,000 feet. The well will be installed at an existing drill pad with existing access.

Because the installation of this well will not require any new surface disturbance, the reclamation cost estimate includes only the well abandonment costs and the administrative costs. Reclamation costs for the existing disturbance have been included in the previous notice reclamation cost estimate (i.e., costs for road, drill pad, etc. reclamation). General Moly used the Notice\_ModelFY2007 cost estimator for calculating reclamation costs.

### Notice Boundary Modification

The Notice Boundary modification is related to an Amendment to Notice NVN 081485. General Moly is submitting this Notice Amendment under separate cover. The boundary of Notice NVN 081485 is being expanded to allow for installation of monitoring wells for the Tailings #2 facility. Three of the monitoring well locations will be outside of the current NVN 081485 Notice Boundary and one of these monitoring well locations will be within the current boundary of Notice NVN 080914 (Figure 2). By modifying the locations of the two boundaries, the tailings monitoring wells can be installed within the Tailings Notice area. No disturbance acreage is being swapped between Notices. The only disturbance associated with this amendment is the disturbance described above for the new Test Well.

Notice NVN-080914 Amendment

Mr. Stephen C. Drummond  
February 13, 2008  
Page 2 of 2

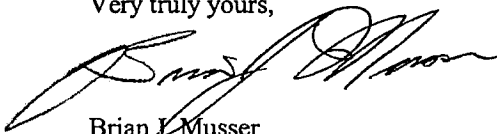
No reclamation cost is associated with the boundary modification.

### **Reclamation Cost Estimate**

The reclamation cost associated with this amendment includes only the cost of well abandonment and mobilization. No additional surface disturbance is associated with this well, as existing access and an existing drill pad will be used.

Reclamation costs are estimated at \$7,100. General Moly will be contacting the BLM regarding the bond amount in the near future. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,



Brian J. Musser  
Environmental Manager  
Mount Hope Project

Attachment: Figure 1;  
Plate 1; and  
Reclamation Cost Estimate

cc:

Pat Rogers, General Moly, Inc.  
Casey Kelly, General Moly, Inc.  
Andy Russell, General Moly, Inc.





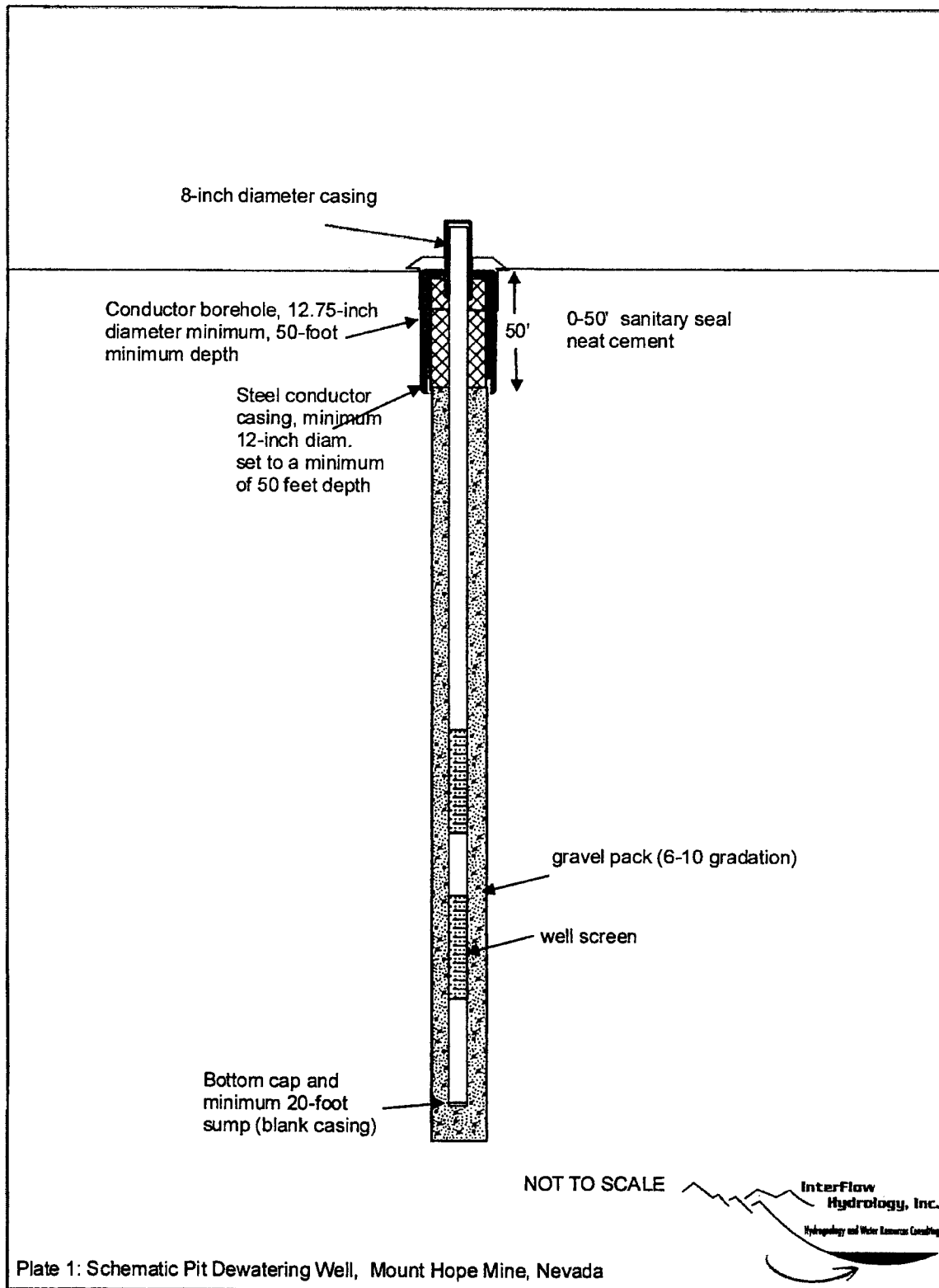


Plate 1: Schematic Pit Dewatering Well, Mount Hope Mine, Nevada



February 8, 2008	SRCE-based Reclamation Cost Model With Calculators										FY 2007 Model
	For Notice-Level Exploration										
	MOUNT HOPE EXPLORATION, GENERAL MOLY, INC., FEBRUARY 4, 2008 - NOTICE 080914 AMENDMENT										
Linear Feet of Road	Linear Feet	Recontouring Cost <30%	Recontouring Cost >30%	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot			
On a Side Slope	0			\$0	\$0.11	\$0.13	\$0.00	\$0.24		Road Reclamation	\$0
>30%	0			\$0	\$0.28	\$0.36	\$0.00	\$0.64		Pad & Sump Reclamation	\$0
Drill Sites and Sumps	Number				Manpower	Equipment	Materials	Cost each			
Drill Sites < 30% slopes	0	Recontouring Cost		\$0	\$4.00	\$42.80	\$0.00	\$76.80			
Drill Sites > 30% slopes	0	Recontouring Cost		\$0	\$109.00	\$137.00	\$0.00	\$246.00			
Drill Sites Cross Country	0	Ripping Cost		\$0	\$7.00	\$3.50	\$0.00	\$10.50			
Sumps	0	Recontouring Cost		\$0	\$36.90	\$46.40	\$0.00	\$83.30			
Trenches	Linear Feet				Manpower	Equipment	Materials	Cost/Linear Foot			
Recontouring Cost	0			\$0	\$0.93	\$1.71	\$0.00	\$2.64			
Ripping Cost	0			\$0	\$0.04	\$0.02	\$0.00	\$0.06			
Gross Country Travel					Manpower	Equipment	Materials	Cost/Acre			
Total Disturbance	Slope Acres			\$0	\$75.50	\$64.00	\$275.00	\$414.50			
160 miles Mobilization				\$0	Manpower	Equipment	Materials	Mob+Demob			
160 miles Mobilization				\$0	\$417.27	\$489.83		\$907.10			
160 miles Mobilization				\$0	\$275.52	\$380.48		\$656.00			
Drill Holes Open	#/Feet				Manpower	Equipment	Materials	Cost/Feet			
Feet of Open Holes - Wet	1000			\$1.70	\$1.17	\$2.08	\$0.53	\$3.78		Drill Hole Plugging	\$3.78
Feet of Open Holes - Dry	0			\$0	\$0.47	\$0.22	\$0.05	\$0.75			
Feet of Casing to Pull	0			\$0	\$1.66	\$4.06	\$0.00	\$5.72			
160 miles Mobilization					Manpower	Equipment	Materials	Mob+Demob			
160 miles Mobilization				\$720	\$719.84	\$1,279.72		\$1,999.56			
Disturbance Type	Total Acres			\$0	\$384.91	\$196.49		\$561.40			
Roads	0.00			0.00						Total Reclamation Cost	\$5,776
Drill Sites	0.00			0.00							
Sumps	0.00			0.00							
Trenches	0.00			0.00						Total Labor	\$1,890
Gross Country	0.00			0.00							
total Notice acres	0.00			0.00							
Insurance								1.5% Labor Cost			\$28
Bond*								3% Total Reclamation Cost			\$0
Contractor Profit								10% Total Reclamation Cost			\$578
Contract Administration								10% Total Reclamation Cost			\$578
Indirect Costs								21% of Contract Administration Cost			\$121
green cells with blue font is for user input										Total Administration Cost	\$1,305
yellow cells are unit costs											
* Bond required only if total reclamation cost > \$100,000											
				Cost per acre						Financial Guarantee	\$7,083
				#/V/ft				Amount			

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet									
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.									
1.	There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.								
2.	All slopes over 30% (>30%) are assumed to have a slope of 40%.								
3.	All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "drivable" part of the road without any safety berms.								
4.	All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.								
5.	All Road and Drill Sites cut banks are assumed to have a 60 degree slope.								
6.	All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.								
7.	Roads are linear features and the units required for input to this worksheet are in linear feet.								
8.	Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour. Area pay = \$3.00 per hour. FICA = 7.65%. Unemployment = 3% and Workman's Comp = 10.75%.								
9.	Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour. FICA = 7.65%. Unemployment = 3% and Workman's Comp = 10.75%.								
10.	Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.								
11.	Revegetation costs are based on a per acre basis.								
12.	Drill Sites recontouring cost is based on a standard pad width and length.								
13.	Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.								
14.	Drill Sites on slopes >30% are 30 feet wide by 83 feet long.								
15.	On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.								
16.	On Drill Sites <30% slopes they are assumed to be outside the Drill Site.								
17.	On Drill Sites >30% slopes sumps are assumed to be within the 30 foot x 83 foot dimension of the Drill Site.								
18.	Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.								
19.	Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.								
20.	Cross Country travel is assumed to have a disturbance of 5 feet wide by the linear feet of travel on slopes under 10%.								
21.	Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.								
22.	Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes. Travel times are assumed to be 2.73 hours one way to the project.								
23.	Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.								
24.	If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.								
25.	All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.								
26.	If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.								
27.	If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.								
28.	Mobilization for Drill Holes - Open for Open Hole - Wet will include one drilling plus crew and support equipment.								
29.	Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.								
30.	Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								

Nevada BLM, January 17, 2007

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Charles Lane/BMFO/NV/BLM/DOI  
at: 02/20/2008 10:08:42 AM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Lisa Walker/BMFO/NV/BLM/DOI  
at: 02/20/2008 10:12:18 AM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Thomas Darrington/BMFO/NV/BLM/DOI  
at: 02/20/2008 10:29:58 AM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Michael Vermeys/BMFO/NV/BLM/DOI  
at: 02/20/2008 10:30:57 AM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Stephen Drummond/BMFO/NV/BLM/DOI  
at: 02/20/2008 12:20:56 PM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Cory Gardner/BMFO/NV/BLM/DOI  
at: 02/20/2008 01:07:32 PM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Christopher Cook/BMFO/NV/BLM/DOI  
at: 02/21/2008 08:03:49 AM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Sheila Mallory/BMFO/NV/BLM/DOI  
at: 02/21/2008 01:26:49 PM

### Return Receipt

Your document: Notice Amendment NVN-80914 08-2A ✓  
was received by: Duane Crimmins/BMFO/NV/BLM/DOI  
at: 02/21/2008 02:03:32 PM

### Return Receipt

No Mike Stamm  
Dan Aguirre  
Michelle McDaniel



Your document:  
was received by:  
at:

Notice Amendment NVN-80914 08-2A  
Shawna Richardson/BMFO/NV/BLM/DOI  
02/22/2008 08:30:53 AM





## IDAHO GENERAL MINES, INC. MAIL ROOM

455 8<sup>th</sup> St.  
Elko, NV 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: [bmusser@igmines.com](mailto:bmusser@igmines.com)  
Website: [www.igmines.com](http://www.igmines.com)

2007 JUN 28 AM 11:12

BUREAU OF LAND MANAGEMENT  
BATTLE MOUNTAIN FIELD OFFICE

June 27, 2007

Mr. Thomas J. Seley  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Amendment to Kobeh Valley Central-B Well Field Drilling Notice – NVN-083245  
3809 (NV063)

Dear Mr. Seley:

Idaho General Mines, Inc. (IGMI) amended Notice NVN-083245 submitted in May 2007 to conduct exploratory drilling for production wells in Kobeh Valley. Based on drilling to date, the anticipated depth of the drill holes has proven to be unnecessary and test well boring is no longer planned at one of the original four drill sites; however, an observation well will still be installed and developed at this location. Therefore, IGMI is amending the Notice to change the drill hole depths and to subtract one of the drill holes.

As a result of this change, the total number and the depth of wet drill holes and the depth of casing to be removed has changed. The attached Table provides a breakdown of the disturbance to remain in the well drilling program.

Reclamation costs are estimated at \$78,629, which is a decrease of approximately \$61,769 from the previous Notice amendment (NVN-083245 07-2A). IGMI will be contacting the BLM regarding the excess bond amount in the near future. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,

Brian V. Musser  
Environmental Manager  
Mount Hope Project

Attachment: Table of Amended Disturbance; and  
Reclamation Cost Estimate for Notice for Kobeh Central B

cc: Greg Ferdock, IGMI  
Andy Russell, IGMI

Pat Rogers, IGMI

**Table 1: Amended Disturbance**

<b>Well ID #</b>	<b>Pad Dimensions (feet) / (acres)</b>	<b>Maximum Hole Diameter (inches)</b>	<b>Maximum Depth (feet)</b>	<b>Overland Travel (feet) / (acres)</b>	<b>Total Disturbance (acres)</b>
RWX-203 Test Well	(80x200) / 0.3673	12	1,100	920 / 0.12	0.49
RWX-203 Observation Well	Same pad as test well	6	1,100		
RWX-204 Observation Well	(80x200) / 0.3673	6	800	-	0.37
RWX-205 Test Well	(80x200) / 0.3673	12	800	-	0.37
RWX-205 Observation Well	Same pad as test well	6	800		
RWX-206 Test Well	(80x200) / 0.3673	12	800	-	0.37
RWX-206 Observation Well	Same pad as test well	6	800		
<b>Test Well Sumps</b>	(3 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
<b>Observation Well Sumps</b>	(4 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
<b>Total disturbance (acres)</b>	<b>1.47</b>	-	<b>6,200</b>	<b>0.12</b>	<b>1.59</b>



Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
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2. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
3. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
4. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
5. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour. Area pay= \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%.	
9. Labor cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%.	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length.	
Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.	
Drill Sites on slopes >30% are 30 feet wide by 83 feet long.	
On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
On Drill Sites >30% slopes sumps are assumed to be within the 30 foot * 83 foot dimension of the Drill Site.	
14. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/ hour productivity.	
15. Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
16. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.	
17. Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes. Travel times are assumed to be 2.73 hours one way to the project.	
18. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
19. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.	
If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
20. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drilling rig plus crew and support equipment.	
21. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	
22. Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).	

Nevada BLM, January 17, 2007



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

JUN 27 2007

### DECISION

Principal: :  
Idaho General Mines, Inc. : BLM Bond Number: NVB000567  
10 North Post St., Suite 610 : Bond Amount Accepted: \$466,309  
Spokane, WA 99201 :

### Bond Riders Accepted Obligation Under Statewide Bond Increased

Effective November 3, 2005, the BLM Nevada State Office (NSO) accepted BLM Bond Number NVB000567 from Idaho General Mines, Inc. The bond provides for surface reclamation on operations conducted by Idaho General Mines, Inc. on lands in Nevada under federal regulations at 43 CFR 3809.

On June 4, 2007, the BLM Battle Mountain Field Office increased the reclamation cost estimates for surface disturbance on notice N-83245, the Central B Well Project and N-83246, the Central A Well Project, to \$140,398 and \$237,532 respectively.

On June 15, 2007, the NSO received a rider increasing the amount of BLM bond number NVB000567 to \$466,309. The bond rider has been examined and found satisfactory; therefore, it is accepted effective June 15, 2007.

Bond obligations adjusted by this Decision are shown in **bold** on the table below.

Operations Number	Operations Name	Bond Amount Obligated
N-80914	Mount Hope East	\$ 33,131
N-83120	Mount Hope West	\$ 55,193
<b>N-83245</b>	<b>Central "B" Well</b>	<b>\$ 140,398</b>
<b>N-83246</b>	<b>Central "A" Well</b>	<b>\$ 237,532</b>
<b>Total obligations under NVB000567</b>		<b>\$ 466,254</b>

Considering the total amount of BLM Bond Number NVB000567 and the amount currently obligated for surface reclamation, \$55 remains available for future amendments or new operations.

If you have any questions, please call Lacy Ternau at 775-861-6599; send facsimile to 775-861-6710; write to the attention of NV923z at the address on the letterhead; or send electronic mail to Lacy\_Ternau@nv.blm.gov.

~~ATANDA CLARK~~

Atanda Clark  
Chief, Branch of Minerals Adjudication

cc:  
Idaho General Mines, Inc.  
Attn: Pat Rogers  
455 8<sup>th</sup> Street  
Elko, NV 89801

NV060 (SDrummond, LMarine)  
NV923 (CDragon)



## IDAHO GENERAL MINES, INC.

455 8<sup>th</sup> St.  
Elko, NN 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: [bmusser@igmines.com](mailto:bmusser@igmines.com)  
Website: [www.igmines.com](http://www.igmines.com)

RECEIVED N. D. ROC.  
2007 JUN 28 AM 11:12

BU C  
S. L. G. M. A. R.  
FIELD OFFICE

June 27, 2007

Mr. Thomas J. Seley  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Idaho General Mines Surface Management Bond No. NVB 567

Dear Mr. Seley:

Idaho General Mines, Inc. (IGMI) has recently submitted three amendments to Notices for geophysical, exploration and water exploration well drilling. The reclamation cost estimate for the Amendment to Notice NVN-083120 (07-1A) required an increase of \$225 from the previous cost estimate. The reclamation cost estimate for the Amendment to Notice NVN-083246 (07-2A) resulted in a decrease in the reclamation cost estimate of \$185,189. The reclamation cost estimate for the Amendment to Notice NVN-083245 (07-2A) resulted in a decrease in the reclamation cost estimate of \$61,769. The net decrease (including the \$225 increase for 083120) is \$246,733. Therefore, the surety amount currently in place exceeds the amount required for the active Notices at Mount Hope.

At this time, IGMI is going to leave the excess in the existing surety, but may seek a reduction in the surety if no other amendments to the drilling programs arise. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,

Brian J. Musser  
Environmental Manager  
Mount Hope Project

cc: Lacey Ternau, BLM  
Greg Ferdock, IGMI  
Andy Russell, IGMI  
Pat Rogers, IGMI





# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, NV 89820  
<http://www.nv.blm.gov>



C. Cristman 6/29/07  
L. Marin 6/29/07

In Reply Refer To:  
3809 (NV063)  
NVN-083245  
(07-4A)

JUL 1 2007

**CERTIFIED MAIL: 7006 0810 0001 5139 3183**  
**Return Receipt Requested**

## DECISION

Pat Rogers	:	43 CFR 3809 – Surface Management
Idaho General Mines, Inc.	:	Notice Amendment
455 8 <sup>th</sup> St.	:	
Elko, NV 89801	:	

### Determination of Required Financial Guarantee Amount

On June 28, 2007, Idaho General Mines, Inc. (IGMI) submitted a Notice Amendment for the Central B Well Project located within MDB&M., T. 22 N., R. 51 E., sections 20, 21, 30 & 32. The Notice Amendment has been assigned Bureau of Land Management (BLM) case file number NVN-083245 (07-4A).

Your Notice Amendment proposes to:

1. Reduce the number of drill holes from four to three.
2. Keep the same amount of disturbance as amendment 07-3A (1.59-acres).

The Notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR §3809 for operations conducted under a Notice.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$78,629.00** is sufficient to meet all anticipated reclamation requirements for this amendment. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

ENTERED

Am  
7/2/07

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

You are responsible for preventing any unnecessary or undue degradation of public lands and resources, and for reclaiming all lands disturbed by your operations.

Required Financial Guarantee -The BLM Nevada State Office Adjudication Branch issued a Decision on June 8, 2007, for the existing financial guarantee in the amount of \$74,100.00 and this must be increased by \$4,529.00 for a total required financial guarantee of **\$78,629.00**.

**Within 60 days of receipt of this Decision, a financial guarantee in the amount of \$78,629.00 must be filed with the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006 or enforcement action will take place.** You must receive written notification from that office accepting and obligating your financial guarantee before you may continue any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the Branch of Minerals Adjudication at 775-861-6599 for further information on the adjudication of financial guarantees.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

Term of Notice - Your Notice will remain in effect for 2 years from the date of the original Decision (April 18, 2007) unless you notify this office beforehand that operations have ceased and reclamation is complete or you would like to extend your Notice. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

Cultural Resources - If archaeological sites are damaged you could be assessed fines under the civil provisions of the Archaeological Resources Protection Act (see 43 CFR 7, parts 7.4, 7.14, 7.15 and 7.16). Therefore, it is recommended that you hire an archaeological contractor to do a cultural survey of the project area prior to beginning work. Pursuant 43 CFR 10.4(g) you must notify the authorized officer, Assistant Field Manager, Non Renewable Resources/Field Station Manager, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. 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.

Protection and Preservation of Public Land Survey System Monuments-As directed in 43 CFR 3809.420 – Surface Management - (b) (9) *Protection of survey monuments*, it is your responsibility to bear the cost of any necessary restoration or reestablishment activity of the affected monument(s). Correspondingly, in the course of any accepted surface disturbance activity when Public Land Survey System Monuments/Cadastral corners or accessories that may or have been subject to obliteration, destruction, or damage, it will be your responsibility to protect and preserve the monumentation. Further clarification can be found in Nevada BLM's Instruction Memorandum No. NV-2007-003 [www.nv.blm.gov](http://www.nv.blm.gov).

Guidelines for Operations Conducted Under a Notice - *The attached document provides additional stipulations concerning your notice.*

Appeal of the Decision Determining the Required Financial Guarantee Amount - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Blvd. 89502, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

### Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Cory Crotteau, Environmental Protection Specialist at 775-635-4192 or Stephen Drummond, Supervisory Mining Engineer at 775-635-4160 or at the above address.

Thomas J. Seley  
Assistant Field Manager  
Nonrenewable Resources

Enclosures

cc:

BLM, Branch of Minerals Adjudication, NSO (NV-923)

Andy Russell  
Idaho General Mines, Inc.  
N. 10 Post St. Ste. 610  
Spokane, WA 99201

CCROTTEAU:cc:06/29/2007:\\blm\dfs\nv\bm\pub\nonrenewable\minerals\letters\LETTERS  
FINALIZED\NOTICESAMENDEDINWOFORMAT\IGMINGMI\_CentralB\_83245\_074A\_June  
2007.doc



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

JUL 11 2007

### DECISION

Principal: :  
Idaho General Mines, Inc. : BLM Bond Number: NVB000567  
10 North Post St., Suite 610 : Bond Amount Accepted: \$466,309  
Spokane, WA 99201 :

#### Obligation Under Statewide Bond Reduced

Effective November 3, 2005, the BLM Nevada State Office (NSO) accepted BLM Bond Number NVB000567 from Idaho General Mines, Inc. The bond provides for surface reclamation on operations conducted by Idaho General Mines, Inc. on lands in Nevada under federal regulations at 43 CFR 3809.

On July 1, 2007, the BLM Battle Mountain Field Office reduced the reclamation cost estimates for surface disturbance on notice N-83245, the Central B Well Project and N-83246, the Central A Well Project, to \$78,629 and \$52,343 respectively.

Bond obligations adjusted by this Decision are shown in **bold** on the table below.

Operations Number	Operations Name	Bond Amount Obligated
N-80914	Mount Hope East	\$ 33,131
N-83120	Mount Hope West	\$ 55,193
<b>N-83245</b>	<b>Central "B" Well</b>	<b>\$ 78,629</b>
<b>N-83246</b>	<b>Central "A" Well</b>	<b>\$ 52,343</b>
<b>Total obligations under NVB000567</b>		<b>\$ 219,296</b>

Considering the total amount of BLM Bond Number NVB000567 and the amount currently obligated for surface reclamation, \$247,013 remains available for future amendments or new operations.

If you have any questions, please call Lacy Ternau at 775-861-6599; send facsimile to 775-861-6710; write to the attention of NV923z at the address on the letterhead; or send electronic mail to Lacy\_Ternau@nv.blm.gov.

ATANDA CLARK

Atanda Clark  
Chief, Branch of Minerals Adjudication

cc:  
Idaho General Mines, Inc.  
Attn: Brian Musser  
455 8<sup>th</sup> Street  
Elko, NV 89801

NV060 (SDrummond, LMarine)  
NV923 (CDragon)



## *Eureka Moly LLC.*

2215 North 5<sup>th</sup> St.  
Elko, NV 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: [bmusser@generalmoly.com](mailto:bmusser@generalmoly.com)  
Website: [www.generalmoly.com](http://www.generalmoly.com)

September 9, 2008

Mr. Stephen C. Drummond  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

**RE: Amendment 5 to Kobeh Valley Central-B Well Field Drilling Notice – NVN-083245  
3809 (NV063)**

Dear Steve:

General Moly, Inc. (Eureka Moly, LLC) submitted a notice to drill and test water wells in April 2007 (Notice NVN-083245) and subsequently amended the Notice in May and June of 2007 and February and June of 2008. Eureka Moly, LLC (EMLLC) is submitting this amendment with the intent of updating the construction parameters for the permitted wells.

EMLLC is proposing to modify the construction of Observation and Test Wells to the completion depths and diameters shown in Table 1. There are no anticipated changes in surface acre disturbance associated with this modification.

**Table 1: Well Construction Depths Kobeh Valley Central B Notice**

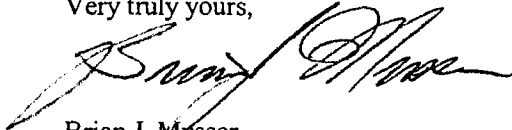
Well ID #	Maximum Hole Diameter (inches)	Maximum Depth (feet)
RWX-203 Test Well	12	1,060
RWX-203 Observation Well	6	1,200
RWX-204 Observation Well	6 to	400
	5.25 to	800
	3.75 to	1305
RWX-205 Observation Well	6 to	400
	5.25 to	800
RWX-206 Test Well	12	800
RWX-206 Observation Well	6	650
Kobeh Far East Observation Well	12 to	50
	8 to	1,000

Mr. Stephen C. Drummond  
September 9, 2008  
Page 2 of 2

RWX-213 Observation Well	8 to 6 to	50 1,000
RWX-213 Test Well	12	1,000
RWX-214 Observation Well	12 to 8 to	50 1,000
RWX-214 Test Well	12	1,020
RWX-215 Observation Well	12 to 8 to	50 1,000
RWX-215 Test Well	12	1,040
RWX08-219 Observation Well	8 to 6 to	50 1000
RWX08-219T Test Well	12	1,000
RWX08-229 Observation Well	8 to 6 to	50 1000
RWX08-229T Test Well	12 to	1,000
<b>Total Maximum Depth of Wells</b>	-	<b>16,875</b>

Reclamation costs associated with this Amendment are estimated to increase the costs by \$19,050 from \$200,568 to a total of \$219,618 for the disturbance and well abandonment associated with this Amendment. EMLLC will be contacting the BLM regarding the bond amount in the near future. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,



Brian J. Musser  
Environmental Manager  
Mount Hope Project

Attachment: Notes to SRCE-based Reclamation Cost Model with Calculators  
Reclamation Cost Estimate for Notice for Kobre Central B

cc: Pat Rogers, General Moly, Inc.  
Casey Kelly, General Moly, Inc.  
Carrie Dubray, Eureka Moly, Inc.



### **Notes to SRCE-based Reclamation Cost Model with Calculators**

The BLM has requested that the SRCE-based Reclamation Cost Model (Model) with Calculators be used for determining the estimated reclamation costs for Notices. This Model has several assumptions that cannot be changed by the user. As a result, the Model calculates the area of disturbance based on these assumptions and not on the actual disturbance footprints. Consequently, the Model calculated the disturbance for this Notice to be 1.59 acres, whereas the actual disturbance footprint is 4.46 acres of disturbance.

The following assumptions or inputs to the Model were used to calculate the reclamation cost:

1. One Test Well and one Observation Well would be drilled as pairs, each pair on the same drill pad at seven sites.
2. Three Observation Wells will be drilled on their own individual drill pads
3. Maximum depth of the Test Wells will be 1,000 – 1,040 ft.
4. Drill pads areas as shown in \*Table 1, Amendment 1, remain unchanged.
5. Total overland travel to the various Test and Observation Wells as shown in \*Table 1, Amendment 1, remain unchanged.
6. Maximum depth of the Observation Wells will be 1,000 ft.
7. All holes will be open at one time, for a total open hole depth of 16,875 ft.

Using these assumptions, the Model calculates a reclamation cost estimate of \$212,103. However, the Model only estimates the disturbance to be 1.59 acres.

The Model was adjusted by adding additional drill pads to approximate the actual 4.46 acres of disturbance (i.e., adjusting for assumption number 4 above). By increasing the number of drill pads to 47.2, the Model calculated a disturbance of 4.46 acres. This increased the reclamation cost by \$7,515 to \$219,618. This adjusted figure is used as the final reclamation cost estimate for this amendment.

FY 2007 Model Version 3.1									
September 9, 2008									
SRCE-based Reclamation Cost Model With Calculators									
For Notice-Level Exploration									
Kobeh Valley Water Well Exploration Drilling Notice - Kobeh Central B - NVN-083245 Amendment 2 (Actual No. Drill Pads)									
Linear Feet of Road On a Side Slope <30% >30%	Linear Feet		Recontouring Cost <30% Recontouring Cost >30%	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
	0	0							
Drill Sites and Sumps Drill Sites < 30% slopes Drill Sites > 30% slopes Drill Sites Cross Country Sumps	Number		Recontouring Cost Recontouring Cost Ripping Cost Recontouring Cost		Manpower	Equipment	Materials	Cost each	Pad & Sump Reclamation
	10								
	0								
	0								
Trenches Cross Country Travel	Linear Feet		Recontouring Cost Ripping Cost		Manpower	Equipment	Materials	Cost/Linear Foot	
	0	5,916							
Total Disturbance	Slope Acres		Revegetation Cost		Manpower	Equipment	Materials	Cost/Acre	
	1.60				\$73.00	\$62.00	\$302.50	\$437.50	\$700
150 miles Mobilization 150 miles Mobilization			Mobilization Cost-excavator Mobilization Cost-digger		Manpower	Equipment		Mob/Demob	
					\$356	\$418.11		\$774.28	\$774
					\$563	\$777.77		\$1,340.98	\$1,341
Drill Holes Open Feet of Open Holes - Wet Feet of Open Holes - Dry Feet of Casing to Pull	#/Feet		Plugging Cost - Wet Plugging Cost - Dry Pulling Casing		Manpower	Equipment	Materials	Cost/Feet	Drill Hole Plugging
	16875								
	16875								
150 miles Mobilization 150 miles Mobilization			Mobilization Cost - Wet Mobilization Cost - Dry		Manpower	Equipment		Mob/Demob	
					\$1,412	\$2,510.52		\$3,922.68	\$3,923
					\$0	\$313.20	\$168.65	\$481.85	\$0
Disturbance Type	Total Acres	Total Linear Feet	Slope Acres						
Roads	0.00	0	0.00						
Drill Sites	0.61		0.62						
Sumps	0.16		0.16						
Trenches	0.00	0	0.00						
Cross Country	0.81	5,916	0.81						
Total Notice acres	1.59		1.60						
				Insurance Bond*			1.5% Labor Cost		
				Contractor Profit			3% Total Reclamation Cost		
				Contract Administration			10% Total Reclamation Cost		
				Indirect Costs			10% Total Reclamation Cost		
							21% of Contract Administration Cost		

green cells with blue font is for user input  
yellow cells are unit costs

\* Bond required only if total reclamation cost > \$100,000

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.2. Cost Data are from August 1, 2007. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.	
2. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
3. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
4. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
5. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada. Area pay = \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
9. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length.	
13. On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
14. On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
15. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY hour productivity.	
16. Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
17. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
18. Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.	
19. Mobilization and Demobilization are based on 150 miles one way to project and are based on the 2007 SRCE & RS Means with Davis-Bacon Mob/Demob worksheet.	
20. Travel lines are assumed to be 2.73 hours one way to the project.	
21. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
22. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
23. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.	
24. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
25. If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
26. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.	
27. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	

Nevada BLM, April 8, 2008

September 9, 2008

FY 2007 Model Version 3.1

# SRCE-based Reclamation Cost Model With Calculators For Notice-Level Exploration Kobeh Valley Water Well Exploration Drilling Notice - Kobeh Central B- NVN-083245 Amendment 2 (Adjusted No. Drill Pads)

Linear Feet of Road  
On a Side Slope  
<30%  
>30%

Linear  
Feet  
0  
0

Recontouring Cost <30%  
Recontouring Cost >30%

Labor Cost

Manpower  
\$0.11  
\$0.29

Equipment  
\$0.13  
\$0.36

Cost/Linear Foot  
\$0.24  
\$0.65

Road Reclamation  
\$0  
\$0

Drill Sites and Sumps  
Drill Sites < 30% slopes  
Drill Sites > 30% slopes  
Drill Sites Cross Country  
Sumps

Number  
47  
0  
0  
47

Recontouring Cost  
Recontouring Cost  
Ripping Cost  
Recontouring Cost

\$1,624  
\$0  
\$0  
\$1,038

Manpower  
\$34.40  
\$110.20  
\$4.94  
\$22.00

Equipment  
\$43.20  
\$138.40  
\$2.03  
\$26.80

Cost each  
\$77.60  
\$248.60  
\$6.97  
\$48.80

Pad & Sump  
Reclamation  
\$3,663  
\$0  
\$0  
\$2,303

Trenches  
Cross Country Travel

Linear Feet  
0  
5,916

Recontouring Cost  
Ripping Cost

\$0  
\$167

Manpower  
\$0.95  
\$0.03

Equipment  
\$1.73  
\$0.01

Cost/Linear Foot  
\$2.67  
\$0.04

\$0  
\$235

Total Disturbance

Slope Acres  
4.52

Revegetation Cost

\$330

Manpower  
\$73.00

Equipment  
\$62.00

Cost/Acre  
\$437.50

\$1,977

150 miles Mobilization  
150 miles Mobilization

\$356  
\$563

Mobilization Cost-excavator  
Mobilization Cost-dozer

\$356  
\$563

Manpower  
\$356.17  
\$563.21

Equipment  
\$418.11  
\$777.77

Mob+Demob  
\$774.28  
\$1,340.98

\$774  
\$1,341

Drill Holes Open  
Feet of Open Holes - Wet  
Feet of Open Holes - Dry  
Feet of Casing to Pull

#Feet  
16875  
16875

Plugging Cost - Wet  
Plugging Cost - Dry  
Pulling Casing

\$7,121  
\$0  
\$27,793

Manpower  
\$0.42  
\$0.48  
\$1.65

Equipment  
\$1.49  
\$0.23  
\$5.39

Cost/Feet  
\$2.50  
\$0.75  
\$7.03

Drill Hole Plugging  
\$42,171  
\$0  
\$118,692

150 miles Mobilization  
150 miles Mobilization

\$1,412  
\$0

Mobilization Cost - Wet  
Mobilization Cost - Dry

\$1,412  
\$0

Manpower  
\$1,412.16  
\$313.20

Equipment  
\$2,510.52  
\$168.65

Mob+Demob  
\$3,922.68  
\$481.85

\$3,923  
\$0

Disturbance Type	Total Acres	Total Linear Feet	Slope Acres
Roads	0.00	0	0.00
Drill Sites	2.86		2.94
Sumps	0.77		0.77
Trenches	0.00	0	0.00
Cross Country	0.81	5,916	0.81
<b>Total Notice acres</b>	<b>4.46</b>		<b>4.52</b>

green cells with blue font is for user input  
yellow cells are unit costs

Insurance  
Bond  
Contractor Profit  
Contract Administration  
Indirect Costs

1.5% Labor Cost  
3% Total Reclamation Cost  
10% Total Reclamation Cost  
10% Total Reclamation Cost  
21% of Contract Administration Cost

Total Labor  
\$40,405

Total Reclamation Cost  
\$175,069

\* Bond required only if total reclamation cost > \$100,000

Total Administration Cost  
\$44,548

Financial Guarantee

Cost per acre

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.2. Cost Data are from August 1, 2007. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
2. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat, "drivable" part of the road without any safety berms.	
3. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
4. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
5. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada. Area pay = \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workman's Comp = 9.50%.	
9. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workman's Comp = 9.50%.	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scuffles, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length. Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.	
13. On Cross Country Drill Sites, the disturbed area is topped by a Cat D6 size dozer. One Sump is assumed for each Drill Site. The assumed dimensions are 10 feet wide, 20 feet long and 5.75 feet deep. (50 CY)	
On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
On Drill Sites >30% slopes sumps are assumed to be within the 30 foot, 83 foot dimension of the Drill Site.	
14. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.	
15. Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
16. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.	
17. Mobilization and Demobilization are based on 150 miles one way to project and are based on the 2007 SRCE & RSMeans with Davis-Bacon Mobil/Demob worksheet. Travel times are assumed to be 2.73 hours one way to the project.	
18. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
19. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry. If a drill hole is drilled deeper than the static water level it is considered a well hole and must be abandoned as an Open Hole - Wet.	
20. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.	
21. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	

Nevada BLM, April 8, 2008



85240  
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Mount Lewis Field Office

50 Bastian Road

Battle Mountain, Nevada 89820

<http://www.nv.blm.gov/battlemountain>

(775) 635-4000 or [bmfwweb@nv.blm.gov](mailto:bmfwweb@nv.blm.gov)



In Reply Refer To:  
3809 (NV062)  
NVN-083245  
(08-3A)

SEP 23 2008

C. Seill 9/22/08  
A. Hummer 9/22/08

CERTIFIED MAIL NO. 7006 2150 0000 0369 5389

Return Receipt Requested

**DECISION**

Eureka Moly LLC	:	
Attn: Brian Musser, Environmental Manager	:	Surface Management
2215 North 5 <sup>th</sup> St.	:	
Elko, NV 89801	:	

**Amended Notice Accepted**

The Eureka Moly LLC (EML) Notice amendment for the Kobeh Valley Central-B Project was received in this office on September 10, 2008. The Notice has been assigned Bureau of Land Management (BLM) case file number NVN-083245(08-3A). Please refer to this number in any future communication concerning this project. The Project is located in MDB&M., T. 22 N., R. 51 E., sections 20, 21, 30, & 32.

Your Notice amendment proposes modification of the completion depths of the Observation and Test Wells, but there is no anticipated change in surface acre disturbance. The combined maximum depth of all Observation and Test Wells will increase from 15,285 feet to 16,875 feet.

The BLM has reviewed the Notice amendment and determined it is complete, containing all the information required by the surface management regulations at 43 CFR 3809.301. The BLM has reviewed the proposed operation and determined it would not result in unnecessary or undue degradation as defined by 43 CFR 3809.5.

**Cultural Resources** – The Native American Graves Protection and Repatriation Act (NAGPRA) (43 CFR 10), protects items of cultural patrimony, Native American funerary items, Native American remains and sacred objects. The Archaeological Resources Protection Act (43 CFR 7.4, 7.14, 7.15, 7.16) provides for civil and/or criminal penalties for the disturbance of archaeological resources on federal lands and if such disturbance is the result of activities conducted by EML, they could be liable for such damages. If cultural resources, Native American remains, funerary items, sacred items, or objects of cultural patrimony are discovered, EML must cease operations in the vicinity of the discovery and ensure adequate protection, then notify the BLM immediately, by telephone, with written confirmation

to follow (43 CFR 10.4 (c), (d), (g); Nevada State Protocol Agreement VIII (b)). Notification should be made to Doug Furtado, Field Manager, Mt. Lewis Field Office, 50 Bastian Road, Battle Mountain, NV, 89820, (775-635-4000). No activity in the vicinity of the discovery should resume until EML has been issued a Notice to Proceed by the Authorized Officer.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$219,618** is sufficient to meet all anticipated reclamation requirements. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

Line items in the approved reclamation cost estimate are not to be considered as the limits of the reclamation expenditures should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This amount may be spent as the BLM deems necessary to implement the approved reclamation plan. Nor does the financial guarantee amount represent reclamation liability limits or constraints should the actual cost of reclamation exceed this amount.

Required Financial Guarantee - A financial guarantee in the amount of **\$219,618** must be submitted to and accepted by the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006. You must receive written notification from that office accepting and obligating your financial guarantee before you begin any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the Branch of Minerals Adjudication at 775-861-6599 for further information on the adjudication of financial guarantees.

BLM's review of your proposed operations, determination that your Notice is complete, finding that the activity will not cause unnecessary or undue degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to comply with all applicable Federal, State and local laws, regulations, and permit requirements. You are responsible for preventing any unnecessary or undue degradation and for reclaiming all lands disturbed by your operations.

This decision does not constitute certification of ownership to any entity named in the Notice amendment, recognition of the validity of any associated mining claims, or recognition of the economic feasibility of the proposed operations.

Term of Notice - Your Notice will remain in effect for two years from the date of the original decision of April 18, 2007 unless you notify this office beforehand that operations have ceased and reclamation is complete. If you wish to conduct operations for another two years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333. You will also have to submit an updated cost estimate at that time.

Appeal of the Decision Determining the Required Financial Guarantee Amount - If you do not agree and are adversely affected by this decision, you may request that the Nevada BLM State Director review this decision. If you request a State Director Review, the request must be received in the Nevada BLM State Office at, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive or have been notified of this decision. The request for State Director Review must be filed in accordance with the provisions in 43 CFR 3809.805. This decision will remain in effect while the State Director Review is pending, unless the State Director grants a Stay. If you request a Stay, you have the burden of proof to demonstrate that a Stay should be granted.

If the State Director does not make a decision on your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You may contact the BLM State Office to determine when BLM received the request for State Director Review. You have 30 days from the end of the 21-day period in which to file your Notice of Appeal with this office at 50 Bastian Rd, Battle Mountain, NV 89820 which we will forward to IBLA.

If you wish to bypass a State Director Review, this decision may be appealed directly to the IBLA in accordance with the regulations at 43 CFR 3809.801(a)(1). Your Notice of Appeal must be filed in this office within 30 days from receipt of this decision. As the appellant, you have the burden of showing that the decision appealed from is in error. The Enclosed *BLM Form 1842-1* contains further information on taking appeals to the IBLA.

Contact -If you have any questions pertaining to this decision, please contact Casey Strickland, Environmental Protection Specialist, at 775-635-4017 or at the above address.

**/s/ Douglas W. Furtado**

Douglas W. Furtado  
Field Manager  
Mount Lewis Field Office

Enclosures

cc: BLM, Branch of Minerals Adjudication, (NV-923)

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AMENDED IN WO FORMAT\Eureka  
Moly\EurekaMoly\_KVCentralB\_83245\_083A\_September2008.doc





80245  
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

OCT 01 2008

DECISION

Obligor:	:	
Eureka Moly, LLC	:	BLM Bond Number: NVB000912
1726 Cole Blvd., Suite 115	:	Bond Amount Accepted: \$817,331
Lakewood, CO 80401	:	

Obligation Under Statewide Bond Adjusted

The BLM Nevada State Office (NSO) currently holds BLM bond number NVB000912 with Eureka Moly, LLC, as principal, in the amount of \$817,331. The bond provides coverage for surface reclamation activities on operations conducted by Eureka Moly, LLC on lands in Nevada under the regulations at 43 CFR 3809.

On September 23, 2008, the BLM Mount Lewis Field Office reduced the reclamation cost estimates on N-81811, the Kobeh Valley Central-C Project, and N-83246, the Kobeh Valley Central-A Project to \$152,879 and \$96,367, respectively.

The BLM Mount Lewis Field Office also increased the reclamation cost estimates on N-83245, the Kobeh Valley Central-B Project, and N-81485, the Tails #2 Project, to \$219,618 and \$90,066, respectively.

Effective the date of this Decision, notices are obligated to the bond as shown in the table below.

Operations Number	Operations Name	Bond Amount Obligated
N-80914	Mount Hope East	\$ 92,570
N-81485	Tails #2	\$ 90,066
N-81811	Kobeh Valley Central-C	\$ 152,879
N-83120	Mount Hope West	\$ 114,685
N-83245	Kobeh Valley Central-B	\$ 219,618
N-83246	Kobeh Valley Central-A	\$ 96,367
Total Obligations Under NVB000912		\$ 766,185

Considering the bond amounts accepted and obligated, \$51,146 remains available under BLM bond number NVB000912 for new operations or amendments to existing operations.

If you have any questions, please call Lacy Trapp at 775-861-6599, or send electronic mail to Lacy\_Trapp@nv.blm.gov.

**Elaine M. Lewis**  
**FOR** Atanda Clark  
Chief, Branch of Minerals Adjudication

cc:  
General Moly Inc.  
Attn: Brian Musser  
455 8<sup>th</sup> Street  
Elko, NV 89801

NV060 (CStrickland)  
NV920 (SMurrellwright)

BLM, Frank Bergwall

JA3547

Files Currently on the CD

- 063245\_Done
- 01-14-08-Letter.pdf
- 01-24-08.pdf
- 02-06-07.pdf
- 02-07-2008.pdf
- 02-14-08-Letter.pdf
- 02-19-2008.pdf
- 02-19-2010 Extension.pdf
- 02-22-07.pdf
- 02-24-2010-WN90914 Extensi.
- 02-26-08-Letter.pdf
- 02-27-08-Letter.pdf
- 02-28-08-Letter.pdf
- 03-05-08-bond letter.pdf
- 03-12-08 Letter.pdf
- 03-15-2010-8LM Letter.pdf
- 03-20-2006.pdf
- 03-27-2006-E-mail.pdf
- 03-28-2006.pdf
- 03-28-2006-RCE.pdf
- 04-04-07.pdf
- 04-13-06.pdf
- 04-22-09 Fax.pdf
- 05-01-2006.pdf
- 05-02-2006.pdf
- 05-12-06.pdf
- 05-31-07 8LM Letter.pdf
- 06-04-07 Eureka Moly Letter.pdf
- 06-08-07.pdf
- 06-15-07.pdf

File and Folder Tasks

- Make a new folder
- Publish this folder to the Web
- Share this folder

Other Places

- My Recent Places
- My Documents
- My Network Places

Details

Size	Type	Date Modified	Location
File Folder			
90 KB	Adobe Acrobat Docu...	10/20/2010 12:18 PM	Files Currently on th...
603 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
991 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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Address E:\Done\_080914

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08-27-07-Email.pdf	29 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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10-31-06.pdf	161 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
10-31-2005 Mt Hope Letter.pdf	375 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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12-15-2006-RCE.pdf	1,134 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
12-20-06.pdf	459 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
12-21-06.pdf	71 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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Amendment.pdf	976 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
Baseline Drilling Activities.pdf	858 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
Baseline Report.pdf	286 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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Decision Letter.pdf	188 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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Amendment.pdf	976 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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Baseline Report.pdf	266 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
BUM Letter 01-07-2010.pdf	92 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
Bond Letter.pdf	80 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
Decision Letter.pdf	188 KB	Adobe Acrobat Docu...	10/20/2010 12:16 PM	Files Currently on th...
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## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

**JAN 14 2008**

### DECISION

Obligor/Operator:	:		
General Moly, Inc.	:	BLM Bond Number:	NVB000567
N. 10 Post St., Suite 610	:	Bond Amount Accepted:	\$466,309
Spokane, WA 99201	:		

### Corporate Merger Recognized

Effective November 3, 2005, the BLM Nevada State Office (NSO) accepted BLM bond number NVB000567 from Idaho General Mines, Inc., as principal. The bond, currently in the amount of \$466,309, provides coverage for surface reclamation activities on operations conducted by Idaho General Mines, Inc. pursuant to regulations at 43 CFR 3809 on lands in Nevada.

On January 8, 2008, the NSO received acceptable evidence, articles of merger, concerning the merger of Idaho General Mines, Inc. with and into General Moly, Inc. with General Moly, Inc. being the surviving entity. We recognize the merger effective October 5, 2007, as certified by the Secretary of State of the State of Delaware. Therefore, by operation of law, all related BLM records are now in the name of General Moly, Inc.

Bond obligations for BLM bond number NVB000567 are shown in the table below.

Operations Number	Operations Name	Bond Amount Obligated
<del>N-80914-11</del>	Mount Hope East	\$ 56,736
N-81811	Mount Hope	\$ 28,309
N-83120	Mount Hope West	\$ 102,671
N-83245	Central "B" Well	\$ 78,629
N-83246	Central "A" Well	\$ 52,343
<b>Total Obligations Under NVB000567</b>		<b>\$ 318,688</b>

Considering the amount of BLM Bond Number NVB000567 and the amount currently obligated for surface reclamation, \$147,621 remains available for future amendments or new operations.



If you have any questions, please call Lacy Trapp at 775-861-6599; send facsimile to 775-861-6710; write to the attention of NV923z at the address on the letterhead; or send electronic mail to Lacy\_Trapp@nv.blm.gov.

**ATANDA CLARK**

Atanda Clark  
Chief, Branch of Minerals Adjudication

cc:  
Idaho General Mines, Inc.  
Attn: Brian Musser  
455 8<sup>th</sup> Street  
Elko, NV 89801

NV060 (SDrummond, LMarine)  
NV923 (CDragon)

80914

### Return Receipt

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Duane Crimmins/BMFO/NV/BLM/DOI  
at: 01/24/2008 01:50:46 PM

### Return Receipt

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Daniel Aguirre/BMFO/NV/BLM/DOI  
at: 01/24/2008 01:58:11 PM

### Return Receipt

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Cory Gardner/BMFO/NV/BLM/DOI  
at: 01/24/2008 01:58:52 PM

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was received by: Charles Lane/BMFO/NV/BLM/DOI  
at: 01/24/2008 02:05:32 PM

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was received by: Donovan Walker/BMFO/NV/BLM/DOI  
at: 01/24/2008 02:12:24 PM

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was received by: Stephen Drummond/BMFO/NV/BLM/DOI  
at: 01/24/2008 02:29:47 PM

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was received by: Michael Vermeys/BMFO/NV/BLM/DOI  
at: 01/24/2008 02:43:39 PM

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Your document: Notice Amendment NVN-080914 08-1A  
was received by: Jason Spence/BMFO/NV/BLM/DOI  
at: 01/24/2008 02:52:31 PM

### Return Receipt

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Sheila Mallory/BMFO/NV/BLM/DOI  
at: 01/24/2008 03:01:35 PM

## **Return Receipt**

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Lisa Walker/BMFO/NV/BLM/DOI  
at: 01/24/2008 03:29:43 PM

## **Return Receipt**

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Christopher Cook/BMFO/NV/BLM/DOI  
at: 01/25/2008 07:07:23 AM

## **Return Receipt**

Your document: Notice Amendment NVN-080914 08-1A  
was received by: Shawna Richardson/BMFO/NV/BLM/DOI  
at: 01/31/2008 08:57:42 AM



## GENERAL MOLY, INC.

2215 N. 5<sup>th</sup> Street  
Elko, Nevada 89801  
Phone: 775-753-5009  
Fax: 775-753-7722  
Email: [bmusser@generalmoly.com](mailto:bmusser@generalmoly.com)  
Website: [www.generalmoly.com](http://www.generalmoly.com)

January 23, 2008

Mr. Craig Smith  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

Dear Mr. Smith:

RE: Amendment to Notice NVN-080914 (07-4A) – East Side Tuff Piezometers  
3809 (NV063)

This is to inform the Bureau of Land Management (BLM) that General Moly, Inc. (General Moly) is amending Notice 080914 by adding seven new piezometers at four site locations (Table 1) in the area of the east side tuff adjacent to the proposed pit (Figure 1) area to obtain data for the Mount Hope Environmental Impact Statement analysis. All of the piezometers will be established on existing exploration disturbance (i.e., roads) and no new disturbance is proposed for this amendment.

**Table 1: Depths and Locations, East Side Tuff Piezometers**

Site	Piezometer Type	Anticipated Depth (ft)	Easting <sup>1</sup>	Northing <sup>1</sup>
A	Deep	1,200	14,451,097	1,878,063
	Shallow	600		
B	Deep	700	14,449,430	1,876,127
	Shallow	350		
C	Deep	1,000	14,455,437	1,877,674
	Shallow	500		
D	Deep	800	14,449,117	1,873,852

<sup>1</sup>NAD 83, feet

The piezometers will be constructed as monitor wells/piezometers using applicable Nevada Division of Water Resources NAC 534 design requirements. The drill holes will be six inches in diameter to create four-inch spacing between the two-inch PVC casing and the outside wall of the drill hole (Plate 1).

Because the installation of these piezometers will not require any new surface disturbance, the reclamation cost estimate includes only the well abandonment costs and the administrative costs. For the purposes of calculating the reclamation cost, General Moly used the anticipated depths from Table 1. Reclamation costs for the existing disturbance have been included in the previous notice reclamation cost estimate (i.e., costs for road, drill pad, etc. reclamation). General Moly used the Notice\_ModelFY2007 cost estimator for calculating reclamation costs (Attachment 1).

Mr. Craig Smith  
January 23, 2008  
Page 2 of 2

The assumptions used in the reclamation cost estimate are:

- PVC casing would be left in place and filled with grout; and
- The 50 feet of surface steel casing would be pulled.

The reclamation cost estimate associated with the work described in this Notice Amendment is attached for your review and approval.

If you have any questions regarding this request, please contact me at 753-4988.

Very truly yours,



Brian J. Musser  
Environmental Manager  
Mt. Hope Project

Attachment: Plate 1- Piezometer Construction Detail  
Figure 1 – General Moly, Inc. Mount Hope East Side Tuff Piezometer Locations  
Attachment 1 - Reclamation Cost Estimate

cc: Andy Russell, General Moly, Inc.  
Pat Rogers, General Moly, Inc.

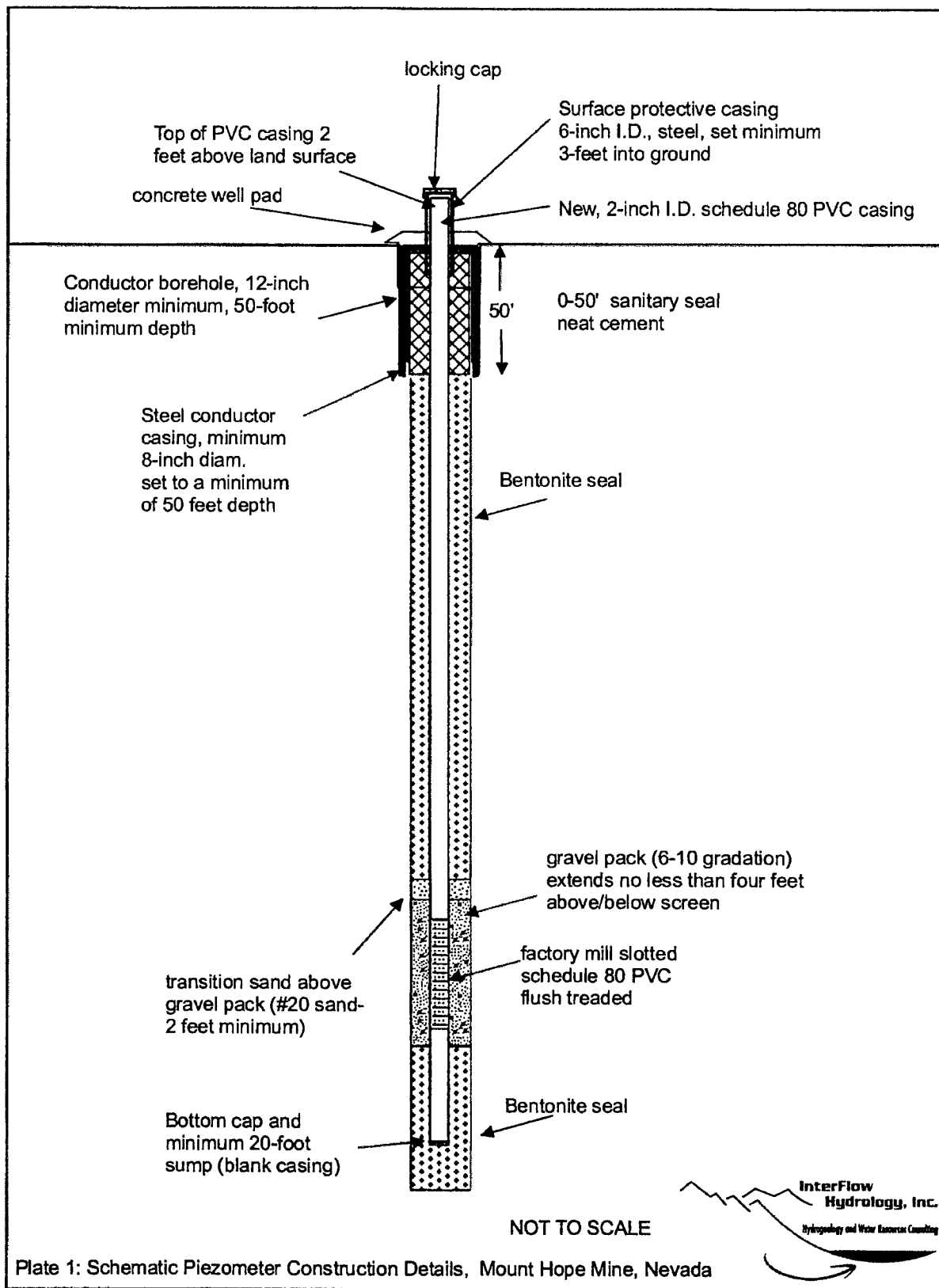
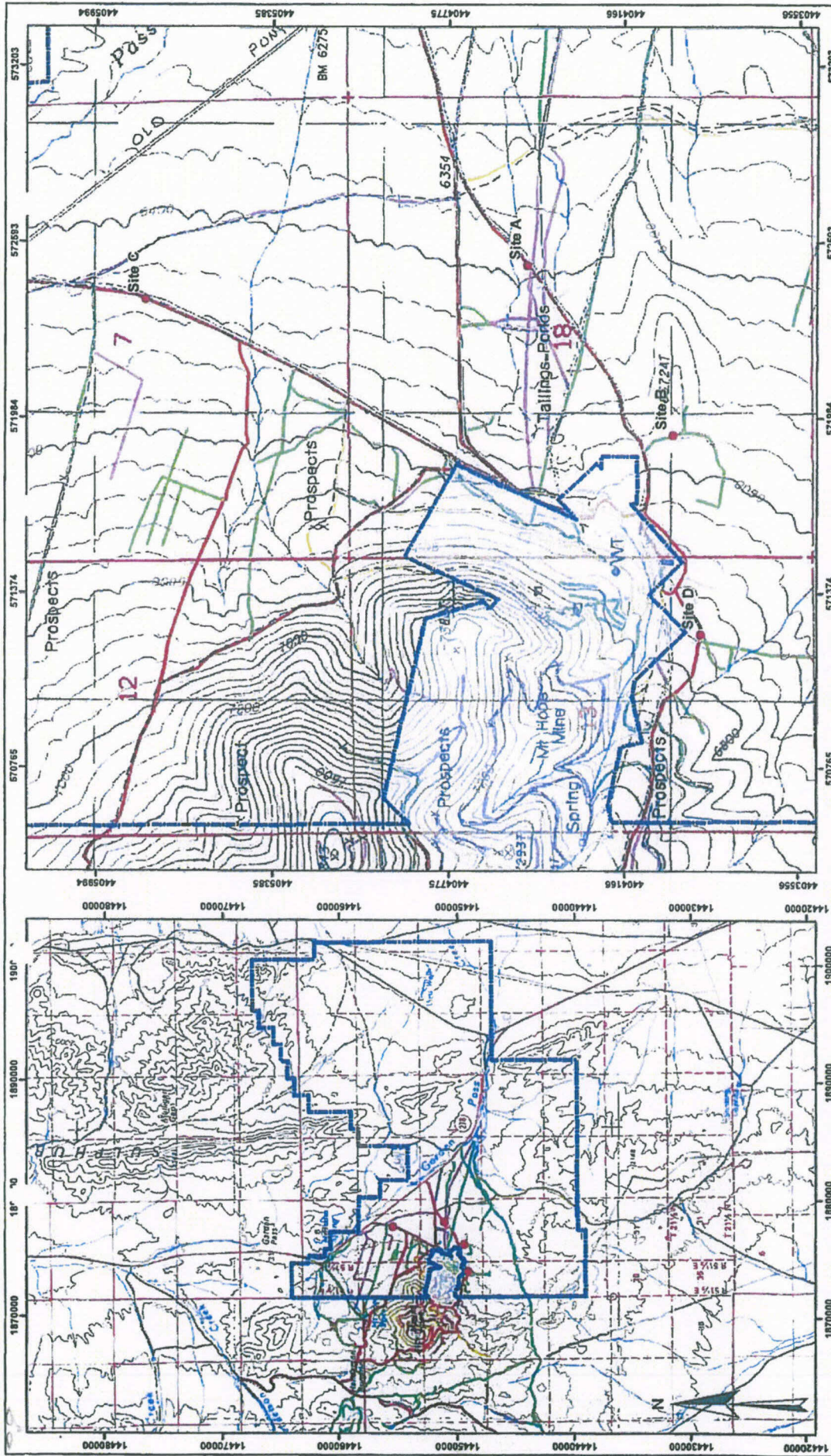


Plate 1: Schematic Piezometer Construction Details, Mount Hope Mine, Nevada





**SRK Consulting**  
Engineers and Scientists

**FIGURE 1**  
**GENERAL MOLY, INC**  
**MOUNT HOPE**  
**EAST SIDE TUFF**  
**PIEZOMETER LOCATIONS**

SCALE: AS SHOWN  
JOB NO. 15194  
DATE 07/20/2011

DESIGNED	DRAWN	CHECKED	APPROVED	REVISED

COORDINATES: UTM 48Q UTM 11S 11E 11S 11E 11S 11E

**Proposed Piezometer Locations**

**Private Lands**

**Amended Notice 080914**

**Road Designations**

**Tertiary**

**Reclaimed**

**Unknown**

[illegible]



Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet									
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.									
1.	There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.								
2.	All slopes over 30% (>30%) are assumed to have a slope of 40%.								
3.	All Roads in this worksheet are assumed to have a 14 foot wide dimension across the full "drivable" part of the road without any safety berms.								
4.	All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.								
5.	All Road and Drill Sites cut banks are assumed to have a 60 degree slope.								
6.	All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.								
7.	Roads are linear features and the units required for input to this worksheet are in linear feet.								
8.	Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.								
9.	Equipment operator Manganese cost is based on Davis-Bacon wage rates for Northern Nevada.								
10.	Area pay= \$3.00 per hour. FICA = 7.65%. Unemployment = 3% and Workman's Comp= 10.75%								
11.	Revegetation cost is based on the cost of use of a D4 class dozer which scuffles, seeds and drags the seed in on one pass.								
12.	Revegetation costs are based on a per acre basis.								
13.	Drill Sites recontouring cost is based on a standard pad width and length.								
14.	On Drill Sites <30% slopes sumps are assumed to be outside the Drill Site.								
15.	On Drill Sites >30% slopes sumps are assumed to be within the 30 foot * 83 foot dimension of the Drill Site.								
16.	Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.								
17.	Recontouring earthwork for Roads, Drill Sites, and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.								
18.	Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seedling width on one pass.								
19.	Mobilization and Demobilization are based on 150 miles one way to project and are based on 2008 Vega Construction and Trucking quotes.								
20.	Travel times are assumed to be 2.73 hours one way to the project.								
21.	Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.								
22.	If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.								
23.	All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.								
24.	If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.								
25.	If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.								
26.	Mobilization for Drill Holes - Open for Open Hole - Wet will include one drilling plus crew and support equipment.								
27.	Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.								
28.	Mobilization for Drill Holes - Open for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								
29.	Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).								
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Nevada BLM, January 17, 2007									



## IDAHO GENERAL Mines, Inc. RECEIVED-MAILROOM

10 N Post Street, Suite 610  
Spokane, WA 99201  
Phone: 509 838 1213  
Fax: 509-838-0457  
Email: [info@idahogeneralmines.com](mailto:info@idahogeneralmines.com)  
Website: [www.idahogeneralmines.com](http://www.idahogeneralmines.com)

2007 FEB -6 PM 12:33

February 5, 2007

Mr. Stephen Drummond  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: NVN-080914 (07-3A), 3809 (NV063)

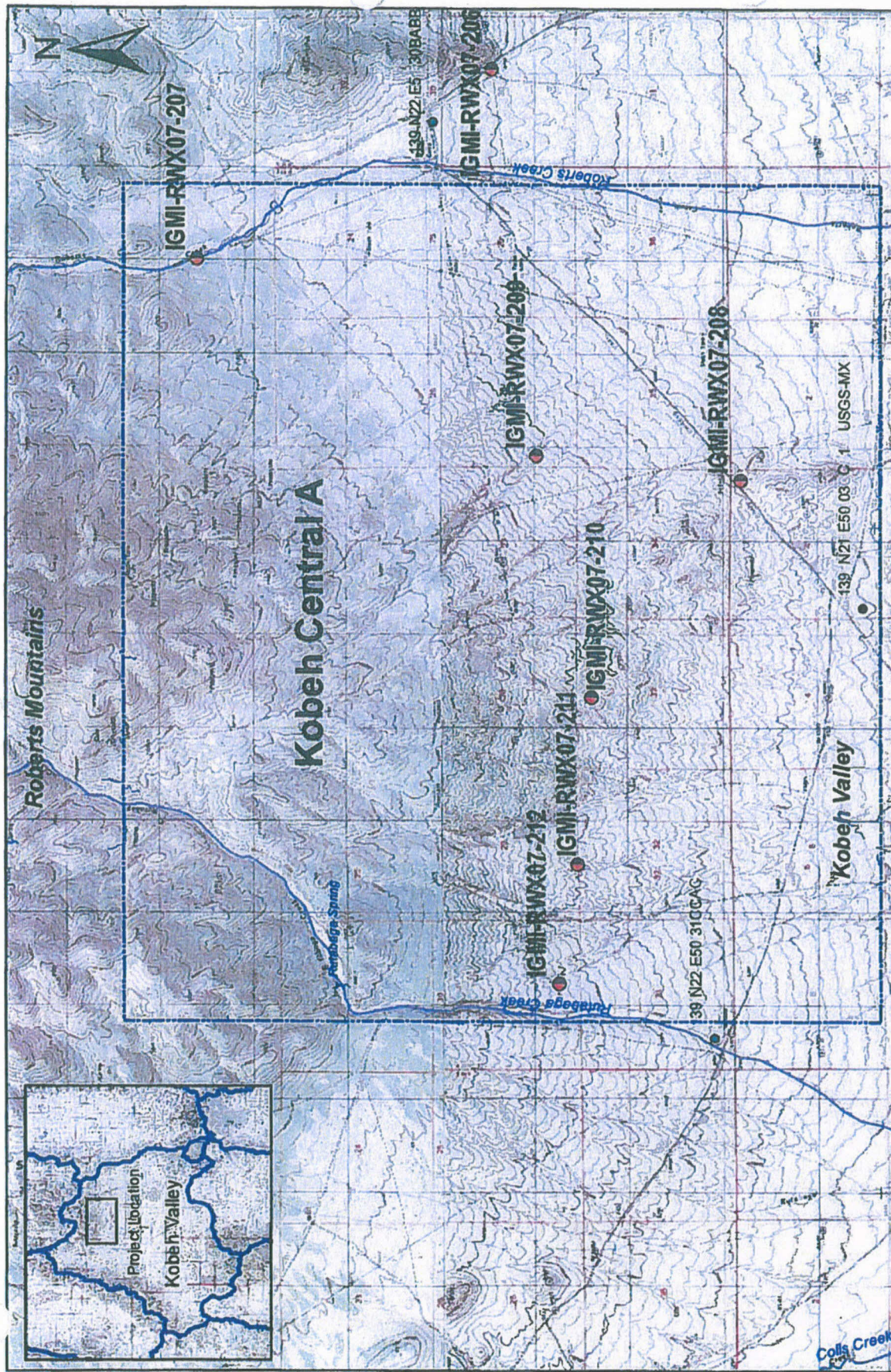
Dear Mr. Drummond:

Idaho General Mines, Inc. (IGMI) is requesting an administrative amendment to the Mount Hope Mine Notice, Bureau of Land Management (BLM) case file NVN-080914. The purpose of the amendment is to divide the existing notice boundary into two separate notice areas.

The total disturbance to date is 4.29 acres. This is 0.46 acres less than what has been approved due to an error in calculating the disturbance associated with the access to Test Pit 40. This was previously calculated based on a road length of 1,040 meters, instead of 316 meters (1,040 feet) and a disturbance width of 25 feet instead of an overland travel width of 13 feet. In addition, some of the drill holes permitted in previous amendments used existing pads from holes that were previously drilled and plugged. It is not clear in tracking though the various Notices that the acreage has been accurately tracked. IGMI requested that SRK compile a list of the disturbance as part of this administrative amendment (Table 1).

This existing Notice (NVN-080914) would be amended to include all of the test pits, bore holes, wells, and roads east of Range 51 ½ East with a total of 2.293 acres of existing disturbance. The new Notice would include all of the test pits, bore holes, wells, and roads west of Range 51 ½ East with a total of 1.999 acres of existing disturbance. Figure 1 shows the existing disturbance, boundaries of the proposed Notices, and the footprint of the waste rock disposal facility for the Mount Hope Project. This figure also shows the centroids of the existing disturbance in both Notices. Table 1 displays the disturbance from the test pits, bore holes, wells, and roads associated with each notice.





- Explanation**
- Proposed Well Site
  - Existing Well Location
  - Springs
  - Hydrologic Basin Boundary
  - Generalized Well Field Area

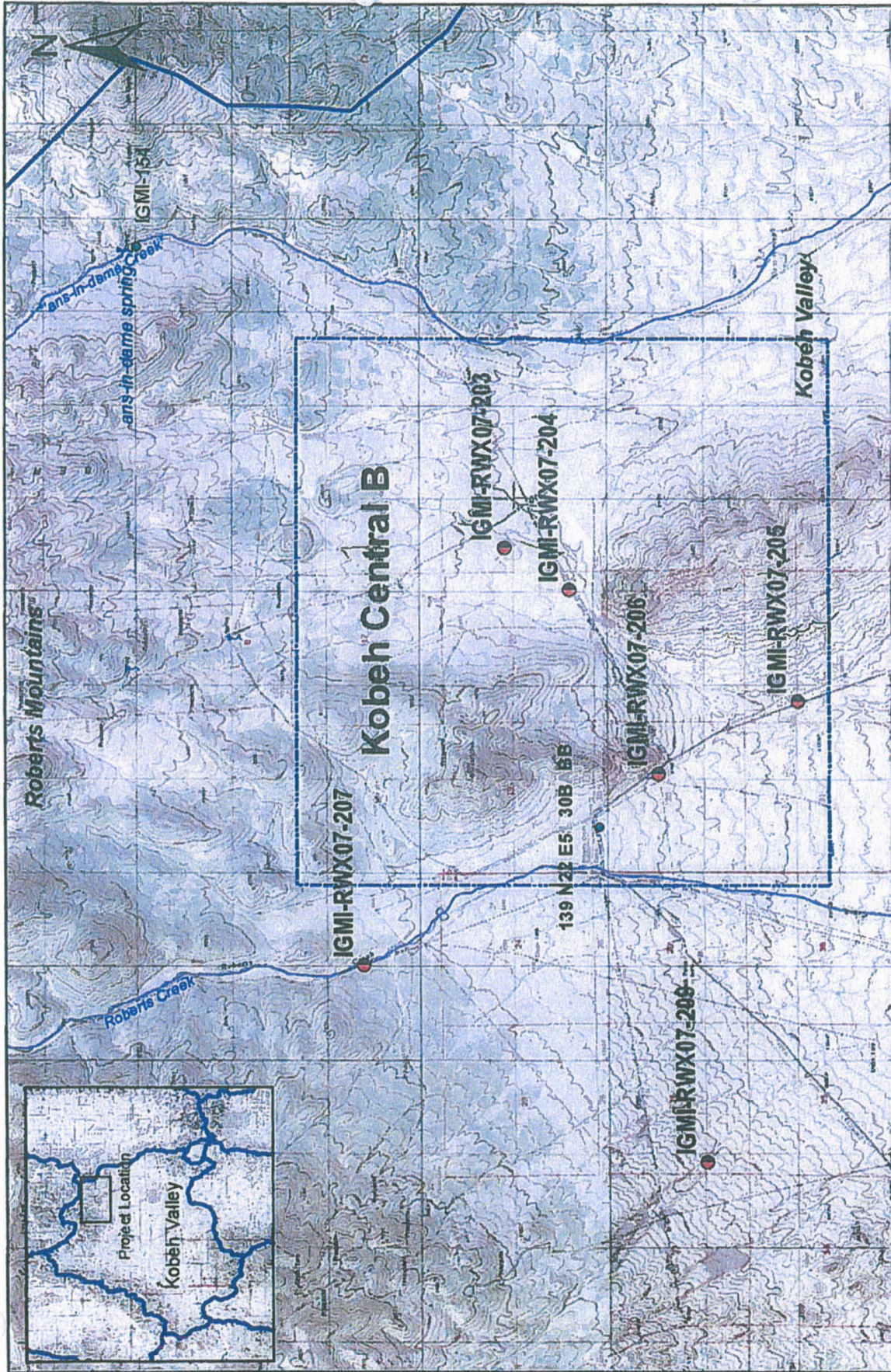
0 0.3 0.6 1.2 1.8 2.4 3 Miles

**Idaho General Mines, Inc.**  
**Kobeh Valley Exploration Wells**  
**Figure 2**  
**Kobeh Valley Central Well Field A Detail**

**InterFlow**  
**Hydrology, Inc.**  
 Hydrogeology and Water Resources Consulting

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**Idaho General Mines, Inc**  
**Kobeh Valley Exploration Wells**  
**Figure 3**

**Kobeh Valley Central Well Field B Detail**



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In the event that one or more of the test wells is completed in a highly transmissive zone that is capable of supplying large volumes of water with limited drawdown, the aquifer test will be continued until the drawdown has stabilized to less than 0.1 ft of additional drawdown per hour for six consecutive hours. In such instances the well will be pumped for at least 72 hours before termination.

## **Well Discharge**

### **Rates**

Pumping rates will be measured with totalizing flow meters. An orifice plate will be used to compare with flow meter readings. Totalizing meter and orifice plate readings will be initially taken on ten-minute intervals until flow from the test well has stabilized at a relatively constant rate ( $\pm 5$  percent of the average desired pumping rate), transitioning to every couple of hours after initial startup for the first day, then to daily thereafter.

### **Conveyance of Discharged Water**

All well discharge will occur under temporary discharge permits from Nevada Division of Environmental Protection (NDEP). Discharge conveyance will be done with temporary irrigation piping or hose laid overland with minimal disturbance of land surface. Discharge will be conveyed away from the test well and any observation wells, with an anticipated minimum conveyance distance of 1,000 feet. Discharge will be to an ephemeral drainage in the vicinity of the test well, and away from any perennial streams. Water dispersion will be conducted at the discharge point, using a dispersion pipe (section of perforated pipe), and standard BMP practices will be employed to minimize any erosion associated with the temporary discharge. The discharged water will be allowed to infiltrate in an ephemeral wash under undisturbed conditions, and will not be impounded or otherwise dispersed, subject to NDEP approval.

### **Water Chemistry Data Collection**

General water chemistry samples will be collected from the pumping well during the start of pumping (within the first couple hours) and near the end of pumping. The water samples will be analyzed for common ions, common trace elements (iron, manganese, and arsenic), pH, total dissolved solids, stable isotope ratios of oxygen and hydrogen. Additional analyses for carbon isotopes and tritium may be conducted on select wells to compliment regional flow system evaluations. Streams and springs within the aquifer testing network will additionally be sampled and analyzed for the above constituents.

### **Data Evaluation**

Aquifer testing data will be evaluated to determine aquifer transmissivity, storage coefficients, identify presence of boundary conditions, and to make predictions of production well yield and sustainability. The aquifer testing data will also integrate into other evaluations of aquifer connections and flow systems. In addition, data generated from aquifer testing will be integrated into the numeric flow model for predicting long-term responses to well field pumping.

## References

SRK Consulting, Inc., 2007a, Amendment to Kobeh Valley Central-A Well Field Drilling Notice; Prepared for Idaho General Mines, Inc., 5pp.

\_\_\_\_\_, 2007b, Amendment to Kobeh Valley Central-B Well Field Drilling Notice; Prepared for Idaho General Mines, Inc., 5pp.

Stallman, R.W., 1971, Aquifer Test Design, Observation, and Data Analysis, Chapter B1, Book 3 Applications of Hydraulics, Techniques of Water-Resources Investigations of the United States Geological Survey, 19pp.

Walton, W. C., 1987, Groundwater Pumping Tests Design and Analysis, National Water Well Association and Lewis Publishers, 104 pp.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

JUN 25 2008

### DECISION

**Obligor:**

Eureka Moly, LLC  
1726 Cole Blvd., Suite 115  
Lakewood, CO 80401

:  
:  
:  
:  
:

BLM Bond Number:  
Bond Amount Accepted:

NVB000912  
\$817,331

### Bond Rider Accepted

### Obligation Under Statewide Bond Adjusted

The BLM Nevada State Office (NSO) currently holds BLM bond number NVB000912 with Eureka Moly, LLC, as principal, in the amount of \$576,309. The bond provides coverage for surface reclamation activities on operations conducted by Eureka Moly, LLC on lands in Nevada under the regulations at 43 CFR 3809.

On June 17, 2008, the NSO received a bond rider from Eureka Moly, LLC, increasing BLM bond number NVB000912 to \$817,331. The rider has been examined, found satisfactory, and is accepted effective June 17, 2008.

On June 11, 2008, the BLM Mount Lewis Field Office increased the reclamation cost estimates on N-81811, the Mount Hope Project, and N-83246, the Central "A" Well Project, to \$244,038 and \$126,313, respectively. The BLM Mount Lewis Field Office also reduced the reclamation cost estimate on N-83245, the Central "B" Well Project, to \$200,568.

Effective the date of this Decision, notices are obligated to the bond as shown in the table below.

Operations Number	Operations Name	Bond Amount Obligated
N-80914	Mount Hope East	\$ 92,570
N-81485	Mount Hope	\$ 39,127
<b>N-81811</b>	<b>Mount Hope</b>	<b>\$ 244,038</b>
N-83120	Mount Hope West	\$ 114,685
<b>N-83245</b>	<b>Central "B" Well</b>	<b>\$ 200,568</b>
<b>N-83246</b>	<b>Central "A" Well</b>	<b>\$ 126,313</b>
<b>Total Obligations Under NVB000912</b>		<b>\$ 817,301</b>

Considering the bond amounts accepted and obligated, \$30 remains available under BLM bond number NVB000912 for new operations or amendments to existing operations.

If you have any questions, please call Lacy Trapp at 775-861-6599; send facsimile to 775-861-6710; write to the attention of NV923z at the address on the letterhead; or send electronic mail to [Lacy\\_Trapp@nv.blm.gov](mailto:Lacy_Trapp@nv.blm.gov).

**ATANDA CLARK**

Atanda Clark  
Chief, Branch of Minerals Adjudication

cc:

General Moly Inc.  
Attn: Brian Musser  
455 8<sup>th</sup> Street  
Elko, NV 89801

NV060 (CStrickland)  
NV923 (CDragon)



Geological and Hydrogeological  
Aquifer Testing Plan

Mount Hope Project  
Eureka County, Nevada  
June 2007

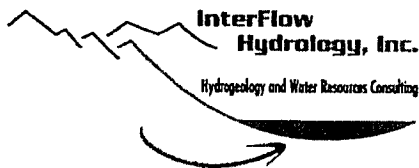


Report Prepared for

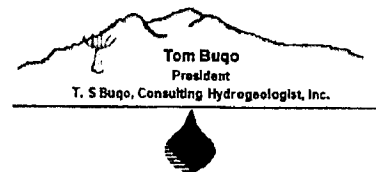
# **Kobeh Valley Central Well Field Aquifer Testing Plan**

**Mount Hope Project  
Eureka County, Nevada  
June 2007**

**Plan Prepared by**



**P.O. Box 1482  
Truckee, California, 96160  
Tel: 530-582-1622  
Fax: 530-582-1695**



**P.O. Box 127  
Blue Diamond, Nevada 89004  
Tel: 702-875-4594  
Fax: 702-875-3594**

**Cover Page: Continuous coring rig at exploration well IGMI-RWX07-203.**

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## Background

This report outlines aquifer testing plans for IGMI's Mount Hope Central Well Field exploration program. Aquifer testing will compliment the ongoing exploration drilling at the Central Well Field, which consists of two subordinate well fields situated in northern Kobeh Valley at the base of Roberts Mountain, in Eureka County (fig. 1). The plan has been based upon two primary guides for aquifer testing, "Groundwater Pumping Tests Design and Analysis" by Walton (1987), and "Aquifer-Test Design, Observation and Data Analysis (Stallman, 1971)."

## Test Well Location and Construction

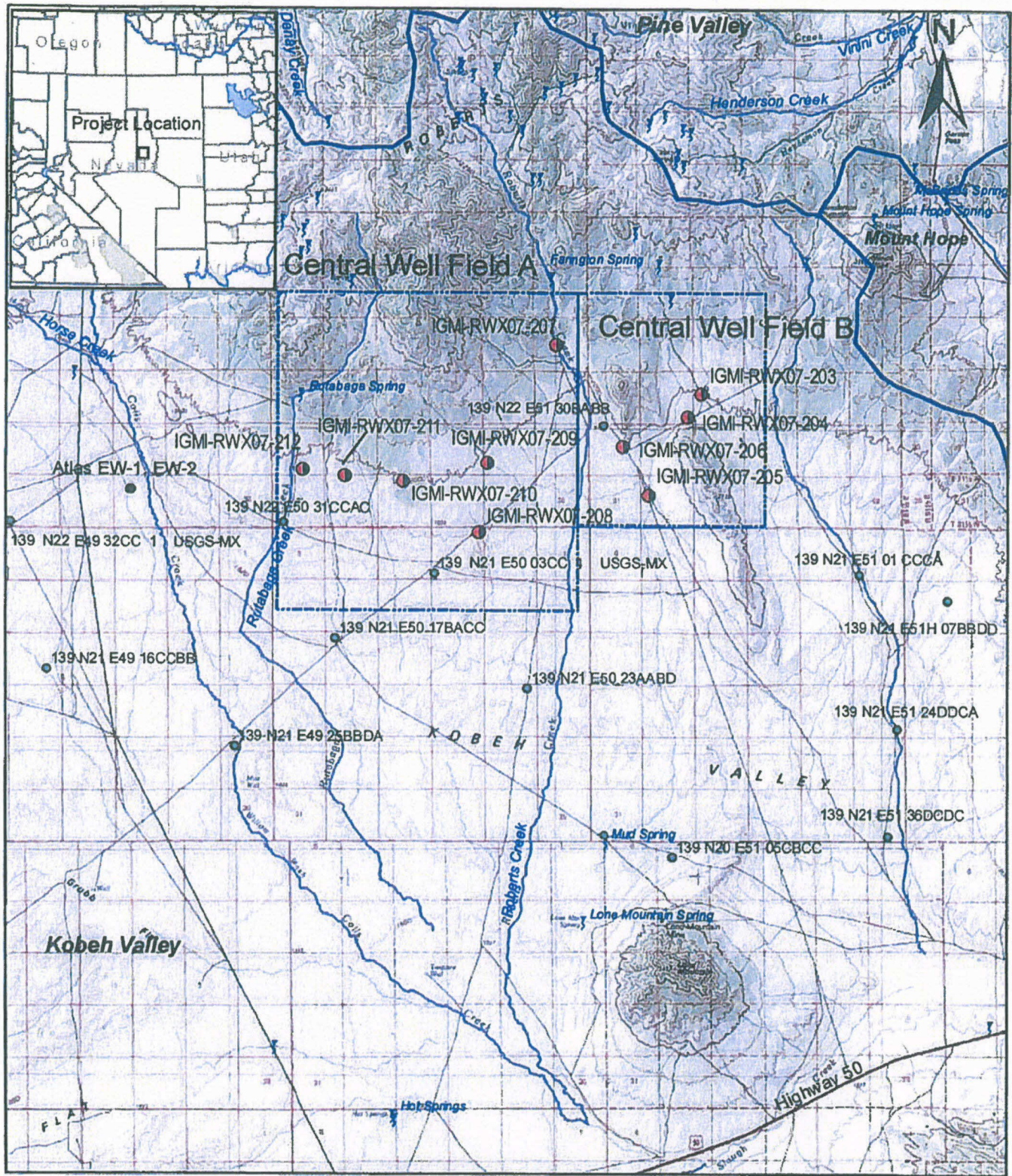
IGMI Inc. is currently actively engaged in an exploratory drilling program to develop groundwater resources adjacent to the Mount Hope mine. Ten locations have been selected based on hydrogeologic interpretations, and are presented in table 1. The exploration well sites have been divided into two groups based on location, and comprise a western set of sites, Central A, and an eastern set, Central B (SRK, 2007a, 2007b).

Table 1: Kobeh Valley Central Well Field Exploration Wells

Field and Well Number	Location, UTM NAD 83 Zone 11	
	Easting, Feet	Northing, Feet
Central Well Field A		
IGMI-RWX07-207	1837060	14444864
IGMI-RWX07-208	1829304	14425886
IGMI-RWX07-209	1830151	14432975
IGMI-RWX07-210	1821645	14431086
IGMI-RWX07-211	1815772	14431574
IGMI-RWX07-212	1811526	14432244
Central Well Field B		
IGMI-RWX07-203	1851660	14439931
IGMI-RWX07-204	1850228	14437664
IGMI-RWX07-205	1846325	14429726
IGMI-RWX07-206	1843764	14434601

IGMI plans to drill at locations RWX07-203 to -209; RWX07-210 to -212 are additional locations that may be drilled if additional exploration is needed. Each exploration site is a candidate for additional test well installation, though only 2 to 3 test wells are planned at this time. Determinations of locations to complete test wells will be based upon results of the exploration drilling. Future test wells will be situated approximately 100 feet from the exploration well, which will be utilized as an observation well during aquifer testing.





C:\ProjectData\W\Hope\GIS\Kobeh\_EXPL\_Wells.mxd

Idaho General Mines, Inc.  
Kobeh Valley Exploration Wells  
Figure 1  
Kobeh Valley Central Well Field

- Explanation**
- Proposed Well Site
  - Existing Well Location
  - Spring
  - Hydrologic Basin Boundary
  - Generalized Well Field Area



Exploration boreholes will be completed as 2-inch diameter nested piezometers, and will be completed in both the first encountered aquifer and the deeper confined and/or bedrock aquifer, when encountered. These piezometers will provide data on vertical gradients and will be used as observation wells during aquifer testing of test wells. Piezometer depths will be dependent on conditions encountered during drilling. Exploration drilling depths are planned to be up to approximately 1,600 feet, or shallower, depending on the geology. When possible, exploration drilling is being conducted with dual tube air methods, however, some drilling environments will necessitate use of conventional mud rotary.

As of the date of this report, exploration drilling has been completed at wells no. 203, 204, 205, and drilling is ongoing at 206 (fig. 3). The test wells will be designed with screened intervals in the primary aquifer, and are planned to be 8-inches minimum diameter (12-inch borehole). If multiple producing aquifers are present, the test well may be constructed to tap multiple aquifers. In this case, the screened intervals will be isolated by blank casing and a seal installed in the annular space between aquifer zones. This will allow for testing of individual aquifers via pumping isolation with packers, without data evaluation complications that occur when pumping from multiple aquifers.

Specific details of individual aquifer tests will need to be refined specifically for the conditions encountered during well construction and for the specific locations where test wells end up being completed. This Aquifer Testing Plan describes the general procedures and protocol planned for conducting the tests.

### **Types of Aquifer Testing**

Once a test well is completed and development accomplished, a step-drawdown aquifer test will be performed to gage the well capacity. The step-drawdown test involves pumping the well at varying rates and observing the drawdown response at the selected rates. Typically, 3 to 5 rates are pumped for durations of 1 to 3 hours depending on stabilization of pumping water level. From the step-drawdown test, the optimum rate for constant-rate aquifer testing can be established. A short recovery period is needed prior to starting the constant-rate aquifer tests, typically a day, but at least 95 percent recovery to starting static water level will be required prior to starting the constant-rate test. The constant-rate test will be run at an approximate constant rate for the planned test duration. Depending on the type of pump system used and the duration of the test, some brief non-pumping periods may be necessary to perform routine engine checks/maintenance; however, these rest periods will not exceed 15 minutes and will be minimized to the extent possible. If equipment failures are experienced that compromise the ability to achieve dependable analysis, the test will be terminated, the aquifer allowed to recover, and the test re-started.

## **Water Level Monitoring**

### **Equipment and Procedures**

Water level data collection during aquifer tests will rely upon pressure transducer records, with manual backup measurements made approximately daily using wireline sounders. Manual measurements will be recorded to the nearest 1/100th of a foot, and recorded on standard forms. A measurement reference point will be established for all monitoring locations. The range and sensitivity of the pressure transducers will vary depending on the proximity to the pumping well and anticipated range of drawdown, as understood from the step-drawdown testing. The frequency of transducer data collection will not exceed 1 hour intervals. Early time data for the pumping well and any nearby observation wells will be collected on a logarithmic time scale.

### **Extent of Monitoring Network**

Wells within an approximate 2-mile radius of the constant-rate aquifer test will be established as observation wells. The observation well network will include both piezometers installed during the exploration drilling, other completed test wells, existing stockwater and domestic well (for example the Roberts Creek Ranch wells), and other identified wells, subject to access.

### **Background Trend Monitoring**

Baseline water level monitoring will occur throughout the monitoring network for an aquifer test for a period of no less than 2 weeks prior to the start of testing. This will establish the natural trends in water levels fluctuation and barometric responses, if present.

### **Recovery Period**

Recovery water level monitoring will be made after all constant-rate aquifer tests for a period of time at least equal to the pumped duration.

### **Barometric Pressure and Precipitation Monitoring**

Barometric pressure will be recorded on 15-minute intervals in the vicinity of the Central Well Field. This data will allow for barometric pressure consideration and correction if responses to barometric pressure changes are observed in the water level data. Precipitation is currently being measured by the USGS northeast of Lone Mountain, and it is assumed that daily provisional records can be obtained from the USGS for purposes of evaluating aquifer testing data.

## **Stream, Artesian Well, and Spring Discharge Measurements**

### **Stream Flow**

Exploration well no. 207 is adjacent to Roberts Creek (fig. 2) and a temporary stage recorder is planned to be established in the adjacent stream, provided there is flow in the stream during the testing period. Current meter measurements will be made to rate stage to discharge. In the absence of stream flow adjacent to the well, an up-stream location where perennial flow exists may be selected, provided that the site is within about 2 miles of the well site. Exploration well no. 212 is near Rutabaga Creek (fig. 2),

and flows will be similarly gaged if stream discharge is present during the time testing occurs, if a test well is completed at this exploration location.

### **Artesian Wells**

To date, no flowing, artesian wells have been identified in the vicinity of the Central Well Field. The nearest known flowing artesian well is on the northwest side of Lone Mountain (Mud Spring Well, fig. 1), and is approximately 6 to 9 miles to the south of the test wells. The condition of this well will not facilitate accurate pressure head or discharge measurement, as most of the well discharge is occurring from the annual space outside the casing, and to a pooled body of water. No measurements are planned for the well during testing. It is possible that some of the completed exploration piezometers may produce artesian flow. In this case, the piezometer will be capped and equipped with a pressure gage. Artesian head during aquifer testing will be observed manually, or the well cap retrofitted with a pressure transducer – recorder. Greater sensitivity may be achieved with a piezotube retrofitted to the well head versus a pressure gage, depending on the magnitude of head.

### **Springs**

To date, very few springs have been identified in the vicinity of the Central Well Field. Farington Spring discharges to Roberts Creek upstream of well no. 207 approximately 1.4 miles. On May 15, 2007, the spring was observed seeping from the stream bank, and is reported to have perennial flow. However, the discharge is non-discrete and not of a magnitude that could be physically measured. Qualitative observations of the presence of discharge from the bank can be made.

Other springs in the mountain block to the north, such as “ans-in-dame” spring (fig. 3, west of Mt. Hope) and Rutabaga spring (fig. 2) may have discharges suitable for monitoring during aquifer testing, but have not been inspected as of the date of this plan. Prior to site-specific aquifer testing, additional review will be conducted for suitable spring monitoring sites. Temporary V-notch weirs may be installed to measure spring flows, if conditions are suitable.

### **Duration of Tests**

Durations of constant-rate aquifer tests will vary depending on the hydrogeologic setting and spatial distribution of observation wells. A minimum duration of pumping tests will be 1 week, and the maximum envisioned would be 4 weeks. Since one of the objectives of the aquifer testing is to derive well and well field- specific measures of storativity, the testing duration at each well will be based upon the observed responses in both the pumping well and the observation wells. For example, when the drawdown in the pumping well has stabilized to less than 0.25 ft of additional drawdown per hour and drawdown observed in two or more observation wells has stabilized to less than 0.1 ft of additional drawdown per hour, the test may be terminated. Prior to terminating the constant rate tests, a preliminary data review will be made so as to avoid pre-mature termination of the test if a shift in drawdown trend is occurring, or response (or lack of response) in observations wells is not clear.



**IN THE SUPREME COURT OF THE STATE OF NEVADA**

EUREKA COUNTY, A POLITICAL  
SUBDIVISION OF THE STATE OF  
NEVADA; KENNETH F. BENSON,  
INDIVIDUALLY; DIAMOND CATTLE  
COMPANY, LLC, A NEVADA LIMITED  
LIABILITY COMPANY; AND MICHEL  
AND MARGARET ANN ETCHEVERRY  
FAMILY, LP, A NEVADA REGISTERED  
FOREIGN LIMITED PARTNERSHIP,

Case No. 61324

District Court Case Nos.  
CV 1108-15; CV 1108-156;  
CV 1108-157; CV 1112-164;  
CV 1112-165; CV 1202-170

Electronically Filed  
Dec 27 2012 10:09 a.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

Appellants,

vs.

THE STATE OF NEVADA STATE  
ENGINEER; THE STATE OF NEVADA  
DIVISION OF WATER RESOURCES;  
AND KOBEH VALLEY RANCH, LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY,

Respondents.

**JOINT APPENDIX**  
**Volume 19**

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**CHRONOLOGICAL APPENDIX TO  
APPEAL FROM JUDGMENT**

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Petition for Judicial Review	08/08/2011	1	01-06
Notice of Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	07- 08
Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	09-59
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/11/2011	1	60-62
Summons and Proof of Service, Jason King	08/11/2011	1	63-65
Affidavit of Service by Certified Mail	08/11/2011	1	66-68
Notice of Petition for Judicial Review	08/11/2011	1	69-117
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/15/2011	1	118-120
Summons and Proof of Service, Jason King	08/15/2011	1	121-123
Summons and Proof of Service, The State of Nevada	08/17/2011	1	124-128
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	08/17/2011	1	129-133
Order Allowing Intervention of Kobeh Valley Ranch, LLC, to Intervene as a Respondent	09/14/2011	1	134-135

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Partial Motion to Dismiss, Notice of Intent to Defend	09/14/2011	1	136-140
Order Allowing Intervention of Kobeh Valley Ranch, LLC, as a Party Respondent	09/26/2011	1	141-142
Answer to Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/28/2011	1	143-149
Answer to Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/29/2011	1	150-154
Answer to Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/29/2011	1	155-160
Order Directing the Consolidation of Action CV1108-156 and Action No. CV1108-157 with Action CV1108-155	10/26/2011	1	161-162
Summary of Record on Appeal	10/27/2011	2-26	163-5026
Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	11/10/2011	27	5027-5052
Order Setting Briefing Schedule	12/02/2011	27	5053-5055
Reply in Support of Partial Motion to Dismiss and Opposition to Request for Writ of Prohibition	12/15/2011	27	5056-5061

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Kobeh Valley Ranch's Reply to Conley/Morrison's Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	12/15/2011	27	5062-5083
Kobeh Valley Ranch's Joinder in the State of Nevada and Jason King's Partial Motion to Dismiss	12/15/2011	27	5084-5086
Petition for Judicial Review	12/29/2011	27	5087-5091
Petition for Judicial Review	12/30/2011	27	5092-5097
Summons and Proof of Service, The State of Nevada	01/11/2012	27	5098-5100
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	01/11/2012	27	5101-5103
First Amended Petition for Judicial Review	01/12/2012	27	5104-5111
Opening Brief of Conley Land & Livestock, LLC and Lloyd Morrison	01/13/2012	27	5112-5133
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Opening Brief	01/13/2012	27	5134-5177
Eureka County's Opening Brief	01/13/2012	27	5178-5243
Eureka County's Summary of Record on Appeal - CV1112-0164	01/13/2012	28	5244-5420
Eureka County's Supplemental Summary of Record on Appeal - CV1108-155	01/13/2012	29-30	5421-5701

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Order Granting Extension	01/26/2012	31	5702-5703
Answer to Petition for Judicial Review	01/30/2012	31	5704-5710
Answer to First Amended Petition for Judicial Review	01/30/2012	31	5711-5717
Supplemental Petition for Judicial Review	01/31/2012	31	5718-5720
Petition for Judicial Review	02/01/2012	31	5721-5727
Summary of Record on Appeal	02/03/2012	31	5728-5733
Record on Appeal, Vol. I, Bates Stamped Pages 1-216	02/03/2012	31	5734-5950
Record on Appeal, Vol. II, Bates Stamped Pages 217-421	02/03/2012	32	5951-6156
Record on Appeal, Vol. III, Bates Stamped Pages 422-661	02/03/2012	33	6157-6397
Answer to Petition to Judicial Review	02/23/2012	34	6398-6403
Answering Brief	02/24/2012	34	6404-6447
Respondent Kobeh Valley Ranch, LLC's Answering Brief	02/24/2012	34	6448-6518
Reply Brief of Conley Land & Livestock, LLC and Lloyd Morrison	03/28/2012	34	6519-6541
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Reply Brief	03/28/2012	34	6542-6565
Eureka County's Reply Brief	03/28/2012	34	6566-6638

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Transcript for Petition for Judicial Review	04/03/2012	35	6639-6779
Corrected Answering Brief	04/05/2012	35	6780-6822
Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/13/2012	36	6823-6881
Notice of Entry of Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/18/2012	36	6882-6944
Notice of Appeal	07/10/2012	36	6945-6949
Petitioners Benson, Diamond Cattle Co., and Etcheverry Family LP's Notice of Appeal	07/12/2012	36	6950-6951
Excerpts from Transcript of Proceedings	10/13/2008	36	6952-6964

**ALPHABETICAL APPENDIX TO  
APPEAL FROM JUDGMENT**

<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL</u></b>	<b><u>JA NO.</u></b>
Affidavit of Service by Certified Mail	08/11/2011	1	66-68
Answer to Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/28/2011	1	143-149
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Answering Brief	02/24/2012	34	6404-6447
Corrected Answering Brief	04/05/2012	35	6780-6822
Eureka County's Supplemental Summary of Record on Appeal - CV1108-155	01/13/2012	29-30	5421-5701
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Eureka County's Reply Brief	03/28/2012	34	6566-6638
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Notice of Entry of Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/18/2012	36	6882-6944
Notice of Appeal	07/10/2012	36	6945-6949
Opening Brief of Conley Land & Livestock, LLC and Lloyd Morrison	01/13/2012	27	5112-5133

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Petition for Judicial Review	12/29/2011	27	5087-5091
Petition for Judicial Review	12/30/2011	27	5092-5097
Petition for Judicial Review	02/01/2012	31	5721-5727
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Opening Brief	01/13/2012	27	5134-5177
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Reply Brief	03/28/2012	34	6542-6565
Petitioners Benson, Diamond Cattle Co., and Etcheverry Family LP's Notice of Appeal	07/12/2012	36	6950-6951

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Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/11/2011	1	60-62
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Summons and Proof of Service, Jason King	08/15/2011	1	121-123
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Transcript for Petition for Judicial Review	04/03/2012	35	6639-6779
Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	09-59

CERTIFICATE OF APPENDIX (NRAP 30(g)(1))

In compliance with NRAP 30(g)(1) I hereby certify that this Appendix consists of true and correct copies of the papers in the District Court file.

DATED: December 21, 2012.

/s/ KAREN A. PETERSON

KAREN A. PETERSON, NSB #366  
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## IDAHO GENERAL MINES, INC.

455 8<sup>th</sup> Street  
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RECEIVED-MAILROOM

2007 MAY 30 PM 2:48

BUREAU OF LAND MANAGEMENT  
BATTLE MOUNTAIN FIELD OFFICE

May 24, 2007

Mr. Thomas J. Seley  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Amendments to Mount Hope Drilling Notices

Dear Mr. Seley:

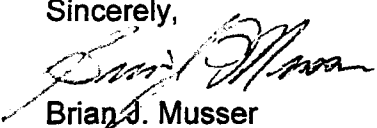
Idaho General Mines, Inc. (IGMI) is submitting amendments to the Kobeh A and Kobeh B water drilling notices.

IGMI is proposing to add ten observation wells to the Notices for the Kobeh Valley Central-A Well Field Drilling (six observation wells) and Kobeh Valley Central-B Well Field Drilling (four observation wells) that were recently submitted. These wells will only be installed in the event that sufficient enough water is discovered after drilling of the primary exploration holes to warrant installation of test wells and pump testing. The observation wells will be drilled using rotary reverse circulation to prepare a six-inch hole. They will be located approximately 100 feet from the test well, and be drilled on the same pad as the test well. The observation wells will be constructed as monitor wells/piezometers using applicable Nevada Division of Water Resources NAC 534 design requirements. The observation wells will each require a sump, which will be excavated within the existing drill pad disturbance.

The addition of these ten observation wells will not increase the amount of disturbance over what has been included in the last amendment (May 14, 2007). However, because the reclamation cost estimate model assumes a drill pad for each drill hole, the acreage calculated by the model is incorrect. But, the reclamation cost estimate is increased due to the additional drill hole abandonment costs and sump reclamation. The associated reclamation cost estimates are attached for your review and approval.

If you have any questions regarding this request, please contact me at 775-753-5009

Sincerely,

  
Brian J. Musser  
Environmental Manager  
Idaho General Mines, Inc.



Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
2. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
3. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
4. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
5. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour. Area pay= \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada	
9. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp= 10.75%	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length.	
Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.	
Drill Sites on slopes >30% are 30 feet wide by 83 feet long.	
On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
On Drill Sites >30% slopes sumps are assumed to lie within the 30 foot * 83 foot dimension of the Drill Site.	
14. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity. Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
15. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
16. Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.	
17. Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes. Travel times are assumed to be 2.73 hours one way to the project.	
18. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
19. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.	
If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
20. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drilling plus crew and support equipment.	
21. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	
22. Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).	

Nevada BLM, January 17, 2007





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, NV 89820  
<http://www.nv.blm.gov>



**In Reply Refer To:**  
3809 (NV063)  
NVN-083245  
(07-1A)

**MAY 31 2007**

C. Custer 5/31/07  
L. Marine 5/31/07

**CERTIFIED MAIL: 7006 2150 0000 0369 8007**  
**Return Receipt Requested**

### DECISION

Pat Rogers	:	43 CFR 3809 – Surface Management
Idaho General Mines, Inc.	:	Notice Amendment
455 8 <sup>th</sup> St.	:	
Elko, NV 89801	:	

#### Determination of Required Financial Guarantee Amount

On May 14, 2007, Idaho General Mines, Inc. (IGMI) submitted a Notice Amendment for the Central B Well Project located within MDB&M., T. 22 N., R. 51 E., sections 20, 21, 30 & 32. The Notice Amendment has been assigned Bureau of Land Management (BLM) case file number NVN-083245 (07-1A).

Your Notice Amendment proposes to drill four additional exploration test well holes, increasing the project to 1.59-acres. The Notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR §3809 for operations conducted under a Notice.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$74,100.00** is sufficient to meet all anticipated reclamation requirements for this amendment. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue degradation, and decision concerning the amount of the required financial guarantee does not

**ENTERED** 5/31/07  
jm

relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

You are responsible for preventing any unnecessary or undue degradation of public lands and resources, and for reclaiming all lands disturbed by your operations.

**Required Financial Guarantee** –The BLM Nevada State Office Adjudication Branch issued a Decision on April 26, 2007, for the existing financial guarantee in the amount of \$71,625.00 and this must be increased by \$2,475.00. **Within 60 days of receipt of this Decision, a financial guarantee in the amount of \$74,100.00 must be filed with the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006 or enforcement action will take place.** You must receive written notification from that office accepting and obligating your financial guarantee before you may continue any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the Branch of Minerals Adjudication at 775-861-6599 for further information on the adjudication of financial guarantees.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

**Term of Notice** - Your Notice will remain in effect for 2 years from the date of the original Decision (April 18, 2007) unless you notify this office beforehand that operations have ceased and reclamation is complete or you would like to extend your Notice. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

**Cultural Resources** - If archaeological sites are damaged you could be assessed fines under the civil provisions of the Archaeological Resources Protection Act (see 43 CFR 7, parts 7.4, 7.14, 7.15 and 7.16). Therefore, it is recommended that you hire an archaeological contractor to do a cultural survey of the project area prior to beginning work. Pursuant 43 CFR 10.4(g) you must notify the authorized officer, Assistant Field Manager, Non Renewable Resources/Field Station Manager, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. 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.

Protection and Preservation of Public Land Survey System Monuments-As directed in 43 CFR 3809.420 – Surface Management - (b) (9) *Protection of survey monuments*, it is your responsibility to bear the cost of any necessary restoration or reestablishment activity of the affected monument(s). Correspondingly, in the course of any accepted surface disturbance activity when Public Land Survey System Monuments/Cadastral corners or accessories that may or have been subject to obliteration, destruction, or damage, it will be your responsibility to protect and preserve the monumentation. Further clarification can be found in Nevada BLM's Instruction Memorandum No. NV-2007-003 [www.nv.blm.gov](http://www.nv.blm.gov).

Guidelines for Operations Conducted Under a Notice - *The attached document provides additional stipulations concerning your notice.*

Appeal of the Decision Determining the Required Financial Guarantee Amount - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Blvd. 89502, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

### Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Cory Crotteau, Environmental Protection Specialist at 775-635-4192 or Stephen Drummond, Supervisory Mining Engineer at 775-635-4160 or at the above address.

*Thomas J. Seley*

Thomas J. Seley  
Assistant Field Manager  
Nonrenewable Resources

Enclosures

cc:

BLM, Branch of Minerals Adjudication, NSO (NV-923)

Andy Russell  
Idaho General Mines, Inc.  
N. 10 Post St. Ste. 610  
Spokane, WA 99201

CCROTTEAU:cc:05/31/2007:S:\PUBLIC\nonrenewable\minerals\letters\LETTERS  
FINALIZED\nOTICESAMENDEDINWOFORMAT\IGMI\_CentralB\_83245\_071A\_May2007.  
doc



## GENERAL MOLY, Inc.

2215 North 5<sup>th</sup> St.  
Elko, NV 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: [bmusser@generalmoly.com](mailto:bmusser@generalmoly.com)  
Website: [www.generalmoly.com](http://www.generalmoly.com)

2008 JUL 1 - 3 AM 10:18

RECEIVED  
BATTLE MOUNTAIN  
DISTRICT OFFICE

VIA HAND DELIVERY

June 3, 2008

Mr. Stephen C. Drummond  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Amendment to Kobeh Valley Central-B Well Field Drilling Notice – NVN-083245  
3809 (NV063)

Dear Steve:

General Moly, Inc. (General Moly) submitted a notice to drill and test water wells in April 2007 (Notice NVN-083245) and subsequently amended the Notice in May and June of 2007 and February of 2008. General Moly is submitting this Amendment with the intent of updating the disturbance for the permitted wells, adding additional well sites, and expanding the Notice area boundary.

Currently, two test wells and five observation wells have been drilled with an associated disturbance of 2.41 acres (Table 1).

**Table 1: Actual Disturbance Kobeh Valley Central B Notice**

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX-203 Test Well	(80x200) / 0.37	12	1,060	920 / 0.12	0.49
RWX-203 Observation Well	Same pad as test well	6	1,200	-	-
RWX-204 Observation Well	(80x200) / 0.37	6 to 5.25 to 3.75 to	400 800 1305	-	0.37
RWX-205 Observation Well	(80x200) / 0.37	6 to 5.25 to	400 800	-	0.37
RWX-206 Test Well	(80x200) / 0.37	12	800	-	0.37
RWX-206 Observation Well	Same pad as test well	6	650	-	-
Kobeh Far East Observation Well	(80x200) / 0.37	12 to 8 to	50 1,000	3,411 / 0.44	0.81
Test Well Sumps	(2 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
Observation Well Sumps	(5 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
<b>Total disturbance (acres)</b>	<b>1.85</b>	<b>-</b>	<b>6,815</b>	<b>0.56</b>	<b>2.41</b>

Notice NVN-083245 Amendment

General Moly is proposing to add three new wells, Wells RWX-213, RWX-219, RWX-229, and three new piezometers, one each at the three well sites as shown on Figure 1. The drill pads will either be 80 feet x 200 feet in areas with no existing access roads or 70 feet x 200 feet in areas with existing access roads. This equates to 0.37 and 0.32 acres of disturbance per drill pad, respectively. Test well and observation well (i.e., piezometers) sumps will be included in the drill pad disturbance footprints. All of the remaining wells included in this notice except RWX-213, RWX-214 and RWX-15 will be accessed from existing roads. Wells RWX-213, RWX-214, and RWX-15 will require a total of approximately 1,585 feet of overland travel, for 0.XX acres of disturbance (Table 2). The Test Well diameters and depths are shown in Table 2.

All of the Test Wells will have an associated Observation Well (i.e., piezometer). The Observations Well will be drilled from the same pad as the Test Well. The Observation Well diameters and depths are shown in Table 2. Maximum Observation Well depth will be 1,000 feet.

The drill pads will account for 3.60 acres of disturbance and the overland travel to three of the wells will account for 0.76 acres of disturbance, for a total disturbance of 4.36 acres.

General Moly is prepared to have a qualified archaeologist on site to monitor the placement of all drill pads and overland travel. Some locations may be moved to avoid cultural resources. Any minor adjustments will be communicated to BLM.

**Table 2: Proposed Amended Disturbance to Kobeh Valley Central B Notice**

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	New Road Construction or Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX-214 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 880/0.11	0.48
RWX-214 Observation Well	Same pad as test well	12 to 8 to	50 1,000	-	-
RWX-215 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 255/0.03	0.40
RWX-215 Observation Well	Same pad as test well	12 to 8 to	50 1,000	-	-
<del>RWX-216 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>	<del>O.T. 880/0.11</del>	<del>0.48</del>
<del>RWX-216 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>	<del>-</del>	<del>-</del>
<del>RWX-217 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>	<del>O.T. 1,073 / 0.14</del>	<del>0.51</del>
<del>RWX-217 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>	<del>-</del>	<del>-</del>
<del>RWX-218 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>	<del>O.T. 847 / 0.09</del>	<del>0.38</del>
<del>RWX-218 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>	<del>-</del>	<del>-</del>
RWX-213 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 450/0.06	0.43
RWX-213 Observation Well	Same pad as test well	8 to 6 to	50 1,000	-	-
RWX08-219 Observation Well	(70x200) / 0.37	8 to 6 to	50 1000	-	0.32

Mr. Stephen C. Drummond  
February 27, 2008  
Page 3 of 4

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	New Road Construction or Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX08-219T Test Well	Same pad as test well	12 to	610	-	-
RWX08-229 Observation Well	(70x200) / 0.37	8 to 6 to	50 1000	-	0.32
RWX08-229T Test Well	Same pad as test well	12 to	610	-	-
Test Well Sumps	(5 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
Observation Well Sumps	(5 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
Total Proposed New	1.75	-	8,470	0.20	1.95
Total Existing Disturbance	1.85	-	6,815	0.56	2.41
New Total for Amended Notice	3.60	-	15,285	0.76	4.36

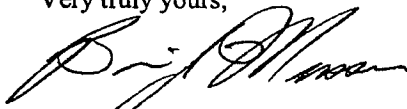
Notes:

- ☐ Previously Permitted – Relocated and new overland travel applied.  
☒ Previously Permitted - Remove from permitting no disturbance

The proposed new wells are not all within the existing Notice boundary; therefore, General Moly is proposing to expand the Notice boundary as shown in Figure 1 to include the new wells. Figure 1 shows the amended drilling program, including the new drill sites.

Reclamation costs are estimated at \$197,700 for the disturbance and well abandonment associated with this Amendment. General Moly will be contacting the BLM regarding the bond amount in the near future. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,



Brian J. Musser  
Environmental Manager  
Mount Hope Project

Attachment: Notes to SRCE-based Reclamation Cost Model with Calculators  
Figure 1  
Reclamation Cost Estimate for Notice for Kobeh Central B

cc: Andy Russell, General Moly, Inc.  
Pat Rogers, General Moly, Inc.  
Casey Kelly, General Moly, Inc.

Notice NVN-083245 Amendment

JA3472



### **Notes to SRCE-based Reclamation Cost Model with Calculators**

The BLM has requested that the SRCE-based Reclamation Cost Model (Model) with Calculators be used for determining the estimated reclamation costs for Notices. This Model has several assumptions that cannot be changed by the user. As a result, the Model calculates the area of disturbance based on these assumptions and not on the actual disturbance footprints. Consequently, the Model calculated the disturbance for this Notice to be 1.69 acres, whereas the actual disturbance footprint is 4.36 acres of disturbance.

The following assumptions or inputs to the Model were used to calculate the reclamation cost:

1. One Test Well and one Observation Well would be drilled as pairs, each pair on the same drill pad at seven sites.
2. Three Observation Wells will be drilled on their own individual drill pads
3. Maximum depth of the Test Wells will be 750 ft.
4. Drill pads areas are as shown in Table 2.
5. Total overland travel to the various Test and Observation Wells are as shown in Table 2.
6. Maximum depth of the Observation Wells will be 1,000 ft.
7. All holes will be open at one time, for a total open hole depth of 15,285 ft.

Using these assumptions, the Model calculates a reclamation cost estimate of \$190,011. However, the Model only estimates the disturbance to be 1.69 acres.

The Model was adjusted by adding additional drill pads to approximate the actual 4.36 acres of disturbance (i.e., adjusting for assumption number 4 above). By increasing the number of drill pads to 41, the Model calculated a disturbance of 4.39 acres. This increased the reclamation cost by \$7,666 to \$197,677. This adjusted figure is used as the final reclamation cost estimate for this amendment.

[illegible]

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Data are from October 1, 2006. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.	
2. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
3. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
4. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
5. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
6. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
7. Roads are linear features and the units required for input to this worksheet are in linear feet.	
8. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour. Area pay= \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workman's Comp= 10.75%.	
9. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workman's Comp= 10.75%.	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length.	
13. On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
14. On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
15. On Drill Sites >30% slopes they are assumed to be within the 30 foot * 83 foot dimension of the Drill Site.	
16. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.	
17. Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
18. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
19. Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes.	
20. Travel times are assumed to be 2.73 hours one way to the project.	
21. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
22. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
23. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
24. If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
25. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.	
26. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	
27. Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).	

Nevada BLM, January 17, 2007

June 3, 2008

SRCE-based Reclamation Cost Model With Calculators

For Notice-Level Exploration

Kobeh Valley Water Well Exploration Drilling Notice - Kobeh Central A- WVN-083245 Amendment (Adjusted No. Drill Pads)

FY 2007 Model

Linear Feet of Road On a Side Slope <30% >30%	Linear Feet 0 0	Recontour Cost <30%	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
		Recontour Cost >30%	\$0	\$0.11 \$0.28	\$0.13 \$0.36	\$0.00 \$0.00	\$0.24 \$0.64	
Drill Sites and Sumps Drill Sites < 30% slopes Drill Sites > 30% slopes Drill Sites Cross Country Sumps	Number 41 0 0 41	Recontouring Cost	\$1,394	Manpower	Equipment	Materials	Cost each	Pad & Sump Reclamation
		Recontouring Cost	\$0	\$34.00	\$42.80	\$0.00	\$76.80	
		Rippling Cost	\$0	\$109.00	\$137.00	\$0.00	\$246.00	
		Recontouring Cost	\$1,513	\$7.00 \$36.90	\$3.50 \$46.40	\$0.00 \$0.00	\$10.50 \$83.30	
Trenches Cross Country Travel	Linear Feet 0 5,916	Recontouring Cost	\$0	Manpower	Equipment	Materials	Cost/Linear Foot	
		Rippling Cost	\$237	\$0.83 \$0.04	\$1.71 \$0.02	\$0.00 \$0.00	\$2.64 \$0.06	
Total Disturbance	Slope Acres 4.44	Revegetation Cost	\$335	Manpower	Equipment	Materials	Cost/Acre	\$1,839
				\$75.50	\$64.00	\$275.00	\$414.50	
150 miles Mobilization 150 miles Mobilization		Mobilization Cost-excavator Mobilization Cost-dozer	\$417 \$276	Manpower	Equipment	Materials	Mob+Demob	\$907 \$656
				\$417.27 \$275.52	\$489.83 \$380.48	\$0.00 \$0.00	\$907.10 \$656.00	
Drill Holes Open Feet of Open Holes - Wet Feet of Open Holes - Dry Feet of Casing to Pull	#/Feet 15285 15285	Plugging Cost - Wet Plugging Cost - Dry Pulping Casing	\$17,883 \$0 \$25,373	Manpower	Equipment	Materials	Cost/Feet	Drill Hole Plugging
				\$1.17 \$0.47 \$1.66	\$2.08 \$0.22 \$4.06	\$0.53 \$0.05 \$0.00	\$3.78 \$0.75 \$5.72	
150 miles Mobilization 150 miles Mobilization		Mobilization Cost - Wet Mobilization Cost - Dry	\$720 \$0	Manpower	Equipment	Materials	Mob+Demob	\$2,000 \$0
				\$719.84 \$364.91	\$1,279.72 \$196.49	\$1,999.56 \$581.40	\$1,999.56 \$581.40	
Disturbance Type	Total Acres	Total Linear Feet	Slope Acres					
Roads	0.00	0	2.55					
Drill Sites	2.50		2.55					
Sumps	1.07		1.07					
Trenches	0.00	0	0.00					
Cross Country	0.81	5,916	0.81					
Total Notice acres	4.39		4.44					
							Financial Guarantee	
							Amount	
							\$45,049	
							\$197,877	

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.1. Cost Date are from October 1, 2008. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
2. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
3. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
4. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
5. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 139 CY per hour.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada.	
9. Area pay = \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 10.75%.	
10. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 10.75%.	
11. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
12. Revegetation costs are based on a per acre basis.	
13. Drill Sites recontouring cost is based on a standard pad width and length.	
14. Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.	
15. On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
16. On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
17. On Drill Sites >30% slopes sumps are assumed to lie within the 30 foot * 83 foot dimension of the Drill Site.	
18. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.	
19. Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
20. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
21. Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seedling width on one pass.	
22. Mobilization and Demobilization are based on 150 miles one way to project and are based on 2006 Vega Construction and Trucking quotes.	
23. Travel times are assumed to be 2.73 hours one way to the project.	
24. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
25. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
26. All projects that propose diking will require a minimum Drill Holes Open abandonment cost.	
27. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
28. If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
29. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.	
30. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	
31. Drill Hole Plugging Cost for Open Hole - Wet is based on average time to plug a 1000 ft. 6" Drill Hole (using productivity data from 8 drilling contractors December 2006).	

Nevada BLM, January 17, 2007



**Idaho General Mines, Inc.**

455 8th Street  
Elko Nevada 89801  
Phone: (775) 753-5009  
Fax: (775) 753-7722  
[www.idahogeneralmines.com](http://www.idahogeneralmines.com) - AMEX : GMO

Via Federal Express

June 4, 2007

Ms Lacey Ternau  
BLM/Nevada State Office  
1240 Financial Blvd.  
P.O. Box 12000  
Reno, Nevada 89520-0006

**Re: Bond Increase for Idaho General Mines Surface Management Bond No. NVB 567**

Dear Ms Ternau,

Enclosed is a check in the amount of \$32,264 and a bond rider to facilitate increase of the State bond for Idaho General Mining, Inc.'s (IGMI) exploration projects. This increase is to accommodate modifications to Notice Numbers: NVN-080914, NVN-083245, and NVN-083246. The bond determination letters dated May 31, 2007 were issued by the Battle Mountain Field Office. A combined additional reclamation cost of \$32,264 was deemed adequate in the bond determination letters. The attached check represents this increased bond requirement.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian V. Musser".

Brian V. Musser  
Environmental Manager  
Mount Hope Project

cc: Steve Drummond, BLM - BMFO

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**SURFACE MANAGEMENT PERSONAL BOND RIDER**

OMB APPROVED  
OMB No. 1004-0194  
Expires: January 31, 2007

In consideration for this rider and the acceptance of this rider by the Bureau of Land Management (BLM) on behalf of the United States of America, this rider attaches to and is part of Surface Management Bond No. NVB 567 issued on behalf of Idaho General Mines, Inc. (IGMI)  
(BLM Bond No.)  
10 N Post Street, Suite 610, Spokane, WA 89520-0006  
principal, in favor of the United States. The bond provides coverage as shown below:

Individual \_\_\_\_\_; or Statewide Nevada; or Nationwide \_\_\_\_\_  
(Enter BLM Serial No.) (Enter Name of State, if applicable) (Enter "Yes," if applicable)

☒ **INCREASE/DECREASE IN DOLLAR AMOUNT OF BOND COVERAGE**

It is understood and agreed that IGMI, principal, is increasing/decreasing the coverage of this bond to the amount shown below; however, this rider will not act to increase/decrease the actual cumulative or potential liability above the face amount of the bond, to wit: TWO HUNDRED EIGHTY EIGHT THOUSAND FIVE HUNDRED SEVENTY NINE AND 00/100  
U.S. dollars (\$ 288,579 ).

☐ **STATEWIDE/NATIONWIDE BOND**

The principal hereby agrees to and extends bond coverage to include any and all operations under 43 CFR 3802 and 43 CFR 3809.

Include name of State if coverage is Statewide \_\_\_\_\_

☐ **BOND COVERAGE EXTENDED**

The principal hereby agrees to and extends bond coverage to include notice-level operations pursuant to regulations at 43 CFR 3809.

☐ **THIRD PARTY POSTING OF THE FINANCIAL INSTRUMENT FOR THE BOND**

It is understood and agreed that \_\_\_\_\_, is pledging the financial instrument to secure the attached bond on behalf of, \_\_\_\_\_ operator and principal on the bond.

☐ **COPRINCIPAL**

It is understood and agreed that \_\_\_\_\_, principal, is extending the coverage of the bond referenced above to include liabilities for operations conducted by \_\_\_\_\_ on notice/plan of operations  
serialized \_\_\_\_\_

(Continued on page 2)

NOTE

This coverage of obligations will continue whether or not a notice/plan of operations has subsequently been suspended or terminated. This rider will not act to increase the actual cumulative or potential liability of the principal or bond above the face amount of the bond. Nothing herein contained will vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

Executed this 1<sup>st</sup> day of JUNE

Brian J. Musser  
(Principal)

[REDACTED]  
(TIN or SSN, if applicable)

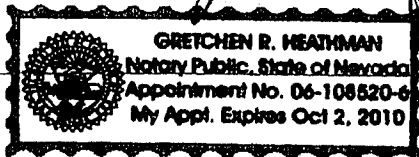
BRIAN J. MUSSER  
(By)

MANAGER ENVIRONMENTAL SERVICES  
(Title)

455 8<sup>TH</sup> ST., ELKO, NV 89801  
(Business Address)

State of NV County of Elko

Subscribed and sworn to before me this June 1<sup>st</sup> 2007



(Notary Public)

(My Commission Expires)

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

**PRINCIPAL PURPOSE:** Information is being used to establish financial responsibility for surface disturbance on public lands.

**ROUTINE USES:** BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

**EFFECT OF NOT PROVIDING INFORMATION:** Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, NV 89820  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV063)  
NVN-083245  
(07-2A)

JUN 04 2007

Ymarine 6/1/07  
J. Shem 6/1/07

**CERTIFIED MAIL: 7006 2150 0000 0369 8540**  
**Return Receipt Requested**

### DECISION

Pat Rogers	:	43 CFR 3809 – Surface Management
Idaho General Mines, Inc.	:	Notice Amendment
455 8 <sup>th</sup> St.	:	
Elko, NV 89801	:	

#### Determination of Required Financial Guarantee Amount

On May 30, 2007, Idaho General Mines, Inc. (IGMI) submitted a Notice Amendment for the Central B Well Project located within MDB&M, T. 22 N., R. 51 E., sections 20, 21, 30 & 32. The Notice Amendment has been assigned Bureau of Land Management (BLM) case file number NVN-083245 (07-2A).

Your Notice Amendment proposes to drill four additional observation wells. They will not increase the amount of disturbance of 1.59-acres as they are located on a previous permitted amendment (07-1A). The Notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR §3809 for operations conducted under a Notice.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$140,398.00** is sufficient to meet all anticipated reclamation requirements for this amendment. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue

ENTERED

JM  
6/4/07

degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

You are responsible for preventing any unnecessary or undue degradation of public lands and resources, and for reclaiming all lands disturbed by your operations.

**Required Financial Guarantee** –The BLM Nevada State Office Adjudication Branch issued a Decision on April 26, 2007, for the existing financial guarantee in the amount of \$71,625.00 and this must be increased by \$68,773.00. **Within 60 days of receipt of this Decision, a financial guarantee in the amount of \$140,398.00 must be filed with the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006 or enforcement action will take place.** You must receive written notification from that office accepting and obligating your financial guarantee before you may continue any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the Branch of Minerals Adjudication at 775-861-6599 for further information on the adjudication of financial guarantees.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

**Term of Notice** - Your Notice will remain in effect for 2 years from the date of the original Decision (April 18, 2007) unless you notify this office beforehand that operations have ceased and reclamation is complete or you would like to extend your Notice. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

**Cultural Resources** - If archaeological sites are damaged you could be assessed fines under the civil provisions of the Archaeological Resources Protection Act (see 43 CFR 7, parts 7.4, 7.14, 7.15 and 7.16). Therefore, it is recommended that you hire an archaeological contractor to do a cultural survey of the project area prior to beginning work. Pursuant 43 CFR 10.4(g) you must notify the authorized officer, Assistant Field Manager, Non Renewable Resources/Field Station Manager, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. 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.

Protection and Preservation of Public Land Survey System Monuments-As directed in 43 CFR 3809.420 – Surface Management - (b) (9) *Protection of survey monuments*, it is your responsibility to bear the cost of any necessary restoration or reestablishment activity of the affected monument(s). Correspondingly, in the course of any accepted surface disturbance activity when Public Land Survey System Monuments/Cadastral corners or accessories that may or have been subject to obliteration, destruction, or damage, it will be your responsibility to protect and preserve the monumentation. Further clarification can be found in Nevada BLM's Instruction Memorandum No. NV-2007-003 [www.nv.blm.gov](http://www.nv.blm.gov).

Guidelines for Operations Conducted Under a Notice - *The attached document provides additional stipulations concerning your notice.*

Appeal of the Decision Determining the Required Financial Guarantee Amount - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Blvd. 89502, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Cory Crotteau, Environmental Protection Specialist at 775-635-4192 or Stephen Drummond, Supervisory Mining Engineer at 775-635-4160 or at the above address.

*Thomas J. Seley*

Thomas J. Seley  
Assistant Field Manager  
Nonrenewable Resources

Enclosures

cc:

BLM, Branch of Minerals Adjudication, NSO (NV-923)

Andy Russell  
Idaho General Mines, Inc.  
N. 10 Post St. Ste. 610  
Spokane, WA 99201

CCROTTEAU:cc:05/31/2007:S:\PUBLIC\nonrenewable\minerals\letters\LETTERS  
FINALIZED\NOTICESAMENDEDINWOFORMATUGMI\_CentralB\_83245\_072A\_May2007.  
doc



**Idaho General Mines, Inc.**

455 8th Street  
Elko, Nevada 89801  
Phone: (775) 753-5009  
Fax: (775) 753-7722  
[www.idahogeneralmines.com](http://www.idahogeneralmines.com) - AMEX : GMO

Via Federal Express

June 7, 2007

Ms Lacey Ternau  
BLM/Nevada State Office  
1240 Financial Blvd.  
P.O. Box 12000  
Reno, Nevada 89520-0006

**Re: Bond Increase for Idaho General Mines Surface Management Bond No. NVB 567**

Dear Ms Ternau,

Enclosed is a bond rider to facilitate a \$177,730 increase of the State bond for Idaho General Mining, Inc's (IGMI's) exploration projects. This increase is to accommodate modifications as described in Notice Numbers: NVN-083245(07-2A) and NVN-083246(07-2A). The bond determination letters, dated June 04, 2007, were issued by the Battle Mountain Field Office. A combined additional reclamation cost of \$200,585 was deemed adequate in the bond determination letters; however, this amount does not reflect additions to the state bond that have been submitted, but have not yet been approved. These bond increases were for NVN-083245(07-1A) in the amount of \$20,380 and NVN-083246(07-1A) in the amount of \$2,475. Guaranteed remittance in US \$177,730 will be mailed under a separate cover from IGMI's Spokane Office.

Please call me if you have any questions regarding this submittal.

Very truly yours,

Brian J. Musser  
Environmental Manager  
Mount Hope Project

cc: Steve Drummond, BLM - BMFO

RECEIVED-MALH001  
2007 JUN 11 AM 11:46  
BATTLE MOUNTAIN  
FIELD OFFICE  
BLM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**SURFACE MANAGEMENT PERSONAL BOND RIDER**

OMB APPROVED  
OMB No. 1004-0194  
Expires: January 31, 2007

In consideration for this rider and the acceptance of this rider by the Bureau of Land Management (BLM) on behalf of the United States of America, this rider attaches to and is part of Surface Management Bond No. NVB567 issued on behalf of Idaho General Mines, Inc.  
(BLM Bond No.)  
10 N. Post Street, Suite 610, Spokane, WA 99201  
principal, in favor of the United States. The bond provides coverage as shown below:

Individual \_\_\_\_\_; or Statewide Nevada; or Nationwide \_\_\_\_\_  
(Enter BLM Serial No.) (Enter Name of State, if applicable) (Enter "Yes," if applicable)

☒ **INCREASE/DECREASE IN DOLLAR AMOUNT OF BOND COVERAGE**

It is understood and agreed that IGMI, principal, is increasing/decreasing the coverage of this bond to the amount shown below; however, this rider will not act to increase/decrease the actual cumulative or potential liability above the face amount of the bond, to wit: four hundred sixty five thousand seven hundred nine dollars NO/100 U.S. dollars (\$ 465,709.00).

☐ **STATEWIDE/NATIONWIDE BOND**

The principal hereby agrees to and extends bond coverage to include any and all operations under 43 CFR 3802 and 43 CFR 3809.

Include name of State if coverage is Statewide \_\_\_\_\_

☐ **BOND COVERAGE EXTENDED**

The principal hereby agrees to and extends bond coverage to include notice-level operations pursuant to regulations at 43 CFR 3809.

☐ **THIRD PARTY POSTING OF THE FINANCIAL INSTRUMENT FOR THE BOND**

It is understood and agreed that \_\_\_\_\_, is pledging the financial instrument to secure the attached bond on behalf of, \_\_\_\_\_ operator and principal on the bond.

☐ **COPRINCIPAL**

It is understood and agreed that \_\_\_\_\_, principal, is extending the coverage of the bond referenced above to include liabilities for operations conducted by \_\_\_\_\_ on notice/plan of operations serialized \_\_\_\_\_

(Continued on page 2)

NOTE

This coverage of obligations will continue whether or not a notice/plan of operations has subsequently been suspended or terminated. This rider will not act to increase the actual cumulative or potential liability of the principal or bond above the face amount of the bond. Nothing herein contained will vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

Executed this 6<sup>TH</sup> day of June, 20 07 :

Brian J. Musser  
(Principal)

91-0232000

(TIN or SSN, if applicable)

Brian J. Musser  
(By)

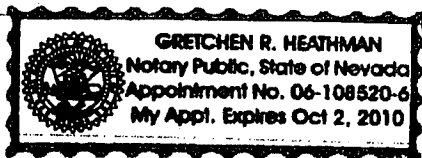
MANAGER ENVIRONMENTAL SERVICES  
(Title)

455 8<sup>TH</sup> STREET, ELKO, NV 89801  
(Business Address)

State of Nevada County of Elko

Subscribed and sworn to before me this 8<sup>th</sup> day of June

by Gretchen R. Heathman



(Notary Public)

10/2/2010  
(My Commission Expires)

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

**PRINCIPAL PURPOSE:** Information is being used to establish financial responsibility for surface disturbance on public lands.

**ROUTINE USES:** BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

**EFFECT OF NOT PROVIDING INFORMATION:** Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.



## IDAHO GENERAL MINES, INC.

455 8<sup>th</sup> Street  
Elko, Nevada 89801  
Phone: 775-753-5009  
Fax: 775-753-7722  
Email: [bmusser@igmines.com](mailto:bmusser@igmines.com)  
Website: [www.idahogeneralmines.com](http://www.idahogeneralmines.com)

RECEIVED-MAILROOM

2007 JUN 11 AM 11:46

BU  
FBI  
DOJ  
CC

June 7, 2007

Mr. Thomas J. Seley  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RE: Drilling Procedure Changes to Notices NVN-083245 (07-2A) and NVN-083246 (07-2A)

Dear Mr. Seley:

Per a phone conversation with Mr. Stephen Drummond, Idaho General Mines, Inc. (IGMI) is submitting this letter to describe a minor change in the drilling programs for the Central A and Central B well projects.

Our previous notice amendments indicated that in the event that sufficient water is discovered after drilling of the primary exploration holes to warrant installation of test wells and pump testing, then observation wells would be drilled on the same pad approximately 100 feet from the primary exploration hole. The existing primary holes would then be over-bored to twelve-inch diameter to install an eight-inch casing for a test well.

Our plan has changed as follows: The primary exploration holes will be completed as monitor wells/piezometers. New twelve-inch borings will be installed approximately 100 feet from the primary exploration holes and will be completed as test wells. All wells will be installed using applicable Nevada Division of Water Resources NAC 534 design requirements.

This change in drilling procedure will not increase the amount of disturbance over what has been described in the last amendment.

If you have any questions regarding this request, please contact me at 775-753-5009

Sincerely,

Brian J. Musser  
Environmental Manager  
Idaho General Mines, Inc.





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Nevada State Office  
P.O. Box 12000 (1340 Financial Blvd.)  
Reno, Nevada 89520-0006  
<http://www.nv.blm.gov>



In Reply Refer To:  
3809 (NV923z)

JUN 08 2007

### DECISION

Principal:	:		
Idaho General Mines, Inc.	:	BLM Bond Number:	NVB000567
10 North Post St., Suite 610	:	Bond Amount Accepted:	\$288,579
Spokane, WA 99201	:		

### Bond Riders Accepted Obligation Under Bond Increased

Effective November 3, 2005, the BLM Nevada State Office (NSO) accepted BLM Bond Number NVB000567 from Idaho General Mines, Inc. The bond provides surface disturbance reclamation coverage for operations conducted by Idaho General Mines, Inc. on lands in Nevada under federal regulations at 43 CFR 3809.

On May 16, 2007, the BLM Battle Mountain Field Office increased the reclamation cost estimate for surface disturbance on notice N-83120, the Mt. Hope West Project to \$55,193.

On May 31, 2007, the BLM Battle Mountain Field Office increased the reclamation cost estimates for surface disturbance on notice N-83245, the Central B Well Project, N-80914, the Mt. Hope East Project and N-83246, the Central A Well Project, to \$74,100, \$33,131 and \$126,100 respectively.

On June 4, 2007, the NSO received a rider increasing the bond coverage to \$256,315. The bond rider has been examined and found satisfactory; therefore, it is accepted effective June 4, 2007.

On June 6, 2007, the NSO received another rider increasing the bond coverage to \$288,579. The bond rider has been examined and found satisfactory; therefore, it is accepted effective June 6, 2007. The bond was increased to satisfy recent increases for operations filed by Idaho General Mines, Inc.

Bond obligations adjusted by this Decision are shown in **bold** on the table on the next page.

Operations Number	Operations Name	Bond Amount Obligated
<b>N-80914</b>	<b>Mount Hope East</b>	<b>\$ 33,131</b>
<b>N-83120</b>	<b>Mount Hope West</b>	<b>\$ 55,193</b>
<b>N-83245</b>	<b>Central "B" Well</b>	<b>\$ 74,100</b>
<b>N-83246</b>	<b>Central "A" Well</b>	<b>\$ 126,100</b>
<b>Total obligations under NVB000567</b>		<b>\$ 288,524</b>

Considering the total amount of BLM Bond Number NVB000567 and the amount currently obligated for surface reclamation, \$55 remains available for future amendments or new operations.

If you have any questions, please call Lacy Ternau at 775-861-6599; send facsimile to 775-861-6710; write to the attention of NV923z at the address on the letterhead; or send electronic mail to Lacy\_Ternau@nv.blm.gov.

**ATANDA CLARK**

Atanda Clark

Chief, Branch of Minerals Adjudication

cc:

Idaho General Mines, Inc.

Attn: Pat Rogers

455 8<sup>th</sup> Street

Elko, NV 89801

NV060 (SDrummond, LMarine)

NV923 (CDragon)



# GENERAL MOLY, Inc.

2215 North 5<sup>th</sup> St.  
Elko, NV 89801  
Phone: 775.753.5009  
Fax: 775.753.7722  
Email: bmusser@generalmoly.com  
Website: www.generalmoly.com

June 11, 2008

Mr. Stephen C. Drummond  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820

RECEIVED - MAIL ROOM  
2008 JUN 17 AM 10:40  
DISTRICT OFFICE

RE: Amendment to Kobeh Valley Central-B Well Field Drilling Notice – NVN-083245  
3809 (NV063) - Revised

Dear Steve:

General Moly, Inc. (General Moly) submitted a notice to drill and test water wells in April 2007 (Notice NVN-083245) and subsequently amended the Notice in May and June of 2007 and February of 2008. General Moly is submitting this Amendment with the intent of updating the disturbance for the permitted wells, adding additional well sites, and expanding the Notice area boundary. At BLMs request this notice amendment has been revised to incorporate the new Notice-Level Exploration model that is based on SRCE Version 1.1.2. and minor corrections within the text.

Currently, two test wells and five observation wells have been drilled with an associated disturbance of 2.41 acres (Table 1).

**Table 1: Actual Disturbance Kobeh Valley Central B Notice**

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX-203 Test Well	(80x200) / 0.37	12	1,060	920 / 0.12	0.49
RWX-203 Observation Well	Same pad as test well	6	1,200	-	-
RWX-204 Observation Well	(80x200) / 0.37	6 to 5.25 to 3.75 to	400 800 1305	-	0.37
RWX-205 Observation Well	(80x200) / 0.37	6 to 5.25 to	400 800	-	0.37
RWX-206 Test Well	(80x200) / 0.37	12	800	-	0.37
RWX-206 Observation Well	Same pad as test well	6	650	-	-
Kobeh Far East Observation Well	(80x200) / 0.37	12 to 8 to	50 1,000	3,411 / 0.44	0.81
Test Well Sumps	(2 each @ 40' x 10'x 8')	-	-	-	Within pad disturbance
Observation Well Sumps	(5 each @ 40' x 10'x 8')	-	-	-	Within pad disturbance
<b>Total disturbance (acres)</b>	<b>1.85</b>	-	<b>6,815</b>	<b>0.56</b>	<b>2.41</b>

Notice NVN-083245 Amendment

General Moly is proposing to add three new wells, Wells RWX-213, RWX-219, RWX-229, and three new piezometers, one each at the three well sites as shown on Figure 1. The drill pads will either be 80 feet x 200 feet in areas with no existing access roads or 70 feet x 200 feet in areas with existing access roads. This equates to 0.37 and 0.32 acres of disturbance per drill pad, respectively. Test well and observation well (i.e., piezometers) sumps will be included in the drill pad disturbance footprints. All of the remaining wells included in this notice except RWX-213, RWX-214 and RWX-15 will be accessed from existing roads. Wells RWX-213, RWX-214, and RWX-15 will require a total of approximately 1,585 feet of overland travel, for 0.XX acres of disturbance (Table 2). The Test Well diameters and depths are shown in Table 2.

All of the Test Wells will have an associated Observation Well (i.e., piezometer). The Observations Well will be drilled from the same pad as the Test Well. The Observation Well diameters and depths are shown in Table 2. Maximum Observation Well depth will be 1,000 feet.

The drill pads will account for 3.60 acres of disturbance and the overland travel to three of the wells will account for 0.76 acres of disturbance, for a total disturbance of 4.46 acres.

General Moly is prepared to have a qualified archaeologist on site to monitor the placement of all drill pads and overland travel. Some locations may be moved to avoid cultural resources. Any minor adjustments will be communicated to BLM.

**Table 2: Proposed Amended Disturbance to Kobeh Valley Central B Notice**

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	New Road Construction or Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX-214 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 880/0.11	0.48
RWX-214 Observation Well	Same pad as test well	12 to 8 to	50 1,000	-	-
RWX-215 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 255/0.03	0.40
RWX-215 Observation Well	Same pad as test well	12 to 8 to	50 1,000	-	-
<del>RWX-216 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>		<del>0.25</del>
<del>RWX-216 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>		
<del>RWX-217 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>	<del>1,073 / 0.14</del>	<del>0.51</del>
<del>RWX-217 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>		
<del>RWX-218 Test Well</del>	<del>(80x200) / 0.37</del>	<del>20 to 12 to</del>	<del>200 750</del>	<del>84 / 0.01</del>	<del>0.38</del>
<del>RWX-218 Observation Well</del>	<del>Same pad as test well</del>	<del>12 to 8 to</del>	<del>50 1,000</del>		
RWX-213 Test Well	(80x200) / 0.37	20 to 12 to	200 750	O.T. 450/0.06	0.43
RWX-213 Observation Well	Same pad as test well	8 to 6 to	50 1,000	-	-
RWX08-219 Observation Well	(70x200) / 0.37	8 to 6 to	50 1000	-	0.32

Mr. Stephen C. Drummond  
June 6, 2008  
Page 3 of 4

Well ID #	Pad Dimensions (feet) / (acres)	Maximum Hole Diameter (inches)	Maximum Depth (feet)	New Road Construction or Overland Travel (feet) / (acres)	Total Disturbance (acres)
RWX08-219T Test Well	Same pad as test well	12 to	610	-	-
RWX08-229 Observation Well	(70x200) / 0.37	8 to 6 to	50 1000	-	0.32
RWX08-229T Test Well	Same pad as test well	12 to	610	-	-
Test Well Sumps	(5 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
Observation Well Sumps	(5 each @ 40' x 10' x 8')	-	-	-	Within pad disturbance
Total Proposed New	1.85	-	8,470	0.20	2.05
Total Existing Disturbance	1.85	-	6,815	0.56	2.41
New Total for Amended Notice	3.70	-	15,285	0.76	4.46

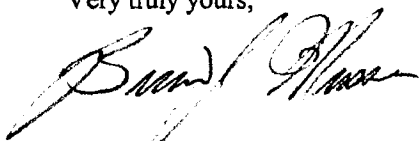
Notes:

- ☐ Previously Permitted – Relocated and new overland travel applied.  
☐ Previously Permitted - Remove from permitting no disturbance

The proposed new wells are not all within the existing Notice boundary; therefore, General Moly is proposing to expand the Notice boundary as shown in Figure 1 to include the new wells. Figure 1 shows the amended drilling program, including the new drill sites.

Reclamation costs are estimated at \$200,600 for the disturbance and well abandonment associated with this Amendment. General Moly will be contacting the BLM regarding the bond amount in the near future. If you have any questions regarding this request, please contact me at 753-5009.

Very truly yours,



Brian J. Musser  
Environmental Manager  
Mount Hope Project

Attachment: Notes to SRCE-based Reclamation Cost Model with Calculators  
Figure 1  
Reclamation Cost Estimate for Notice for Kobeh Central B

cc: Andy Russell, General Moly, Inc.  
Pat Rogers, General Moly, Inc.  
Casey Kelly, General Moly, Inc.

Notice NVN-083245 Amendment

JA3493

### **Notes to SRCE-based Reclamation Cost Model with Calculators**

The BLM has requested that the SRCE-based Reclamation Cost Model (Model) with Calculators be used for determining the estimated reclamation costs for Notices. This Model has several assumptions that cannot be changed by the user. As a result, the Model calculates the area of disturbance based on these assumptions and not on the actual disturbance footprints. Consequently, the Model calculated the disturbance for this Notice to be 1.59 acres, whereas the actual disturbance footprint is 4.36 acres of disturbance.

The following assumptions or inputs to the Model were used to calculate the reclamation cost:

1. One Test Well and one Observation Well would be drilled as pairs, each pair on the same drill pad at seven sites.
2. Three Observation Wells will be drilled on their own individual drill pads
3. Maximum depth of the Test Wells will be 750 ft.
4. Drill pads areas are as shown in Table 2.
5. Total overland travel to the various Test and Observation Wells are as shown in Table 2.
6. Maximum depth of the Observation Wells will be 1,000 ft.
7. All holes will be open at one time, for a total open hole depth of 15,285 ft.

Using these assumptions, the Model calculates a reclamation cost estimate of \$193,093. However, the Model only estimates the disturbance to be 1.59 acres.

The Model was adjusted by adding additional drill pads to approximate the actual 4.46 acres of disturbance (i.e., adjusting for assumption number 4 above). By increasing the number of drill pads to 47, the Model calculated a disturbance of 4.45 acres. This increased the reclamation cost by \$7,475 to \$200,568. This adjusted figure is used as the final reclamation cost estimate for this amendment.

June 11, 2008

SRCE-based Reclamation Cost Model With Calculators

FY 2007 Model Version 3.1

Koboh Valley Water Well Exploration Drilling Notice - Koboh Central A- NYN-033245 Amendment (Adjusted No. Drill Pads)

For Notice-Level Exploration

Linear		Labor Cost											
On a Side Slope		Manpower											
<30%		Equipment											
>30%		Materials											
		Cost/Linear Foot											
		Road Reclamation											
Drill Sites and Sumps		Manpower											
Drill Sites < 30% Slopes		Equipment											
Drill Sites > 30% Slopes		Materials											
Drill Sites Cross Country		Cost each											
Sumps													
Trenches		Manpower											
Cross Country Travel		Equipment											
		Materials											
		Cost/Linear Foot											
Total Disturbance													
150 miles Mobilization													
150 miles Mobilization													
Drill Holes Open													
Feet of Open Holes - Wet													
Feet of Open Holes - Dry													
Feet of Casing to Pull													
150 miles Mobilization													
150 miles Mobilization													
Disturbance Type		Total Acres											
Roads		0.00											
Drill Sites		2.87											
Sumps		0.77											
Trenches		0.00											
Cross Country		0.81											
Total Notice acres		4.45											

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.2. Cost Data are from August 1, 2007. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
1. There are two side hill slope categories used for all calculations in this worksheet. All slopes under 30% (<30%) are assumed to have a slope of 20%.	
2. All slopes over 30% (>30%) are assumed to have a slope of 40%.	
3. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "drivable" part of the road without any safety berms.	
4. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
5. All Road and Drill Sites cut banks are assumed to have an angle of repose of 60 degree slope.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 135 CY per hour.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada.	
9. Area pay = \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
10. Laborer cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
11. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
12. Revegetation costs are based on a per acre basis.	
13. Drill Sites recontouring cost is based on a standard pad width and length.	
14. Drill Sites on slopes <30% and Cross Country Drill Sites are 30 feet wide by 70 feet long.	
15. Drill Sites on slopes >30% are 30 feet wide by 83 feet long.	
16. On Cross Country Drill Sites, the disturbed area is ripped by a Cat D6 size dozer.	
17. On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
18. On Drill Sites >30% slopes sumps are assumed to be within the 30 foot * 83 foot dimension of the Drill Site.	
19. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY/hour productivity.	
20. Recontouring earthwork for Roads, Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
21. Cross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
22. Revegetation costs for all Cross Country disturbance is based on a 12 foot wide seeding width on one pass.	
23. Mobilization and Demobilization are based on 150 miles one way to project and are based on the 2007 SRCE & RS Means with Davis-Bacon Mob/Demob worksheet.	
24. Travel times are assumed to be 2.73 hours one way to the project.	
25. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
26. If any Trenches or Cross Country travel is included a D6 dozer will be mobilized also.	
27. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.	
28. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
29. If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
30. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drilling plus crew and support equipment.	
31. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	

Nevada BLM, April 8, 2008



June 11, 2008

FY 2007 Model Version 3.1

**SRCE-based Reclamation Cost Model With Calculators**  
**For Notice-Level Exploration**  
**Kobeh Valley Water Well Exploration Drilling Notice - Kobeh Central A - NVN-083245 Amendment (Adjusted No. Drill Pads)**

Linear Feet of Road On a Side Slope	Linear Feet	Number	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
<30%	0	0	Recontouring Cost <30%	\$0	\$0.11	\$0.13	\$0.24	\$0
>30%	0	0	Recontouring Cost >30%	\$0	\$0.29	\$0.36	\$0.65	\$0
Drill Sites and Sumps	Linear Feet	Number	Labor Cost	Manpower	Equipment	Materials	Cost each	Pad& Sump Reclamation
Drill Sites < 30% slopes	0	0	Recontouring Cost	\$344	\$34.40	\$43.20	\$77.60	\$776
Drill Sites > 30% slopes	0	0	Recontouring Cost	\$0	\$110.20	\$138.40	\$248.60	\$0
Drill Sites Cross Country	0	0	Ripping Cost	\$0	\$4.94	\$2.03	\$6.97	\$0
Sumps	10	0	Recontouring Cost	\$220	\$22.00	\$26.80	\$48.80	\$468
Trenches	Linear Feet	Number	Labor Cost	Manpower	Equipment	Materials	Cost/Linear Foot	Road Reclamation
Cross Country Travel	5,916	0	Recontouring Cost	\$0	\$0.95	\$1.73	\$2.67	\$0
			Ripping Cost	\$167	\$0.03	\$0.01	\$0.04	\$235
Total Disturbance	Slope Acres	1.60	Revegetation Cost	\$117	\$73.00	\$62.00	\$437.50	\$700
150 miles Mobilization			Mobilization Cost-excavator	\$356	\$356.17	\$418.11	\$774.28	\$774
150 miles Mobilization			Mobilization Cost-dozor	\$563	\$563.21	\$777.77	\$1,340.98	\$1,341
Drill Holes Open	#Feet		Labor Cost	Manpower	Equipment	Materials	Cost/Foot	Drill Hole Plugging
Feet of Open Holes - Wet	15285		Plugging Cost - Wet	\$8,450	\$0.42	\$1.49	\$2.50	\$38,197
Feet of Open Holes - Dry			Plugging Cost - Dry	\$0	\$0.48	\$0.23	\$0.75	\$0
Feet of Casting to Pull	15285		Pulling Casing	\$25,174	\$1.65	\$5.39	\$7.03	\$107,499
150 miles Mobilization			Mobilization Cost - Wet	\$1,412	\$1,412.16	\$2,510.52	\$3,922.68	\$3,923
150 miles Mobilization			Mobilization Cost - Dry	\$0	\$313.20	\$168.65	\$481.85	\$0
Disturbance Type	Total Acres	Total Linear Feet	Slope Acres					Total Reclamation Cost
Roads	0.00	0	0.00					\$153,934
Drill Sites	0.61	0.62	0.62					
Sumps	0.16	0.16	0.16					
Trenches	0.00	0	0.00					
Cross Country	0.81	5,916	0.81					
total Notice acres	1.59	1.60	1.60					
Insurance Bond*								
Contractor Profit								
Contract Administration								
Indirect Costs								
1.5% Labor Cost								
3% Total Reclamation Cost								
10% Total Reclamation Cost								
10% Total Reclamation Cost								
21% of Contract Administration Cost								
Total Labor								
\$34,604								
\$522								
\$4,618								
\$15,393								
\$15,393								
\$3,233								
Total Administration Cost								
\$38,159								

green cells with blue font is for user input  
yellow cells are unit costs

Bond required only if total reclamation cost > \$100,000

Financial Guarantee

Cost per acre

Bureau of Land Management Notice Level Reclamation Cost Estimation Worksheet	
Costs for this Notice Level Reclamation Cost Estimator are based on values and assumptions used in the Standardized Reclamation Cost Estimator (SRCE) Version 1.1.2. Cost Data are from August 1, 2007. This worksheet is simpler than the SRCE and does not allow the flexibility of entering project specific information in some situations. The model will generate approximately the same reclamation costs as the SRCE model if the same inputs and assumptions are applied. Below are the methods and assumptions used by this model to generate a Financial Guarantee Amount.	
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2. All Roads in this worksheet are assumed to have a 14 foot wide dimension across the flat "driveable" part of the road without any safety berms.	
3. All Drill Sites in this worksheet are assumed to be 30 feet wide. For Drill Sites on slopes <30% they are 70 feet long. For Drill Sites on slopes >30% they are 83 feet long.	
4. All Road and Drill Sites cut banks are assumed to have a 60 degree slope.	
5. All Road and Drill Sites fill slopes are assumed to have an angle of repose of 1.4H:1V or about 70% slope equal to a 35 degree angle.	
6. Roads are linear features and the units required for input to this worksheet are in linear feet.	
7. Recontouring for reclamation of Roads, Drill Sites, and Sumps is done with a track excavator of a Cat 320C size with a 1.57 CY bucket and productivity of 138 CY per hour.	
8. Equipment operator Manpower cost is based on Davis-Bacon wage rates for Northern Nevada. Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%. Area pay = \$3.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
9. Labor cost is based on Davis-Bacon wage rates for Northern Nevada with Area pay = \$2.00 per hour, FICA = 7.65%, Unemployment = 3% and Workmen's Comp = 9.50%.	
10. Revegetation cost is based on the cost of use of a D4 class dozer which scarifies, seeds and drags the seed in on one pass.	
11. Revegetation costs are based on a per acre basis.	
12. Drill Sites recontouring cost is based on a standard pad width and length.	
13. On Gross Country Drill Sites, the disturbed area is tipped by a Cat D6 size dozer.	
14. On Drill Sites <30% slopes they are assumed to be outside the Drill Site.	
15. Trenches are assumed to be 300 feet long by 14 feet wide by 5 feet deep. They are recontoured with a Cat D6 sized dozer assuming a 208 CY hour productivity.	
16. Recontouring earthwork for Roads Drill Sites and Sumps has an assumed swell factor of 20%. Trenches swell factor is 30%.	
17. Gross Country travel is assumed to have a disturbance of 6 feet wide by the linear feet of travel on slopes under 10%.	
18. Recontouring costs for all Gross Country disturbance is based on a 12 foot wide seeding width on one pass.	
19. Mobilization and Demobilization are based on 150 miles one way to project and are based on the 2007 SRCE & RSMeans with Davis-Bacon Mob/Demob worksheet.	
20. Travel times are assumed to be 2.75 hours one way to the project.	
21. Mobilization for a Cat 320C excavator will be charged for regrading of Roads, Drill Sites only.	
22. If any Trenches or Gross Country travel is included a D6 dozer will be mobilized also.	
23. All projects that propose drilling will require a minimum Drill Holes Open abandonment cost.	
24. If a drill hole will not penetrate the static water level it may be abandoned as an Open Hole - Dry.	
25. If a drill hole is drilled deeper than the static water level it is considered a wet hole and must be abandoned as an Open Hole - Wet.	
26. Mobilization for Drill Holes - Open for Open Hole - Wet will include one drill rig plus crew and support equipment.	
27. Mobilization for Drill Holes - Open for Open Hole - Dry will include one backhoe and operator, and one general laborer.	
Nevada BLM, April 8, 2008	



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Mount Lewis Field Office  
50 Bastian Road  
Battle Mountain, Nevada 89820  
<http://www.nv.blm.gov/battlemountain>  
(775) 635-4000 or [bmfwweb@nv.blm.gov](mailto:bmfwweb@nv.blm.gov)



In Reply Refer To:  
3809 (NV062)  
NVN-083245  
(08-2A)

JUN 11 2008

*G. Strickland 06/11/2008*  
*J. Mallory 6/11/08*

**CERTIFIED MAIL: 7006 0810 0001 5139 4746**

**Return Receipt Requested**

### DECISION

Brian J. Musser, Environmental Manager : 43 CFR 3809 – Surface Management  
General Moly, Inc. : Notice Amendment  
2215 North 5<sup>th</sup> St. :  
Elko, NV 89801 :

#### Determination of Required Financial Guarantee Amount

On June 3, 2008, General Moly, Inc. (GMI) submitted a Notice amendment for the Mt. Hope Mine Project, Bureau of Land Management (BLM) case file number NVN-083245 (08-2A). The project is located in MDB&M., T. 22 N., R. 51 E., sections 16, 18, 19-22, & 30-32. Your Notice amendment proposes to relocate two previously permitted test wells and associated observation wells, to remove from permitting three test wells with associated observation wells, and to increase surface disturbance by 2.05 acres consisting of three new test water wells and associated observation wells (1.85 acres) and associated overland travel (0.20 acres). This will bring the total disturbance associated with this Notice to 4.46 acres. The Notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR §3809.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$200,568** is sufficient to meet all anticipated reclamation requirements associated with this Notice. This amount is based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue

degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

**Required Financial Guarantee** – Within sixty (60) days of receipt of this Decision, GMI must submit an acceptable financial guarantee in the amount of **\$200,568** to the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006.

**Failure to provide an acceptable financial guarantee within the specified time frame will result in an enforcement action against GMI for failure to maintain an acceptable financial guarantee.**

**Term of Notice** - Your Notice will remain in effect for 2 years from the date of the original decision of April 18, 2007, unless you notify this office beforehand that operations have ceased and reclamation is complete. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

**Cultural Resources** – The location of the proposed disturbance is known to contain an extreme concentration of cultural resources. General Moly should retain the services of a professional archaeologist in order to ensure that the proposed activity does not affect any cultural resources. Under the Archaeological Resources Protection Act (43 CFR 7.4, 7.14, 7.15, 7.16) and the Native American Graves Protection and Repatriation Act (43 CFR 10), General Moly is liable for any damages to historic properties, cultural resources, or Native American funerary items or remains, as a result of proposed activities. NAGPRA stipulates further that upon discovery of human remains or other items of cultural patrimony, that you stop all activities in the vicinity of the discovery and notify the BLM, by telephone, with written confirmation, immediately (43 CFR 10.4 (c), (d), (g)).

**Guidelines for Operations Conducted Under a Notice** - *The enclosed document provides additional stipulations concerning your notice.*

**Appeal of the Decision Determining the Required Financial Guarantee Amount** - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request

declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below). If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Mount Lewis Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

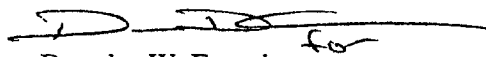
If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the IBLA and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

#### Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Casey Strickland, Environmental Protection Specialist, at 775-635-4017, or at the above address.



Douglas W. Furtado  
Field Manager  
Mount Lewis Field Office

Enclosures

cc: BLM, Branch of Minerals Adjudication (NV-923)

\\blm\dfs\nv\bm\pub\nonrenewable\minerals\letters\LETTERS FINALIZED\MOUNT HOPE  
NOTICES\GMI\_83245\_082AMnt HopeMine.doc



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, NV 89820  
<http://www.nv.blm.gov>



C. Cristean 6/12/07  
J. marine 6/12/07

In Reply Refer To:  
3809 (NV063)  
NVN-083245  
(07-3A)

**JUN 12 2007**

**CERTIFIED MAIL: 7006 2150 0000 0369 9615**  
**Return Receipt Requested**

### DECISION

Pat Rogers	:	43 CFR 3809 – Surface Management
Idaho General Mines, Inc.	:	Notice Amendment
455 8 <sup>th</sup> St.	:	
Elko, NV 89801	:	

#### Determination of Required Financial Guarantee Amount

On June 11, 2007, Idaho General Mines, Inc. (IGMI) submitted a Notice Amendment for the Central B Well Project located within MDB&M., T. 22 N., R. 51 E., sections 20, 21, 30 & 32. The Notice Amendment has been assigned Bureau of Land Management (BLM) case file number NVN-083245 (07-3A).

Your Notice Amendment proposes to:

1. Complete the primary exploration holes as monitor wells/piezometers.
2. Install twelve-inch borings approximately 100-ft. from the primary exploration holes.
3. Install the wells using applicable Nevada Division of Water Resources NAC 534 design requirements.
4. Keep the same amount of disturbance (1.59-acres) over what was described in the last amendment (07-2A).

The Notice amendment documentation has been reviewed and satisfies the requirements of 43 CFR §3809 for operations conducted under a Notice.

Amount of Financial Guarantee – This office has reviewed your reclamation cost estimate and has determined that the amount of **\$140,398.00** is sufficient to meet all anticipated reclamation requirements for this amendment. The amount of the reclamation cost estimate was based on the operator complying with all applicable operating and reclamation requirements.

All line items contained in the approved reclamation cost estimate are not to be considered as the limits of financial guarantee expenditures in that respective category or task should forfeiture of

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6/12/07

the financial guarantee be necessary. The line items listed are solely for the purpose of arriving at a total amount for the financial guarantee. This total amount may be spent however the BLM deems necessary to implement the approved reclamation plan and does not represent a reclamation cost limit or constraint.

BLM's review of your proposed operations, determination that your Notice amendment filing is complete, determination that your operations as proposed will not cause unnecessary or undue degradation, and decision concerning the amount of the required financial guarantee does not relieve you, the operator, of your responsibility to be in compliance with all applicable Federal, State and local laws and regulations, and to obtain all applicable Federal, State and local authorizations and permits.

You are responsible for preventing any unnecessary or undue degradation of public lands and resources, and for reclaiming all lands disturbed by your operations.

Required Financial Guarantee –The BLM Nevada State Office Adjudication Branch issued a Decision on April 26, 2007, for the existing financial guarantee in the amount of \$71,625.00 and this must be increased by \$68,773.00, which has not changed from the required financial guarantee for Amendment 07-2A. **Within 60 days of receipt of this Decision, a financial guarantee in the amount of \$140,398.00 must be filed with the Bureau of Land Management, Branch of Minerals Adjudication, P.O. Box 12000, Reno, NV 89520-0006 or enforcement action will take place.** You must receive written notification from that office accepting and obligating your financial guarantee before you may continue any surface disturbing operations.

The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the Branch of Minerals Adjudication at 775-861-6599 for further information on the adjudication of financial guarantees.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

This decision does not constitute: certification of ownership to any entity named in the Notice; recognition of the validity of any associated mining claims; or recognition of the economic feasibility of the proposed operations.

Term of Notice - Your Notice will remain in effect for 2 years from the date of the original Decision (April 18, 2007) unless you notify this office beforehand that operations have ceased and reclamation is complete or you would like to extend your Notice. If you wish to conduct operations for another 2 years after the expiration date of your Notice, you must notify this office in writing on or before the expiration date as required by 43 CFR 3809.333.

Cultural Resources - If archaeological sites are damaged you could be assessed fines under the civil provisions of the Archaeological Resources Protection Act (see 43 CFR 7, parts 7.4, 7.14, 7.15 and 7.16). Therefore, it is recommended that you hire an archaeological contractor to do a

cultural survey of the project area prior to beginning work. Pursuant 43 CFR 10.4(g) you must notify the authorized officer, Assistant Field Manager, Non Renewable Resources/Field Station Manager, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. 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.

Protection and Preservation of Public Land Survey System Monuments-As directed in 43 CFR 3809.420 – Surface Management - (b) (9) *Protection of survey monuments*, it is your responsibility to bear the cost of any necessary restoration or reestablishment activity of the affected monument(s). Correspondingly, in the course of any accepted surface disturbance activity when Public Land Survey System Monuments/Cadastral corners or accessories that may or have been subject to obliteration, destruction, or damage, it will be your responsibility to protect and preserve the monumentation. Further clarification can be found in Nevada BLM's Instruction Memorandum No. NV-2007-003 [www.nv.blm.gov](http://www.nv.blm.gov).

Guidelines for Operations Conducted Under a Notice - *The attached document provides additional stipulations concerning your notice.*

Appeal of the Decision Determining the Required Financial Guarantee Amount - *The enclosed two page document provides information on taking appeals to the Interior Board of Land Appeals.* If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Blvd. 89502, P.O. Box 12000, Reno, Nevada 89520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for



a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

Contact - If you have any questions pertaining to this decision, please contact Cory Crotteau, Environmental Protection Specialist at 775-635-4192 or Stephen Drummond, Supervisory Mining Engineer at 775-635-4160 or at the above address.

*Thomas J. Seley*

Thomas J. Seley  
Assistant Field Manager  
Nonrenewable Resources

Enclosures

cc:

BLM, Branch of Minerals Adjudication, NSO (NV-923)

Andy Russell  
Idaho General Mines, Inc.  
N. 10 Post St. Ste. 610  
Spokane, WA 99201

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**Idaho General Mines Inc.**  
**455 8<sup>th</sup> Street**  
**Elko, Nevada 89801**  
**775-753-4988**  
**775-753-7722 Fax**

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ENVIRONMENTAL  
DIVISION  
FILE OFFICE

June 15, 2007

Jon Sherve  
Hydrologist  
Bureau of Land Management  
Battle Mountain Field Office  
50 Bastian Road  
Battle Mountain, NV 89820

Re: Mt Hope Aquifer Testing Plan

Dear Mr. Sherve:

Attached is the Kobeh Valley Central Well Field Aquifer Testing Plan developed for the planned water supply well-field at Idaho General Mines, Inc.'s (IGMI) Mt Hope Project. This plan describes testing and monitoring methods to be used to determine potential production yields. This testing will accomplish several objectives: confirm that the proposed well field will be capable of producing the required water for milling; facilitate well design, including pump selection; and, validate the area assumed to be stressed/pumped from in the regional hydrologic model. Initial test holes are encouraging and indicate a strong probability that wells will be capable of producing high yields. Well testing will likely be conducted through this summer.

Please contact me if you have any questions or comments regarding this plan.

Sincerely;

Pat Rogers  
Director of Environmental & Permitting

Cc: S. Drummond, Bureau of Land Management, Battle Mountain Field Office  
G. Ferdock, IGMI  
J. Hutchings, Eureka County  
T. Olsen, Bureau of Land Management, Nevada State Office  
D. Smith, Interflow Hydrology, Inc.  
T. Buqo  
File

**Idaho General Mines, Inc. 10 N. Post Street, Suite 610, Spokane, WA 99201**  
**Phone:(509) 838-1213,Fax:(509) 838-0457,www.idahogeneralmines.com - AMEX : GMO**