

PMC-EF2a

(2.04.02)

**U.S. DEPARTMENT OF ENERGY
EERE PROJECT MANAGEMENT CENTER
NEPA DETERMINATION**



RECIPIENT: Oski Energy LLC

STATE: NV

PROJECT TITLE : Hot Pot Project

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE-FOA-000109	DE-EE0002839	GFO-10-223	GO2839

Based on my review of the information concerning the proposed action, as NEPA Compliance Officer (authorized under DOE Order 451.1A), I have made the following determination:

CX, EA, EIS APPENDIX AND NUMBER:

Description:

- A9** Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring.
- B3.1** Onsite and offsite site characterization and environmental monitoring, including siting, construction (or modification), operation, and dismantlement or closing (abandonment) of characterization and monitoring devices and siting, construction, and associated operation of a small-scale laboratory building or renovation of a room in an existing building for sample analysis. Activities covered include, but are not limited to, site characterization and environmental monitoring under CERCLA and RCRA. Specific activities include, but are not limited to:

Rational for determination:

Oski Energy, LLC (OEL) would improve geothermal well target selection and reduce drilling risk through the application of an innovative and advanced method for interpreting seismic survey data to locate deep geothermal structures. Once the seismic data is analyzed, two moderate depth slim hole wells and a resource confirmation well would be drilled and tested. Project work would take place on public lands in Nevada regulated by the Winnemucca District of the Bureau of Land Management (BLM). No laboratory work is anticipated for the project.

The project is divided into three phases with multiple tasks.

Phase 1 – Data Collection and Application of Innovative Exploration Techniques

- 1.1 Background Data Collection and Permitting – geologic, geophysical, and geochemical data would be collected and integrated into a project Geographic Information System.
- 1.2 Seismic Survey Data Collection and Analysis – a seismic survey would be accomplished by using a 2.5-D structural model and the data would be analyzed utilizing innovative analytical techniques.
- 1.3 Slim Hole Drill Target Selection

Since the locations of the slim hole wells and the resource confirmation well have not been determined, Phase 2 (all tasks) and Phase 3 (task 3.1) cannot be analyzed at this time. A NEPA determination for these tasks in Phase 2 and Phase 3 of the project would be too early to determine but would need to be made prior to OEL beginning any drilling.

Phase 2 – Validation of Innovative Exploration Techniques

- 2.1 Slim Hole Well Drilling Program – two slim holes would be drilled and completed.
- 2.2 Resource Confirmation Well Target Selection
- 2.3 Resource Confirmation Well Drilling Program

Phase 3

- 3.1 Resource Confirmation Well Testing – slim holes and resource confirmation well would be tested with both static and flowing pressure temperature surveys.
- 3.2 Project Management and Reporting - Reports and other deliverables would be provided in accordance with the Federal Assistance Reporting Checklist following the instructions included therein.
- 3.3 Technology Transfer and Commercialization – all non-proprietary data of interest would be provided to the National Geothermal Data Base.

**Note: Prior to this NEPA determination, a Limited Release of Funds was authorized via STRIPES req 10EE002810 to authorize DOE funds in the amount of \$150,000 for expenditure by OEL. The following tasks were covered in the blanket CX for the Limited release of Funds modification:

Task 1.1 Background Data Collection and Permitting

Task 3.2 Project Management and Reporting

A Notice of Intent (NOI) for the seismic survey work was submitted to the BLM in early June 2010. According to a phone conversation between the DOE NEPA Specialist and Raquel Minky (BLM), resource surveys have been completed and the BLM expects to approve the NOI within the next two weeks.

Condition of Approval: Allowable – Phase 1 (tasks 1.1 through 1.3) and Phase 3 (tasks 3.2 and 3.3); Prohibited – Phase 2 (all tasks) and Phase 3 (task 3.1).

Based upon the information provided, Phase 1 (tasks 1.1 through 1.3) and Phase 3 (tasks 3.2 and 3.3) are categorically excluded under CX A9 "Information gathering/data analysis/document preparation/dissemination" and CX B3.1 "Site characterization/environmental monitoring."

NEPA PROVISION

DOE has made a conditional NEPA determination for this award, and funding for certain tasks under this award is contingent upon the final NEPA determination.

Insert the following language in the award:

You are restricted from taking any action using federal funds, which would have an adverse affect on the environment or limit the choice of reasonable alternatives prior to DOE/NNSA providing either a NEPA clearance or a final NEPA decision regarding the project.

Prohibited actions include:

Phase 2 (all tasks) and Phase 3 (task 3.1)

This restriction does not preclude you from:

Phase 1 (tasks 1.1 through 1.3) and Phase 3 (tasks 3.2 and 3.3)

If you move forward with activities that are not authorized for federal funding by the DOE Contracting Officer in advance of the final NEPA decision, you are doing so at risk of not receiving federal funding and such costs may not be recognized as allowable cost share.

Note to Specialist :

OEL must provide DOE with a copy of the approved NOI from the BLM prior to beginning seismic survey work (task 1.2).

This project involves tasks which are unallowable under NEPA prior to further environmental analysis of Phase 2 (all tasks) and Phase 3 (task 3.1). NEPA requests that this project be placed on ASAP Approval.

EF2a prepared by Casey Strickland

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature: _____

NEPA Compliance Officer

Date: _____

8/5/10

FIELD OFFICE MANAGER DETERMINATION

Field Office Manager review required

NCO REQUESTS THE FIELD OFFICE MANAGER REVIEW FOR THE FOLLOWING REASON:

- Proposed action fits within a categorical exclusion but involves a high profile or controversial issue that warrants Field Office Manager's attention.
- Proposed action falls within an EA or EIS category and therefore requires Field Office Manager's review and determination.

BASED ON MY REVIEW I CONCUR WITH THE DETERMINATION OF THE NCO :

Field Office Manager's Signature: _____

Field Office Manager

Date: _____