

AMERICULTURE

EXHIBIT

10

FIELD REPORT

FILE NO A-45-A **PERMIT NO**

APPLICANT AmeriCulture Inc

SUBJECT Complaint of pink dye in water

SOURCE Animas Valley Underground Water Basin

DATE CHECKED February 24, 2012

CHECKED BY Haddy Phillips and Bryan Stevenson

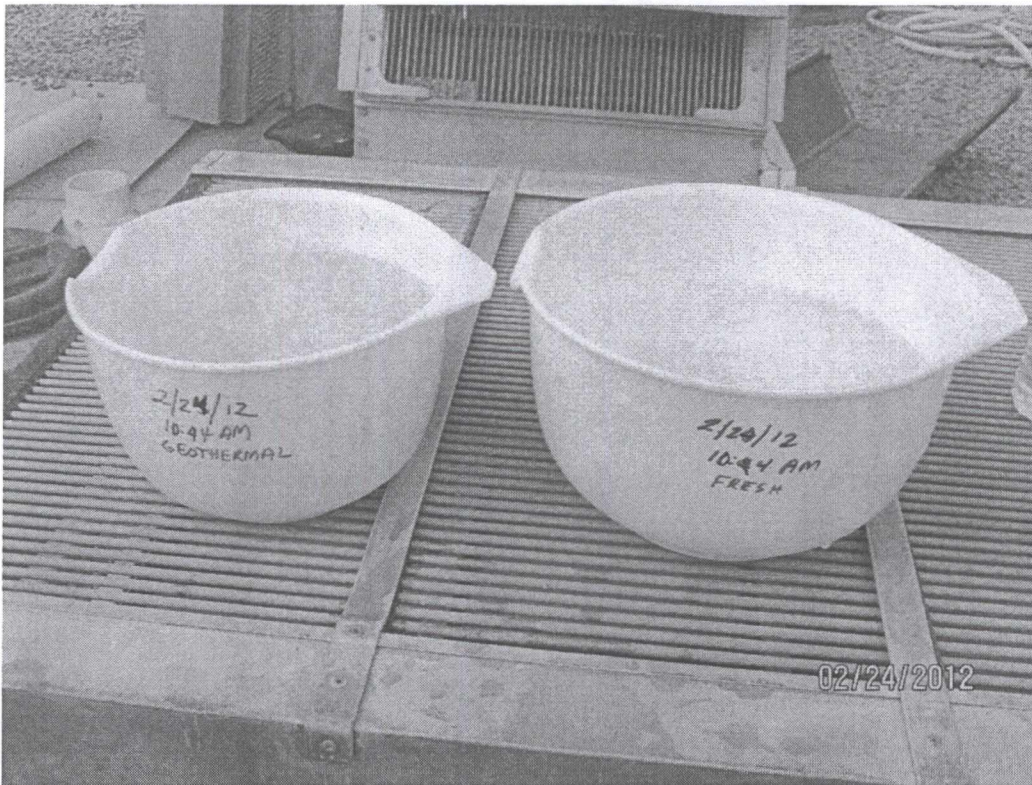
DIRECTIONS West on I-10 take Animas exit (HWY 338) go south, turn on Geothermal Road, follow road to AmeriCulture Inc, located on the north side of the road at the end of Geothermal Road.

REMARKS Upon a field inspection of personnel from the OSE Deming office the following was revealed. See below

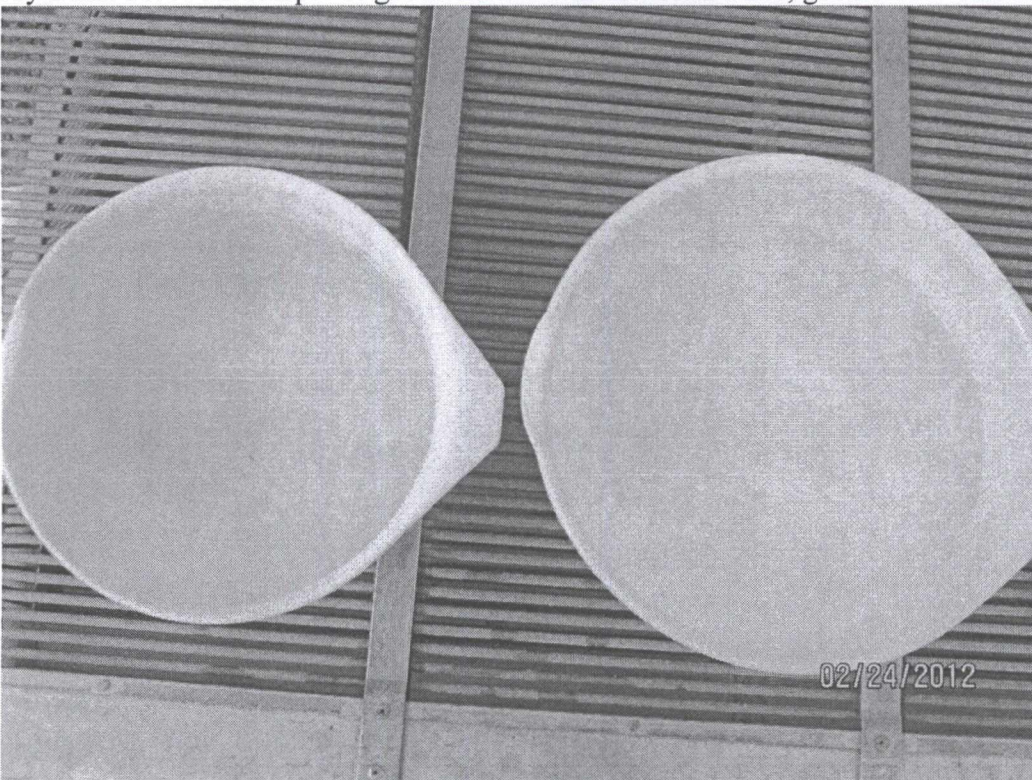
Met with Damon Seawright of AmeriCulture Inc at the fish farm. From the time of the complaint to the time of the field inspection it was found that Lightning Dock Geothermal HI-01, LLC had conducted a tracer test using the dye Rhodamine WT, which was injected into one of Rosette's State Lease Wells that are located North of AmeriCulture's wells. No permits have been issued from OSE District 3 Office to Lightning Dock Geothermal HI-01, LLC to conduct any test.

- Went to the fry barn to observe the complaint of the water being pink from the geothermal wells. Samples were taken from the geothermal source and the fresh (cold) water source. The water from the geothermal source was visibly tainted pink. The water from the fresh water source was not visibly tainted at this time. (The fresh (cold) water wells are located approx 1 mile to the west of the facility)
- Some of the fry in the tanks were also visibly tainted a light pink (the fry are different colors, some dark and some light cream color, the taint was noticeable on the light cream color fry).
- Samples were obtained by OSE from the geothermal and fresh water sources.
- Since based on the reading of Rhodamine WT which is a fluorescent dye and can thus be detected easily and inexpensively with instruments called fluorometers, the samples were placed under a black light, the geothermal sample had a strong glow under the black light, the fresh sample did not have a glow to it. *Note this was done only to see if the dye Rhodamine could be detected with a black light*
- Went to the breeder barn, the deposits on the water faucets to the tanks have a pink stain. The breeder fish had a noticeable pink taint to them.
- Inspected Rosette's State Lease wells
 - A-36-A-S17: GPS Location: North 32°9'11.85" West 108°49'52.39"
 - This well has been capped since it was drilled by Dale Burgett, work has been done to the well recently.
 - Soil patches around the well are stained pink which indicated that this well was used for the injection of the Rhodamine WT dye for the tracer test.
 - A-36-A-S16: GPS Location: North 32°9'10.35" West 108°49'48.13"
 - Pump still on well but not connected to water lines for greenhouses
 - No sign of well recently being pumped or dye injected into well

- A-36-A-S18: GPS Location: North 32°9'9.22" West 108°49'50.66"
 - Pump on well but not connected to water lines for greenhouses
 - No sign of well recently being pumped or dye injected into well
- A-36-A-S19: GPS Location: North 32°9'9.04" West 108°49'52.11"
 - Pump on well and connected to water line for green house
 - No sign of well recently being pumped or dye injected into well
- A-36-A-S15: GPS Location: North 32°9'9.04" West 108°49'53.41"
 - Pump on well but not connected to water lines for greenhouses, there is an emergency line attached to the well for AmeriCulture in case of need.
 - No sign of well recently being pumped or dye injected into well.
- Inspected the following Lighting Dock Geothermal/Rosette Inc Wells
 - 55-7 : A-758-POD1 (A-36-A-S20) GPS Location: North 32°8'39.47" West 108°50'9.39"
 - Well still has same equipment setup as on February 9, 2012 inspection
 - Area around well and green water storage tank that well is hooked up to discharge into shows that the ground has been recently saturated as if the well was pumped.
 - 53-07: A-758-POD4: GPS Location: North 32°8'51.39" West 108°50'8.06"
 - Well still has same setup as on February 9, 2012 inspection
 - A large green water storage tank is on site
 - Area around well shows that the ground has been recently saturated as if the well was pumped.
 - 45-07: A-758-POD5: GPS Location: North 32°8'39.93" West 108°50'16.19"
 - Well still has same equipment setup as on February 9, 2012 inspection
 - Area around well is dry, it does not appear as if this well was recently pumped
 - Equipment from the 47-07 drill site has been moved up to the 45-07 site
 - 47-07: A-758-POD6: Approx GPS Location: North 32°8'27.30" West 108°50'15.70"
 - Drill rig has been removed from site and well capped
 - Overley's Vacuum Truck Services was on site removing water from reservoir



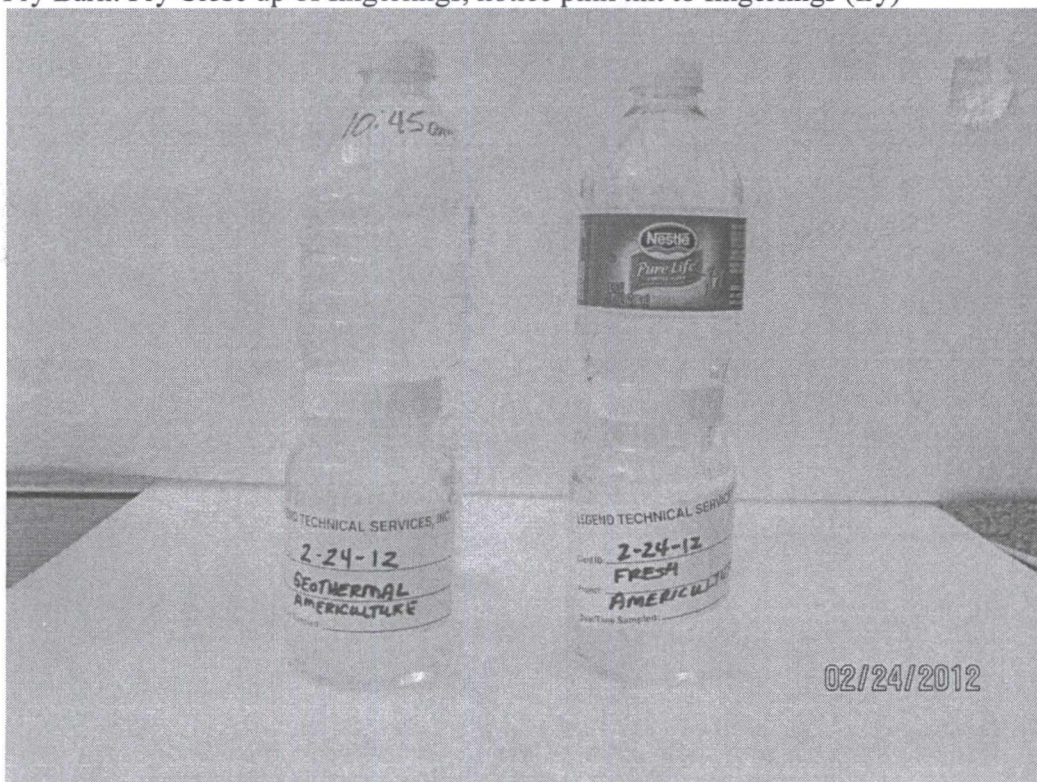
Fry Barn: 10:44 am sample of geothermal water and fresh water, geothermal water has pink tint



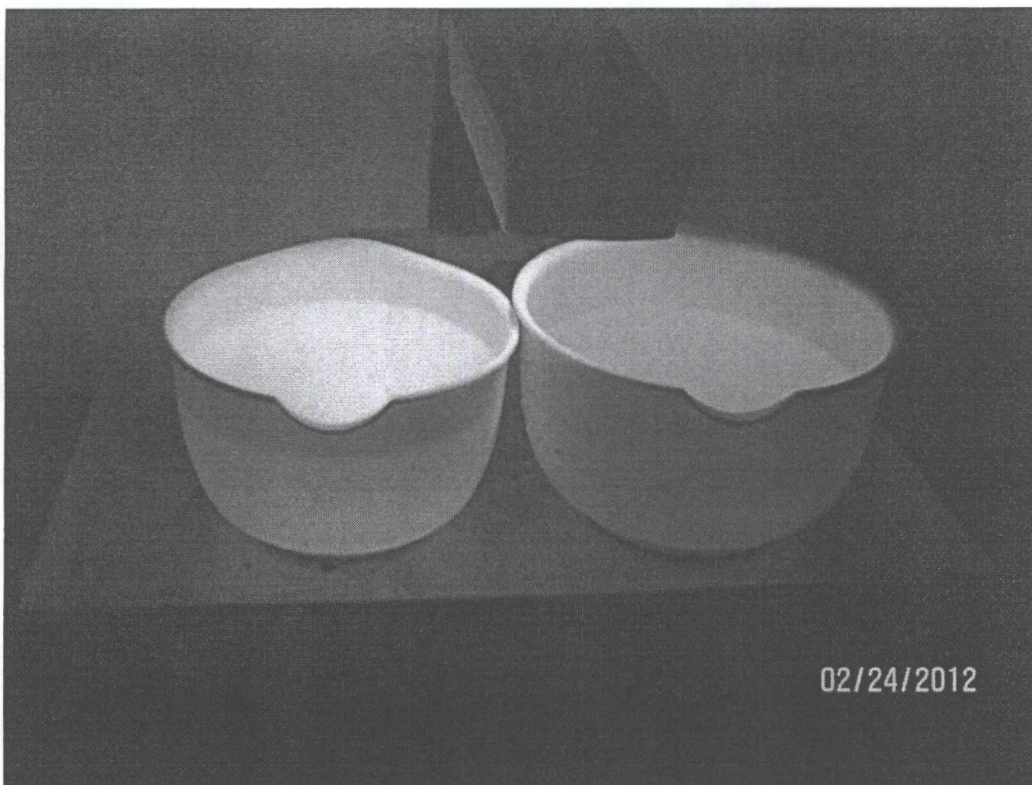
Fry Barn: Top view of 10:44 am sample of geothermal and fresh water samples



Fry Barn: Fry Close up of fingerlings, notice pink tint to fingerlings (fry)



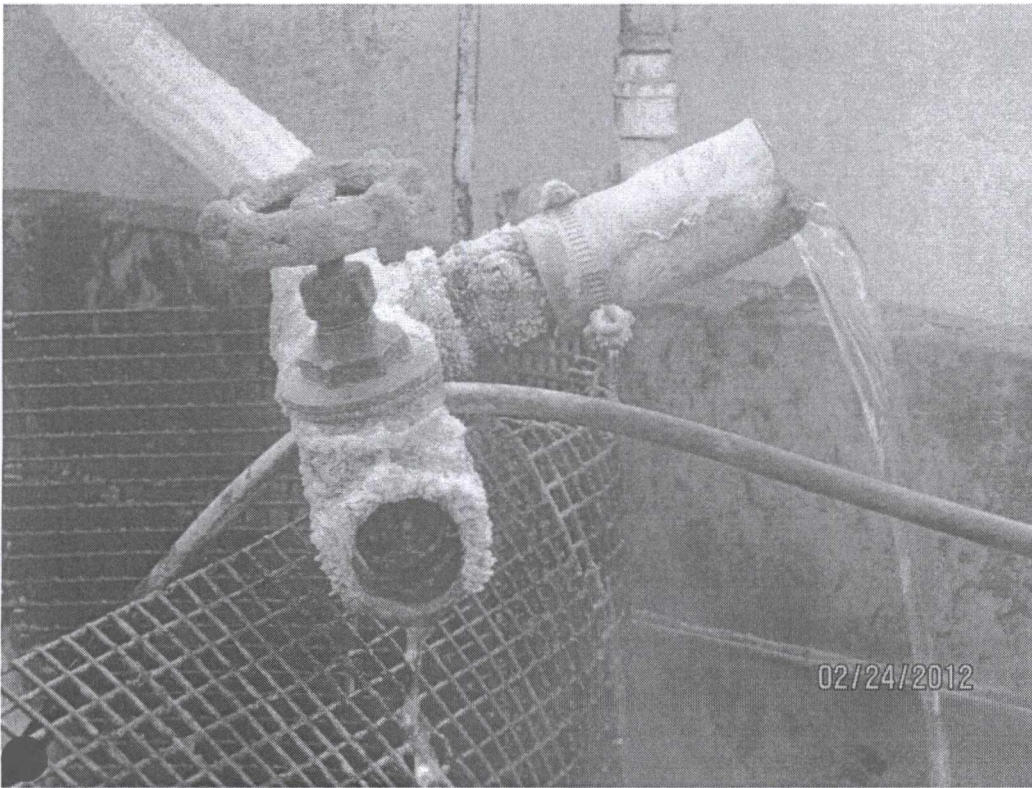
Fry Barn: Water samples taken by OSE of geothermal and fresh water.



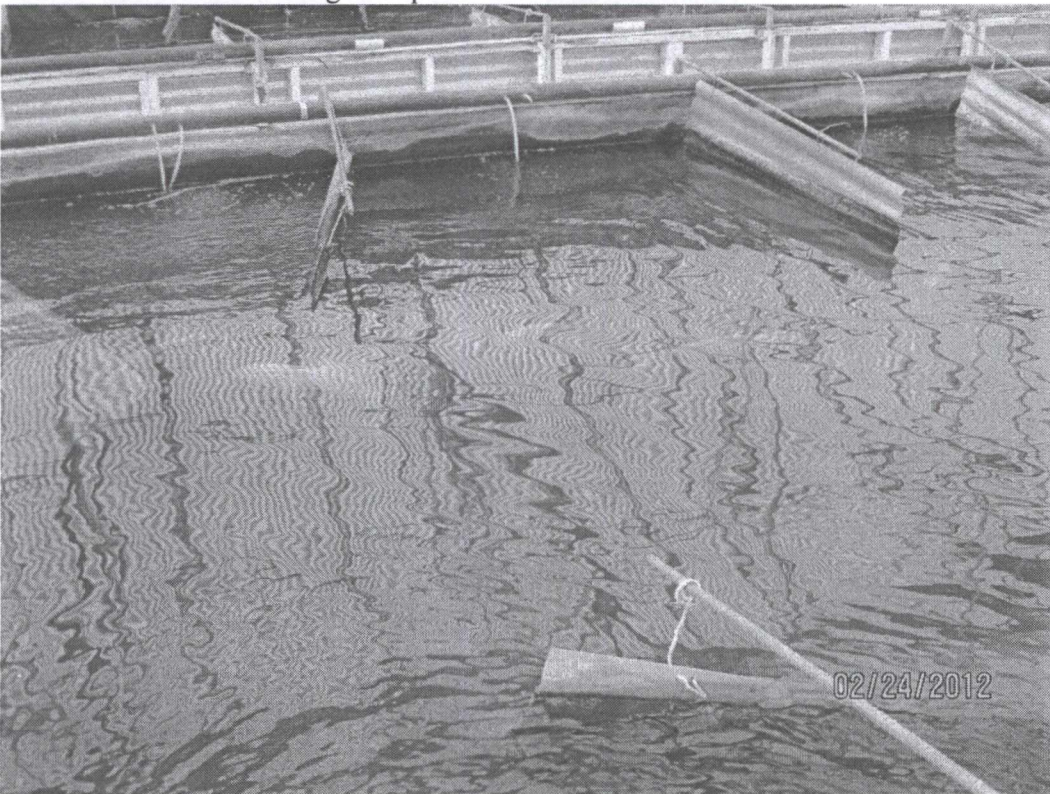
Geothermal (on left) and Fresh (on right) water under black light: Geothermal water had strong fluorescent glow under the black light.



Breeder barn: faucet to breeder tank, pink dye has stained the deposits on the faucet.



Breeder barn: more staining of deposits on tank faucets.



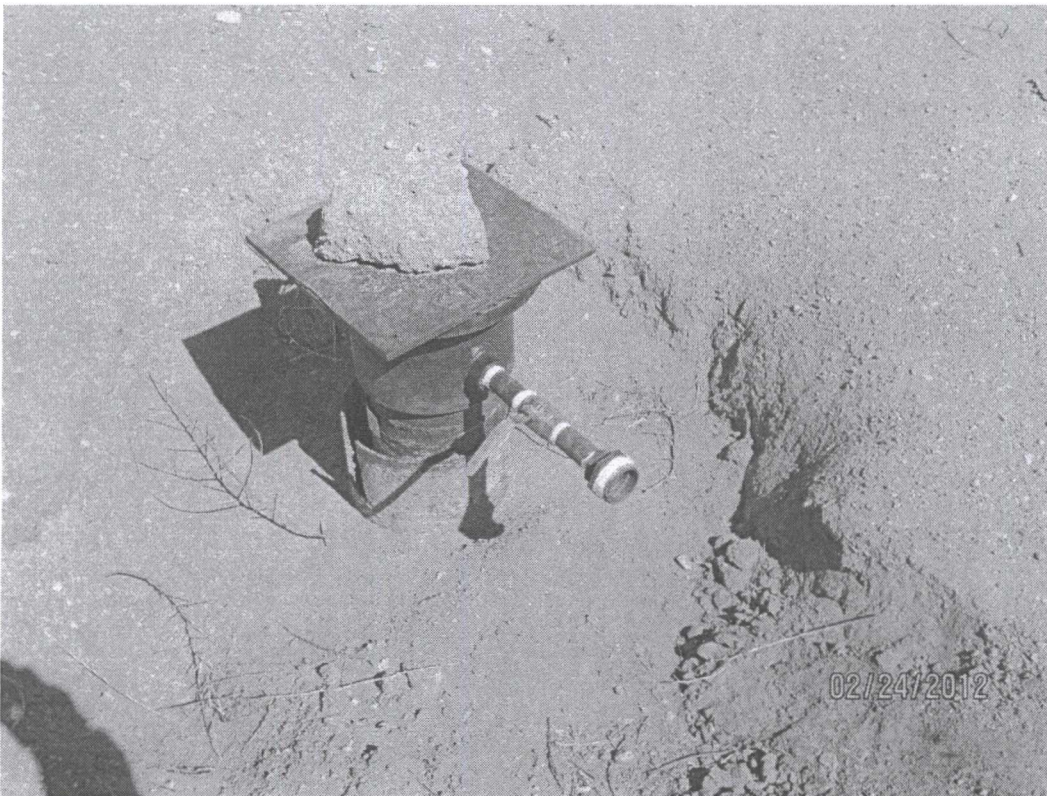
Breeder barn: breeding run showing the fish tainted pink.



Breeder barn: circular tank of breeders, shows pink tint to fish



Breeder barn: fish from circular tank showing pink tint



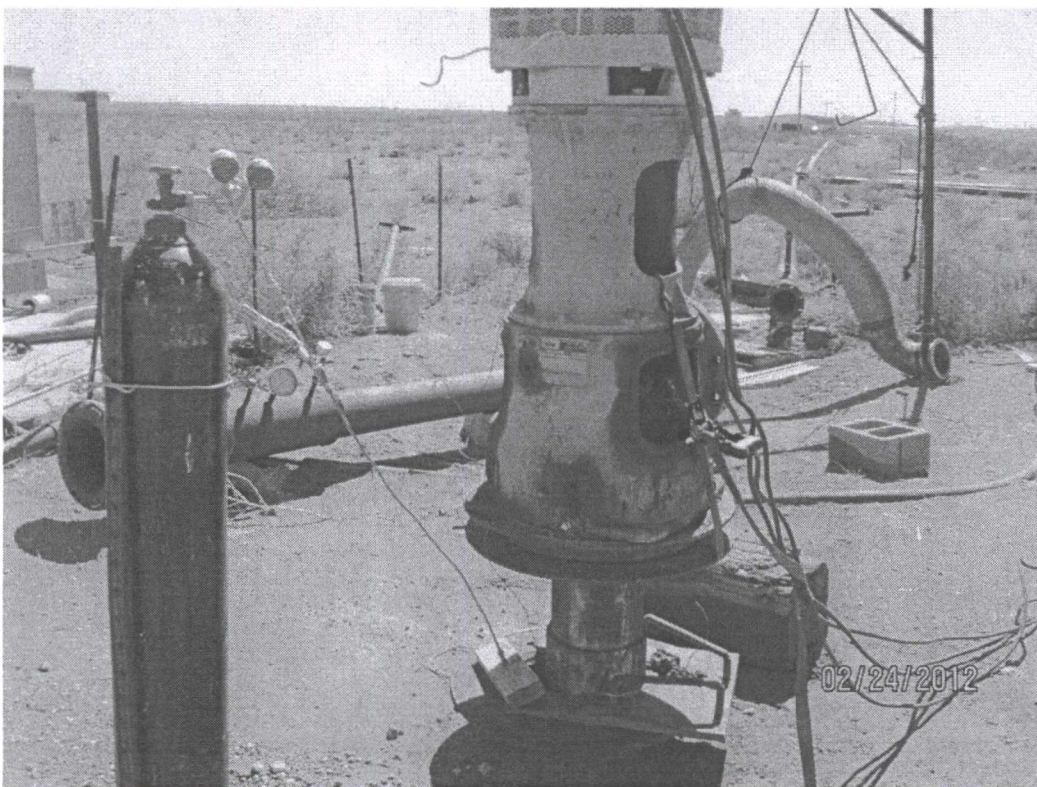
Well A-36-A-S17: where dye was injected (notice dye stains on soil around well)



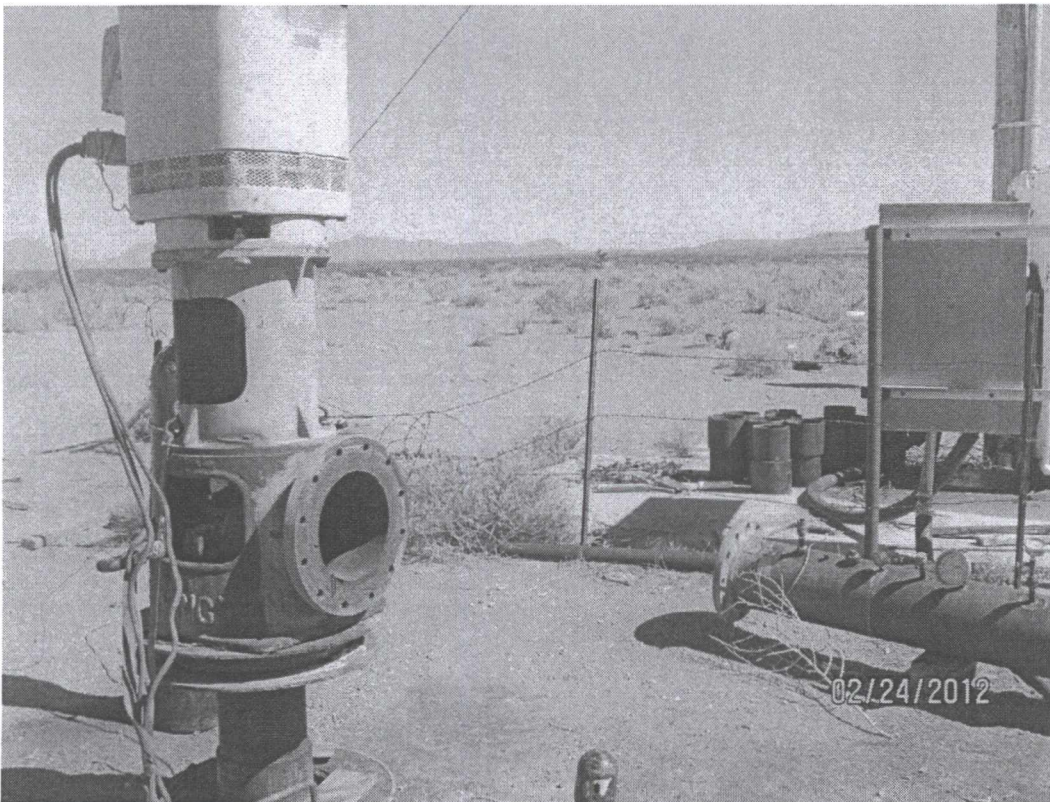
At well A-36-A-S17: close up of dye stain of soil



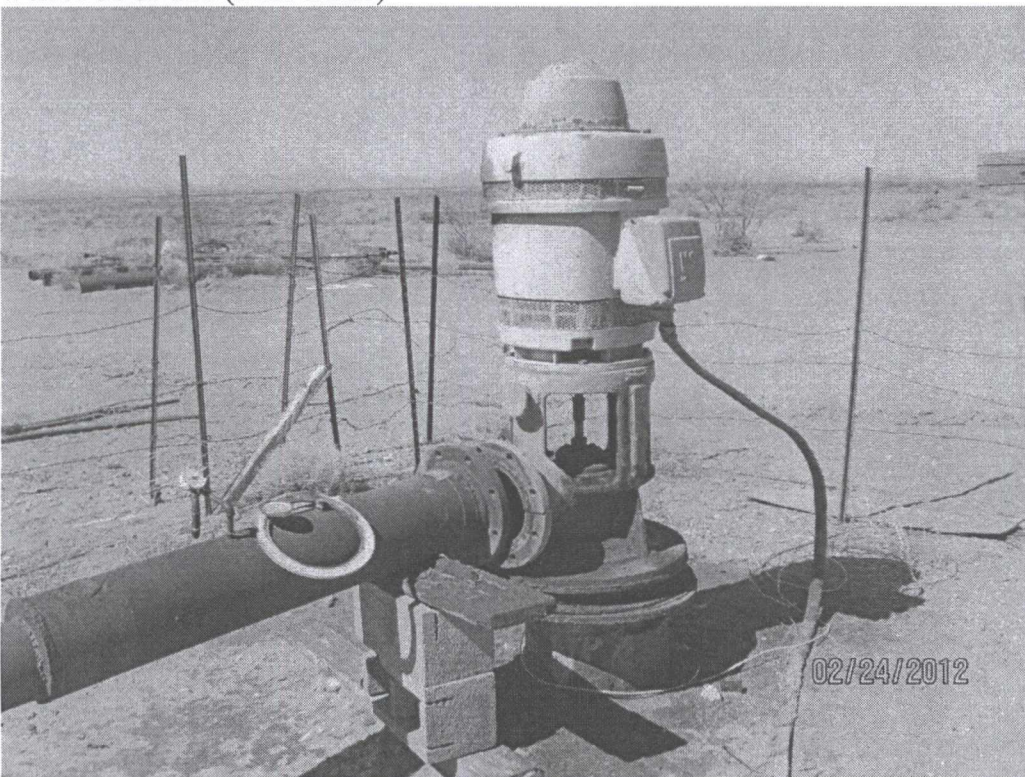
At well A-36-A-S17, leakage of dye onto soil near well



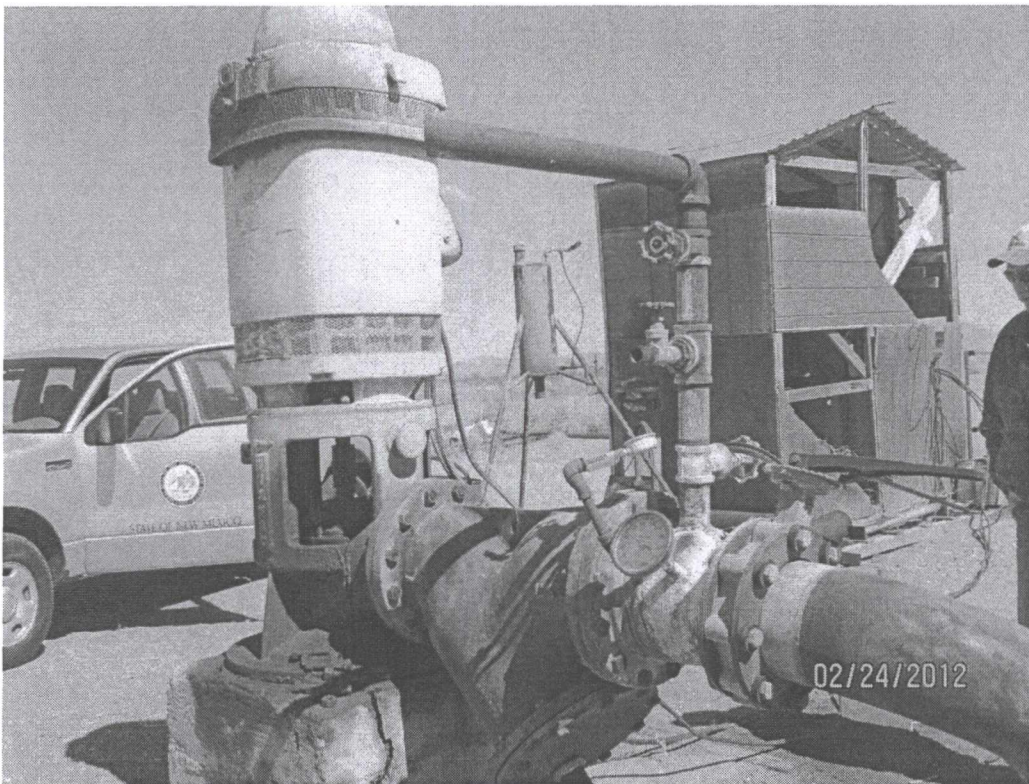
Well A-36-A-S16 (State Lease): no evidence of pumping or dye injection



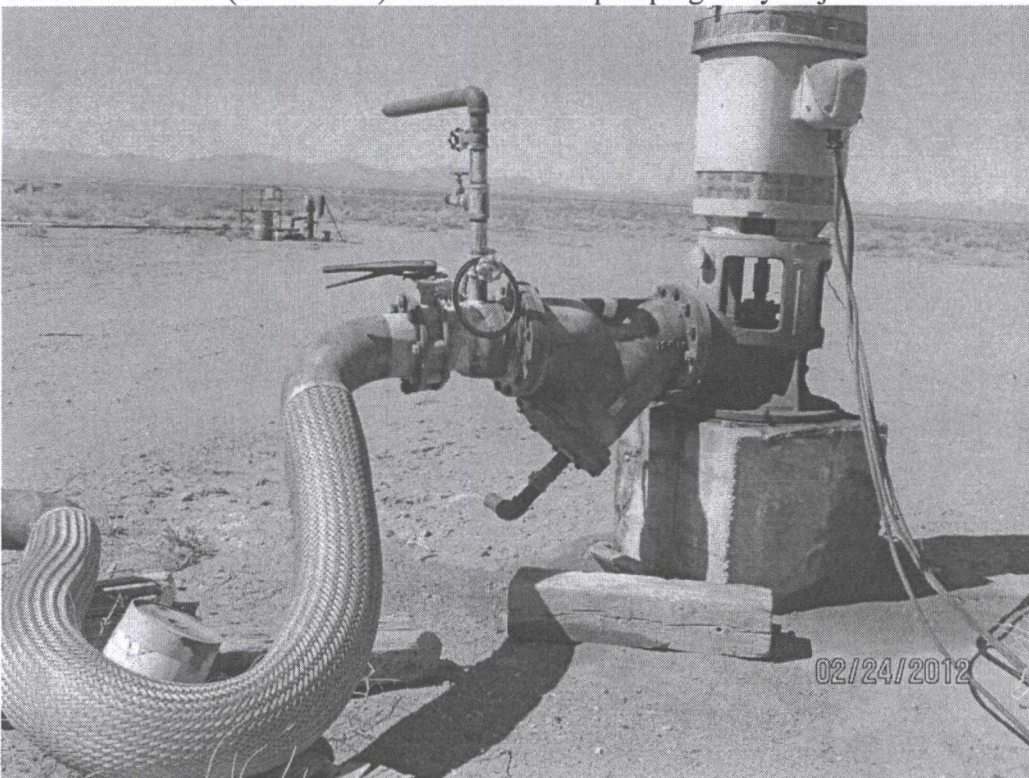
Well A-36-A-S16 (State Lease)



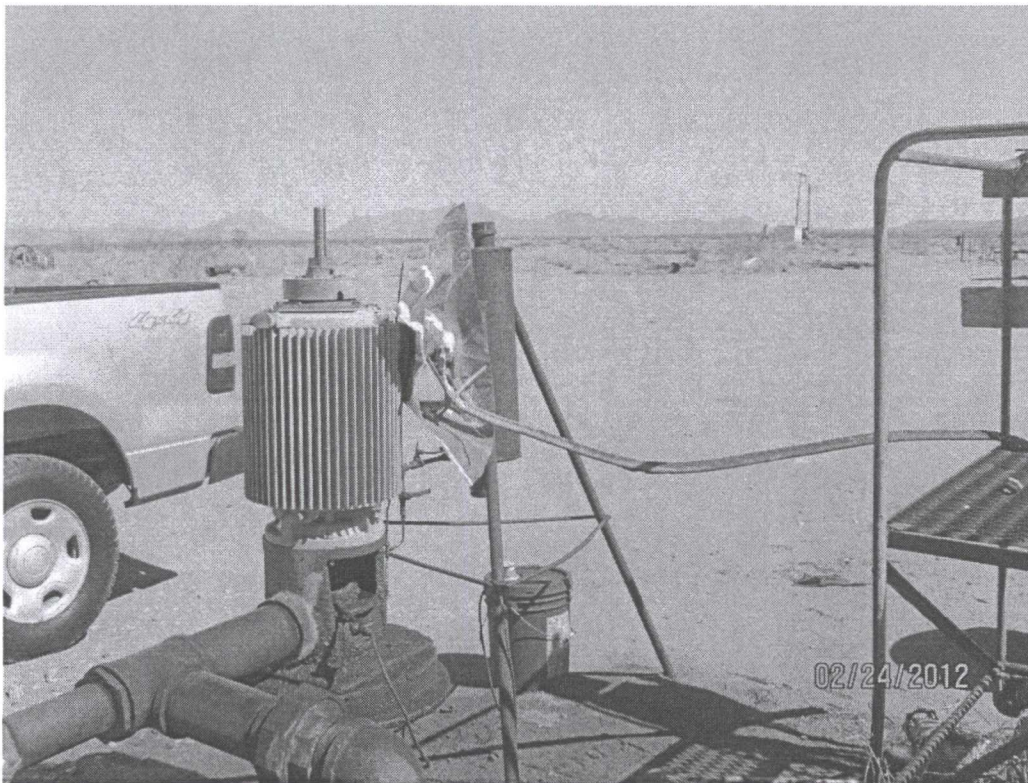
Well A-36-A-S18 (State Lease): no evidence of pumping or dye injection



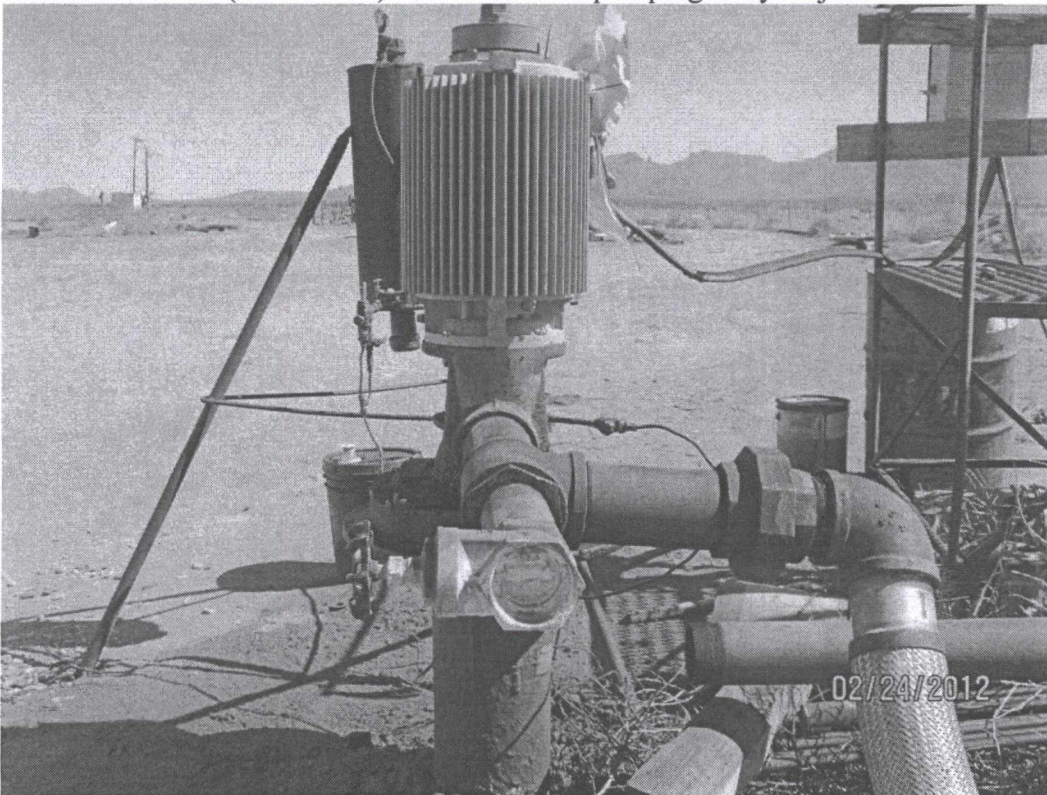
Well A-36-A-S19 (State Lease): no evidence of pumping or dye injection



Well A-36-A-S19 (State Lease)



Well A-36-A-S15 (State Lease): no evidence of pumping or dye injection



Well A-36-A-S15 (State Well): soil around ground is oil stained, not wet



Well 55-7 (A-758-POD1) BLM Lease: ground around well and tank had recently been saturated



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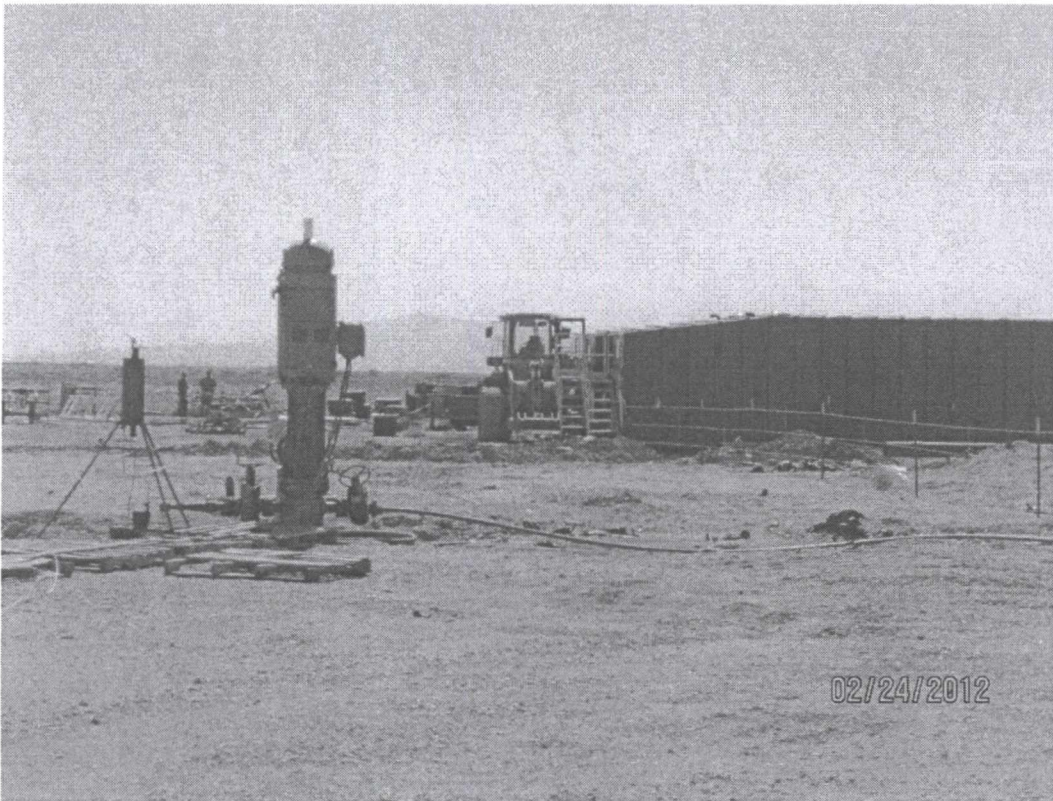
Well 53-07 (A-758-POD4) BLM Lease: ground around well had recently been saturated



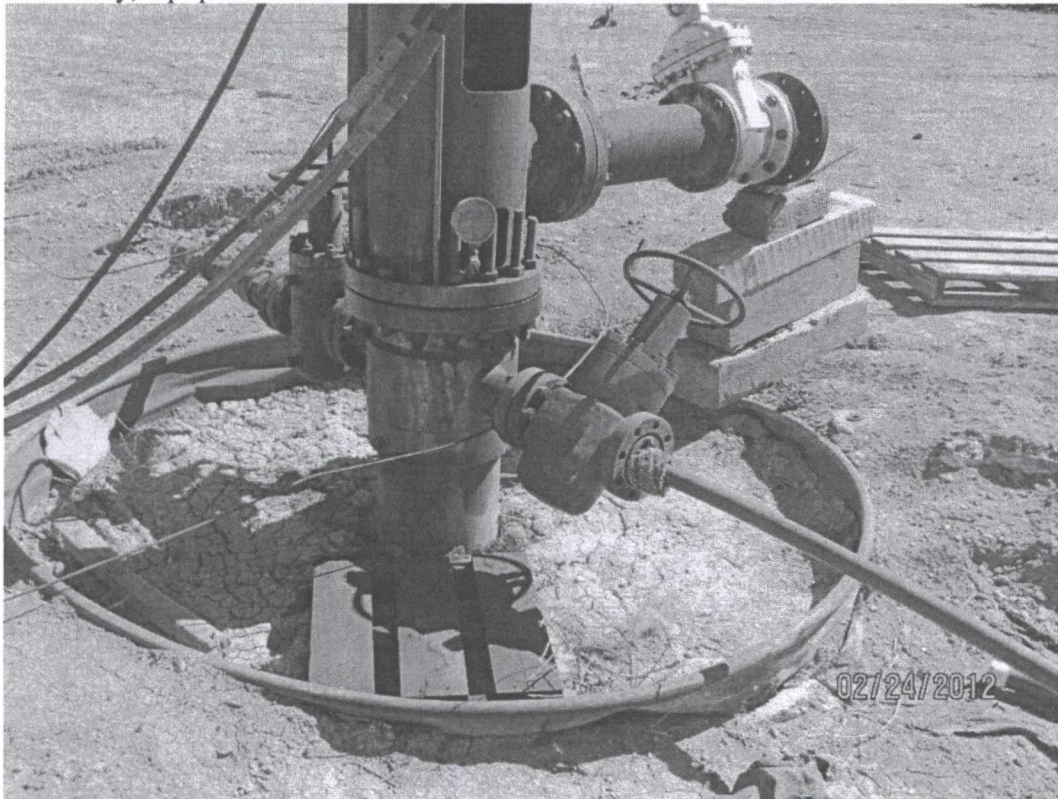
Well 53-07 (A-758-POD4) BLM Lease: ground around well had recently been saturated



Well 53-07 (A-758-POD4) BLM Lease: tank at site of well



Well 45-07 (A-758-POD5) BLM Lease: well equipment the same as last inspection on 2/9/12, ground around well is dry, equipment from 47-07 site has been moved to 45-07 site



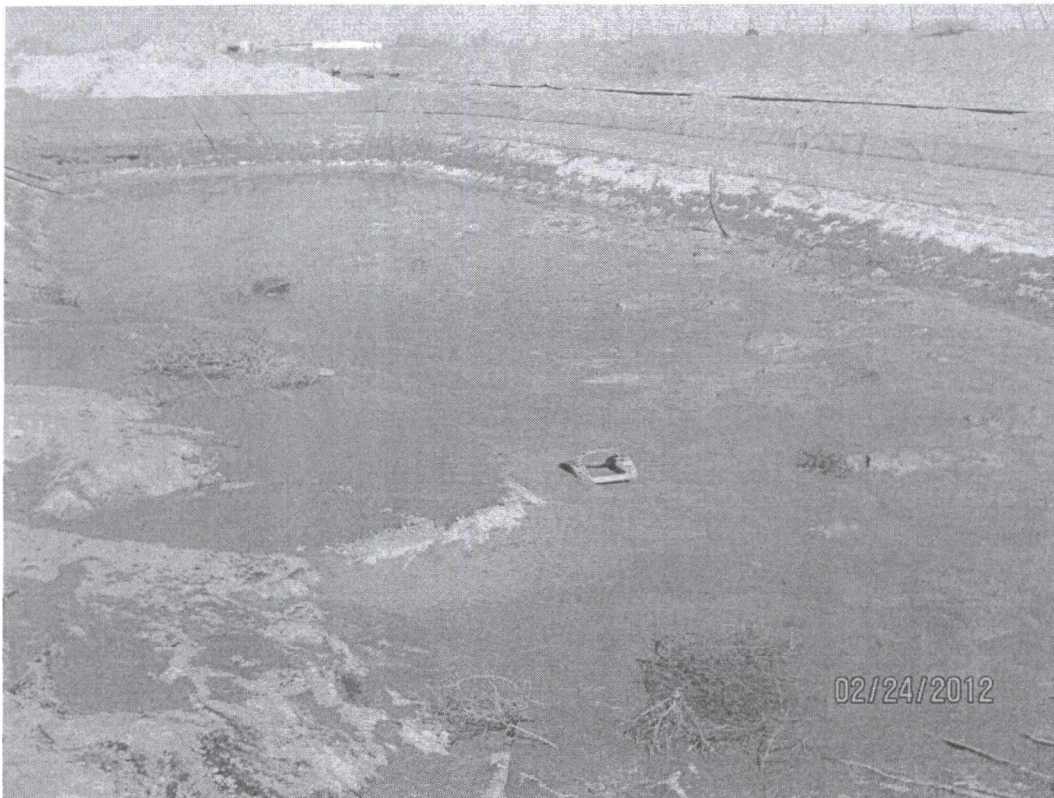
Well 45-07 (A-758-POD5) BLM Lease:



Well 45-07 (A-758-POD5) BLM Lease: equipment moved to site



Well 47-07 (A-758-POD6) BLM Lease: well rig removed and well capped (well was recently drilled)



Well 47-07 (A-758-POD6) BLM Lease: reservoir (being emptied at time of inspection)



Well 47-07 (A-758-POD6) BLM Lease: vacuum tank emptying reservoir.