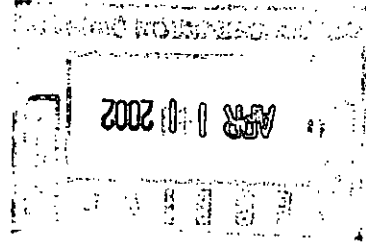


Rec'd 4-11-2002



AmeriCulture

888-845-2742
505-548-2328



April 8, 2002

Roy Johnson
Senior Petroleum Geologist, Supervisor District IV
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Dear Roy,

Please find attached herewith duplicate copies of Form G-112, together with all attachments referred to in Rule G-503, pertaining to proposed drilling and operational activities involving the production of geothermal fluids at our State Geothermal Lease GTR-304-1 and reinjection of said fluids at a suitable location on State of New Mexico Trust Land to the north of our facility.

The fluids will be used for the generation of electricity and direct use purposes. Reinjecting fluids will be thermally-depleted, but will otherwise be chemically unaltered from their original state. AmeriCulture, under consultation with Jim Witcher of NMSU, maintains that thermal, chemical, operational, and geological factors favor the proposed injection site location. This is the same location discussed by you, Dale Burgett, and myself in September at the AmeriCulture production facility.

This letter, together with relevant attachments, has been sent to all parties listed below on the copy list. Should you find any deficiencies, please call me and I will remedy the situation immediately. Thank-you.

Sincerely,

Damon Seawright
Vice President
AmeriCulture, Inc.

- CC: Jami Bailey, Oil Gas, and Minerals Division of NM State Land Office
- Amy Leuders, BLM
- Dale Burgett, Burgett Geothermal, Inc.
- Roy Cunniff, Lightning Dock Geothermal Inc.
- Thomas McCants
- Gary Seawright, AmeriCulture, Inc.

AmeriCulture Inc.

HC 65 Box 260 C, Animas, NM 88020 • Ph: 888.TILAPIA | Fax: 505.548.2631
e-mail: americulture@vtc.net • www.americulture.com

T

APPLICATION TO PLACE WELL ON INJECTION GEOTHERMAL RESOURCES APR 11 2002

Operator: AmeriCulture, Inc.	Address: HC 65 Box 260C, Animas, NM 88020		
Lease Name: AmeriCulture, Inc.	Well No: 3	Field: Lightning Dock	County: Hidalgo
Location	Unit Letter: 6	Well is Located 2290' Feet From The East Line And 2650' Feet From The South Line, Section 6 Township 25S Range 19W NMPM.	

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
Conductor Pipe	20"	20'	13	surface	
Surface Casing	13-3/8"	150' or top of formation	70	surface	Surface Return
Long String	9-5/8"	Formation dependent			
Tubing			Name, Model and Depth of Tubing/Packer		

Name of Proposed Injection Formation: Gila Conglomerate	Top of Formation	Bottom of Formation
--	------------------	---------------------

Is Injection Through Tubing, Casing, or Annulus? Casing	Perforations or Open Hole? Perforations	Proposed Interval(s) of Injection 150-300'
--	--	---

Is This a New Well Drilled For Injection? Yes	If Answer is No, For What Purpose was Well Originally Drilled?	Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone?
--	--	---

List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each

Depth of Bottom of Deepest Fresh Water Zone in This Area	Is This Injection for Purpose of Pressure Maintenance or Water Disposal? (See Rules 501 and 502) Pressure Maintenance
--	--

Anticipated Daily Injection Volume: 1,584,000 gal	Minimum: 1,440,000 gal	Maximum: 1,728,000 gal	Open or Closed Type System: Open	Is Injection to be by Gravity or Pressure? Gravity	Approx. Pressure (psi)
--	-------------------------------	-------------------------------	---	---	------------------------

Answer Yes or No Whether the Following Waters are Mineralized Water to be Injected to such a Degree as to be Unfit for Domestic, Stock Irrigation or Other General Use: No	Natural Water in Injection Zone: No	Are Water Analyses Attached? Yes
---	--	---

Name and Address of Surface Owner (or Lessee, if State or Federal Land): **Burgett Geothermal, Inc. (Mr. Dale Burgett) - Lessee of GTR 303; Mr. Thomas McCants - Surface Lessee (agriculture)**

List Names and Addresses of all Operators Within One Half (1/2) Mile of This Injection Well: **Burgett Geothermal, Attn: Mr. Dale Burgett, Box 265A Animas, NM 88020 Phone: (505) 548-2353**

Mr. Thomas McCants, Box 265 Animas, NM 88020 Phone: (505) 548-2260

Lightning Dock Geothermal, Inc., Attn: Mr. Roy Cunniff, 224 W. Greening Ave., Las Cruces, NM 88005 Phone: (505) 523-7908

Have Copies of this Application been Sent to Each Operator Within One Half Mile of this Well? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Are the Following Items Attached to this Application (see Rule 503) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Electrical Log Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Diagrammatic Sketch of Well Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
---	---	--	---

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Damon E. Seawright, Vice President April 8, 2002
 (Signature) (Title) (Date)

NOTE: Should waivers from all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Division will hold the application for a period of 20 days from the date of receipt by the Division's Santa Fe office. If at the end of the 20-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing. If the protest is successful, the

SAMPLE PROGRESS REPORT

SWAT Lab - New Mexico State Univ
 Date: 11-10-2000 Time: 15:31:47

Sample I.D. AB18968

Status: Analyses incomplete

Purchase order number:

User Code No:

Client Code: WITCHER

Sample collector: JAMES WITCHER

Req ID#:

Date collected: 10/30/00

Date submitted: 10/30/00

Due date: 11/27/00

Specification checking: off

Sample description: Seawright Geothermal

Submit:

Analysis	Result	Unit	Finished And
pH of water	8.11		10/30/00 JH
Total Dissolved Solids	1071	mg/L	11/01/00 BJI
Bicarbonate	26.27	meq/L	11/05/00 LJC
Sodium by ICP-	319	mg/L	11/02/00 BJI
Calcium by ICP-	22.7	mg/L	11/02/00 BJI
Magnesium by ICP-	0.15	mg/L	11/02/00 BJI
Potassium by ICP-	14.7	mg/L	11/02/00 BJI
Chloride by Autoanalyzer	80	mg/L	11/07/00 LJC
Sulfate	452	mg/L	11/02/00 RIA
Fluoride by electrode			
Bromide by Ion Chrom-	Not detected	mg/L	11/01/00 HM
Arsenic by ICP-	Not detected	mg/L	11/02/00 BJI
Silica by ICP	42.0	mg/L	11/02/00 BJI
Strontium by ICP	0.45	mg/L	11/09/00 BJI
Lithium by ICP-			
Boron by ICP-	0.37	mg/L	11/02/00 BJI
Iron by ICP-	1.14	mg/L	11/02/00 BJI
pH of water LCS	8.25		10/30/00 JH
pH of water duplicate	8.11		10/30/00 JH
pH of water RPD	0.000		10/31/00 BJI

End of progress report on sample AB18968

INJECTION WELL EXERGY-AMERICULTURE PROJECT LIGHTNING DOCK KGRA, ANIMAS VALLEY, NEW MEXICO

A geothermal injection well that is suitable for a maximum daily capacity of 1.7 million gallons of 135° F of 1,100 mg/L total dissolved solids (TDS) is proposed to be installed and operated near the center of section 6, Township 25 South, Range 19 West at a location 2,310 feet from the east line of section 6 and 2,700 feet from the south line of section 6 (Figures 1, 2, and 3). The proposed location is located approximately 3,445 feet north northwest of the AmeriCulture 1 State production well and approximately 3,180 feet northwest of the nearest production well, Burgett B. The well is sited in the northwest corner of NM lease GTR-303 and 350 feet inbound of the west and north lease boundaries. The geothermal lessee is Mr. Dale Burgett and the surface agriculture lessee is Mr. Thomas McCants.

The proposed well is located in the western portion of a north-flowing outflow plume of the Lightning Dock geothermal system. Natural outflow plume reservoir temperatures at the injection site are projected to range from 120-160° F at less than 1,000 feet depth. The exact natural chemistry of thermal fluids at this location is not known with certainty. A natural mix of non-thermal fluids and outflow plume geothermal fluids may exist at this site. If so, in situ fluid TDS may be less than the planned 1,100 mg/L injectate. However, chloride and silica concentration maps for alluvial ground water in the Animas Valley outline the outflow plume very well and indicate that the planned injection site is within the dominant geothermal flow to the north (Figures 4 through 7). The proposed injection well site is located within the boundaries of the geochemical and thermal anomaly expressions of the outflow plume.

Pump test data from the AmeriCulture 1 Federal well, regional Bouguer gravity data, and deep borehole data suggest that the injection site is separated from the area of the Burgett and AmeriCulture production wells by an "impermeable" reservoir boundary that probably trends north to northeast along a zone starting at a location between the AmeriCulture Federal well and the AmeriCulture 1 production well. The sharp temperature change along the western boundary of the outflow plume may be reflective of this boundary (Figures 6 and 7). The boundary may be a fault zone or a lateral change in alluvial fan deposits to less permeable deposits toward the basin center. This zone is an impediment to outflow on the west and limits thermal (and chemical) mixing and dispersion. Injection will be done in the "Gila Conglomerate" basin fill and Tertiary volcanics, if the later are encountered.

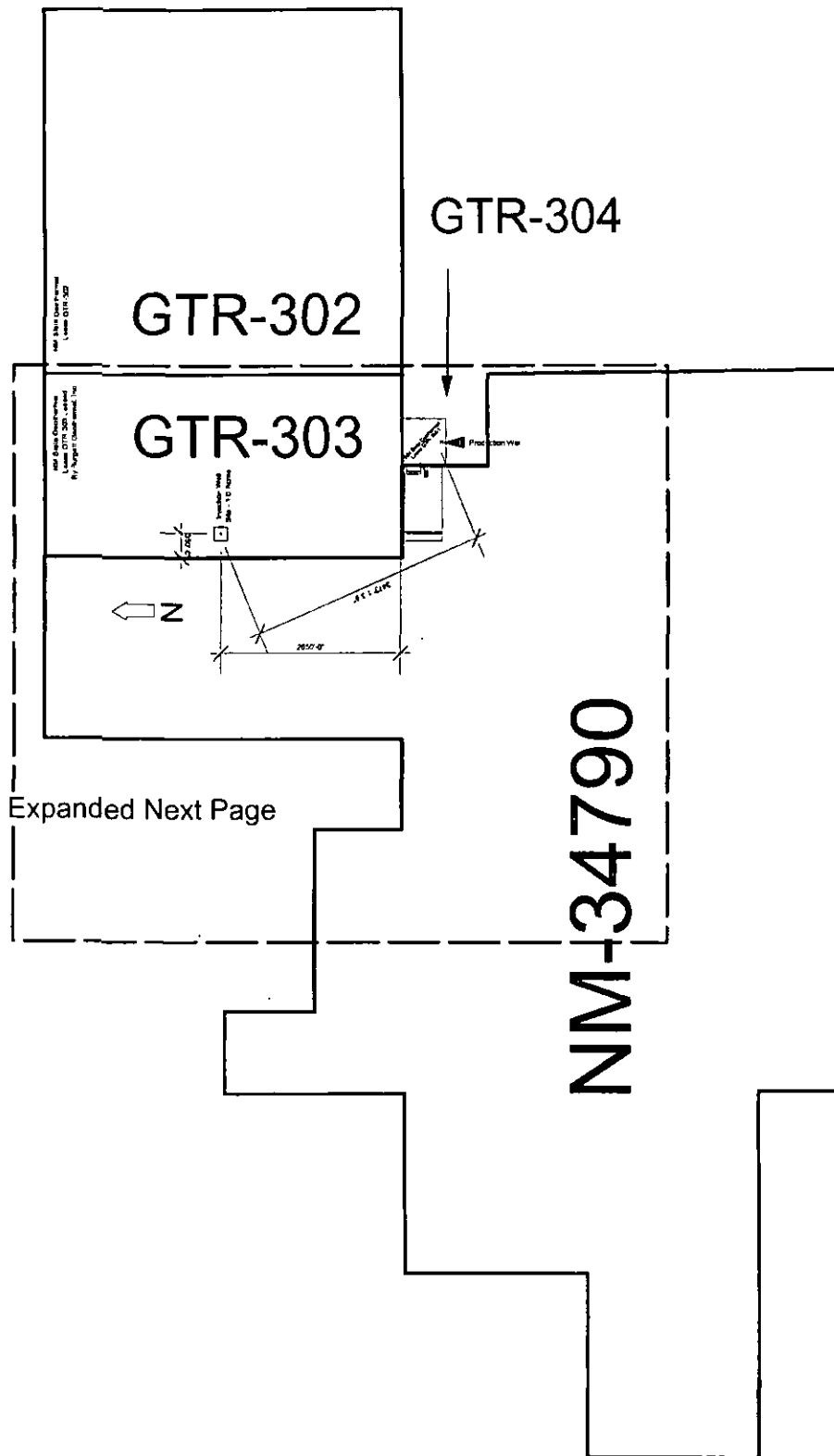


Figure 1. Local Geothermal leases showing production well and proposed injection well site.

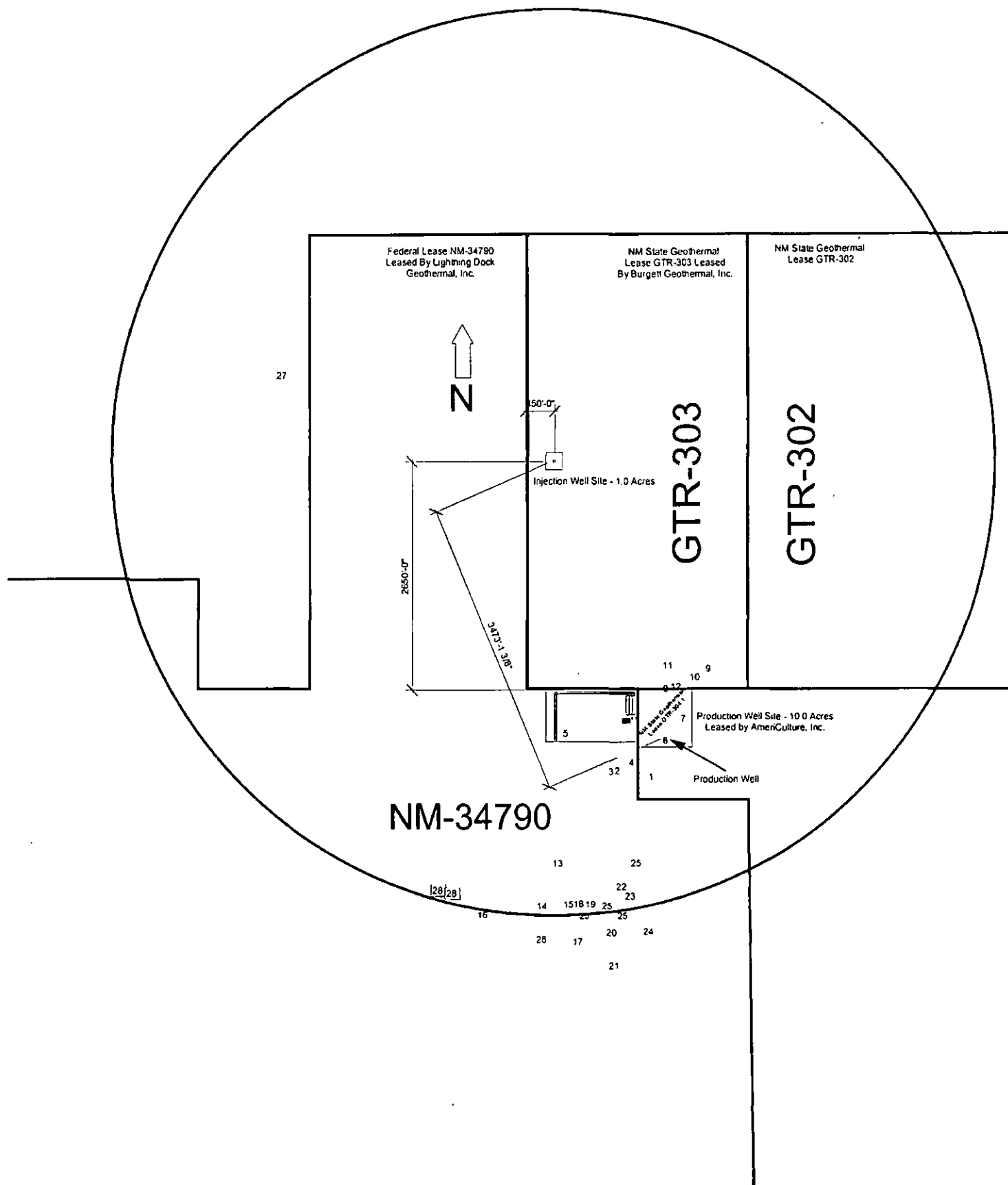


Figure 2. Permitted wells within 1.0 mile of proposed injection well site. Circle represents 1.0 mile radius. Numbers correspond to permitted wells listed in Table 1. Wells having boxed numbers or the same numbers have locations are accurate to the quarter-quarter-quarter section, but precise location is not indicated. Some wells slightly outside the 1.0 mile radius were included.

Table 1. Perforated or open hole intervals for wells within 1.0 mile radius of proposed injection well.

Well Number <i>See Fig. 2</i>	Total Depth <i>ft</i>	Open or Perforated Interval <i>ft</i>
1	200	Not Reported
2	93	50-90
3	250	65-100
4	93	50-90
5	223	60-223
6	399	283-399
7	910	583-910
8	440	265-440
9	562	290-562
10	440	275-440
11	400	Not Reported
12	375	280-375
13	225	90-225
14	260	122-144
15	600	90-105
16	275	Not Reported
17	275	90-225
18	115	90-115
19	85	80-85
20	175	90-175
21	130	90-130
22	110	Not Reported
23	90	Not Reported
24	110	6-110
26	1400	60-223
27	205	109-205
25.A	150	45-150
25.B	83	50-82
25.C	106	Not Reported
25.D	95	42-90
28.A	120	Not Reported
28.B	32	Not Reported

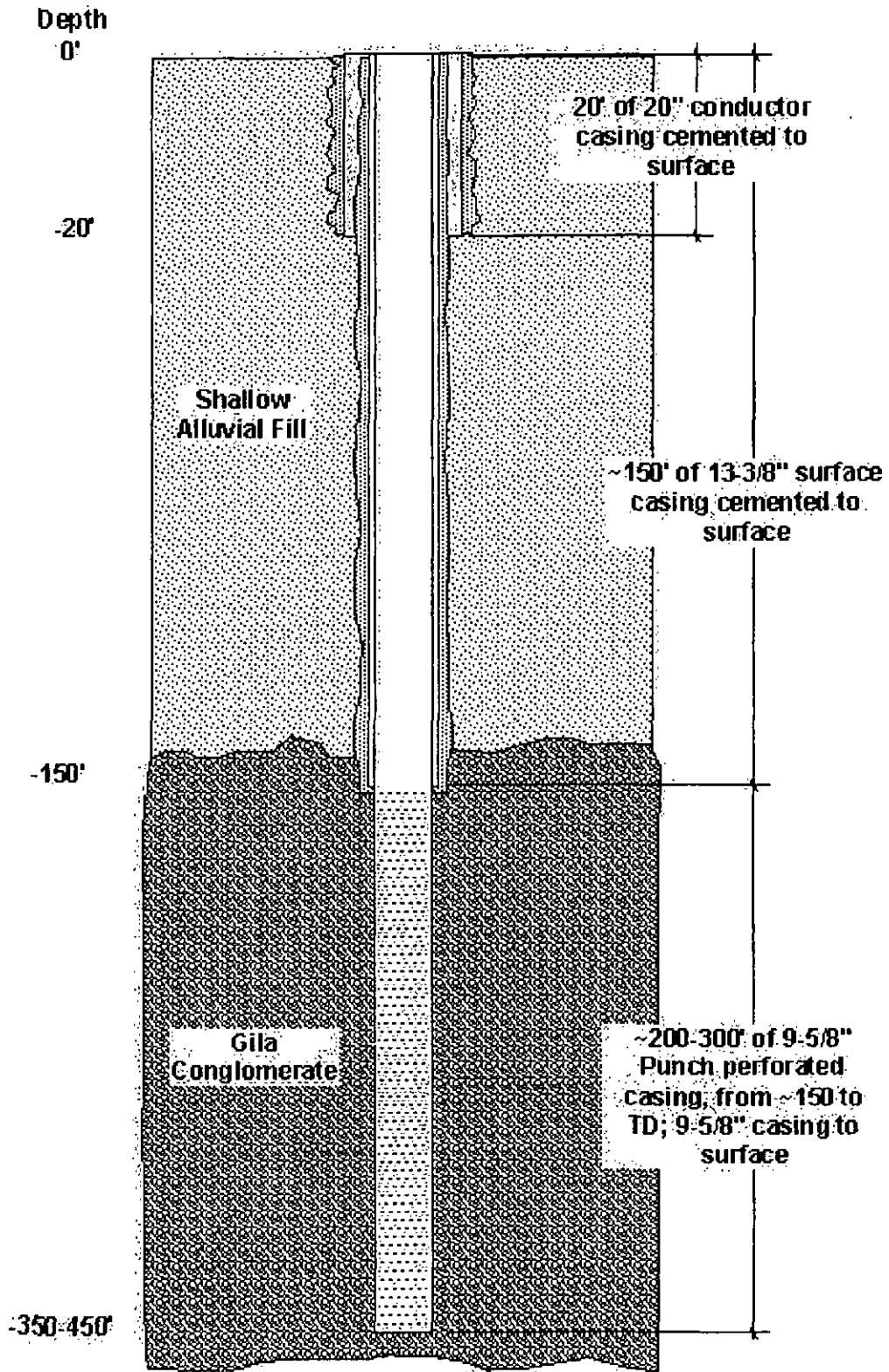


Figure 3: Diagrammatic sketch of the proposed injection well.

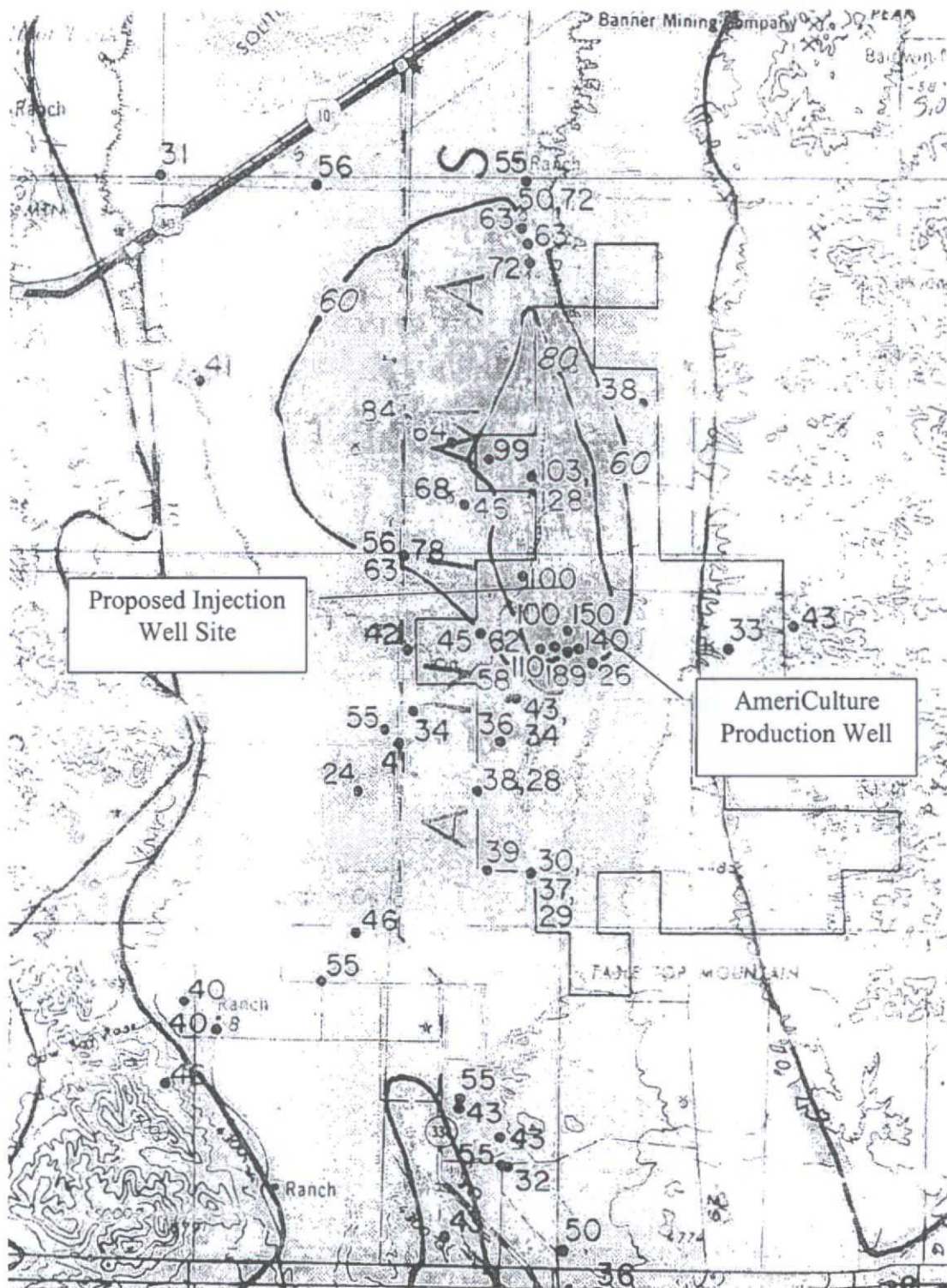


Figure 4. Regional SiO₂ concentration map (O'Brien and Stone, NM Bureau of Mines Open File Report 131).

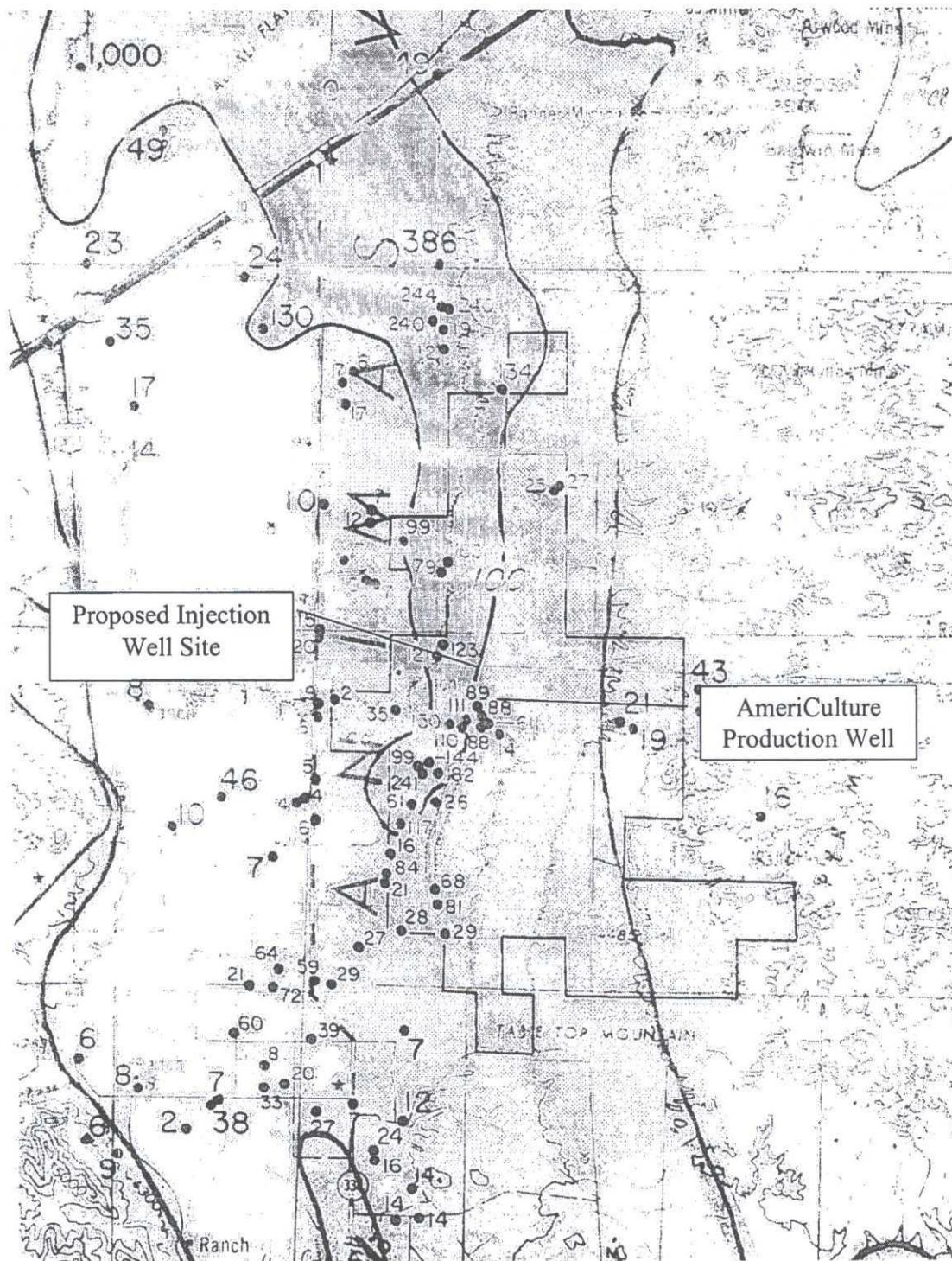


Figure 5. Regional chloride concentration map (O'Brien and Stone, NM Bureau of Mines Open File Report 131).

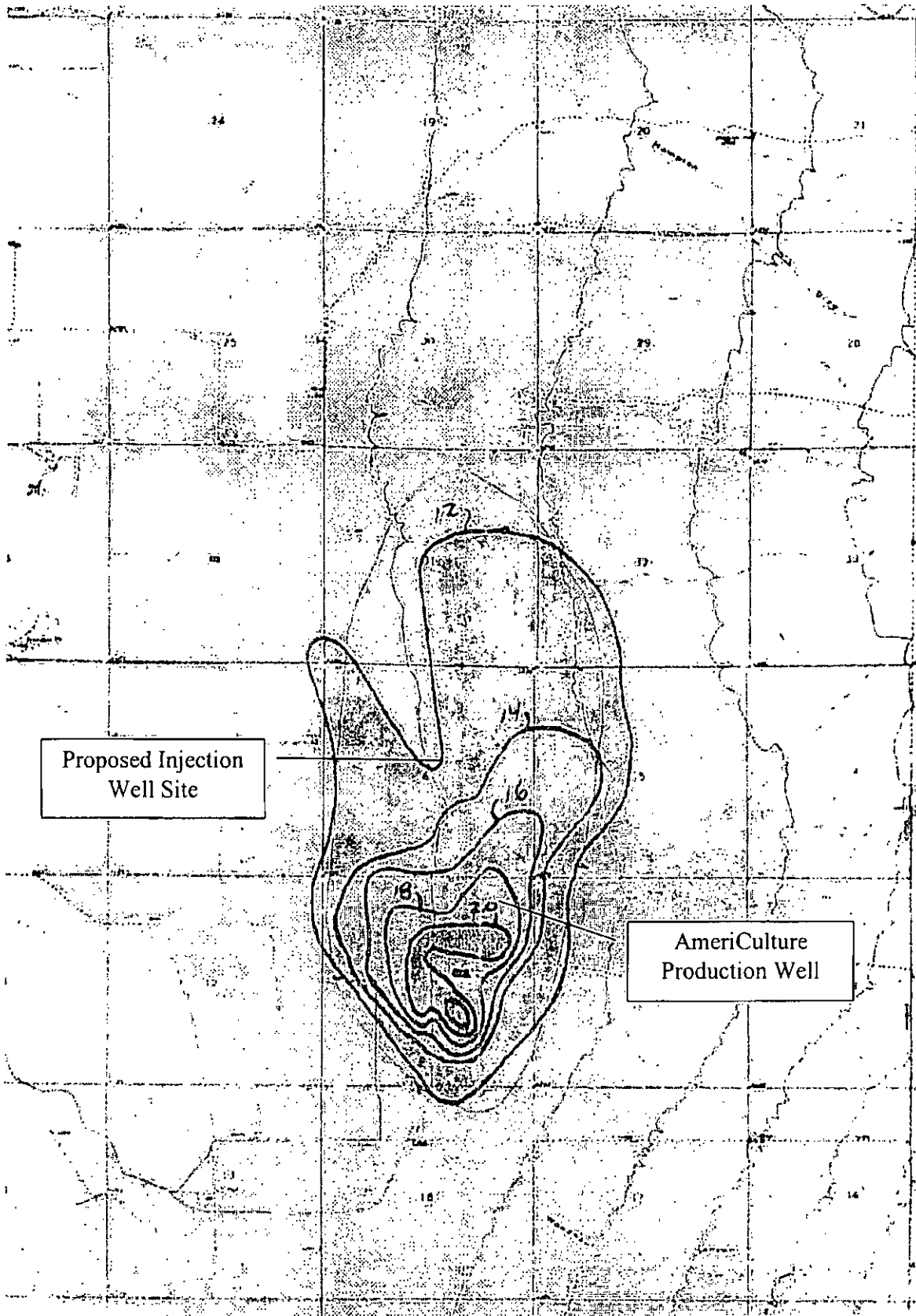


Figure 6. Regional ground temperature ($^{\circ}\text{C}$) at 1 meter depth at the Lighting Dock Geothermal Anomaly.

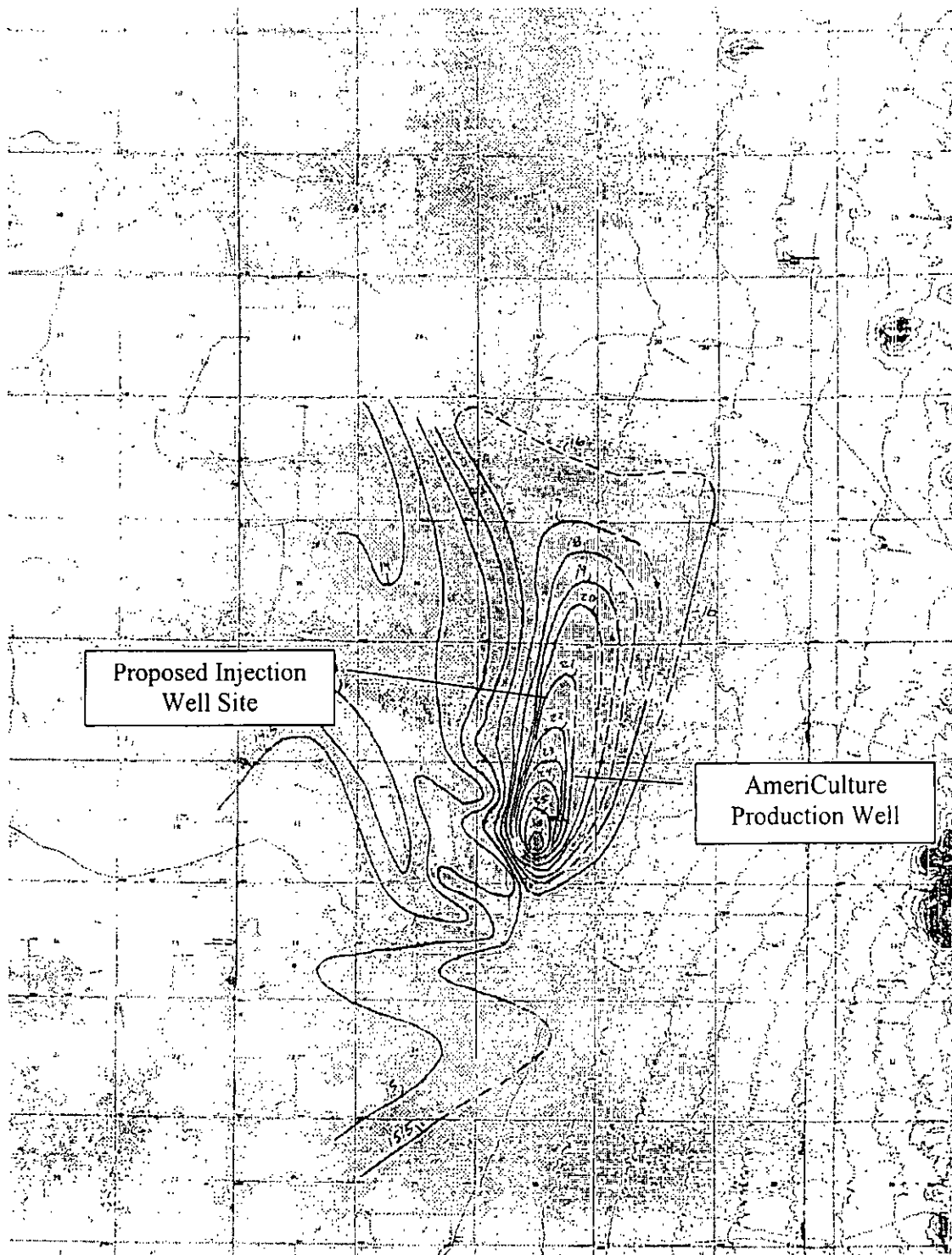


Figure 7. Regional ground temperature ($^{\circ}\text{C}$) at 2 meter depth at the Lighting Dock Geothermal Anomaly.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Thomas McAnts
HC 65 Box 265
Animas, NM 88020

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5411

PS Form 3811, March 2001

Domestic Return Receipt

102595-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

4-10-02

C. Signature

X *Thomas McAnts* Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Amy Lueters
Field Manager
U.S. Dept. of the Interior
Bureau of Land Management
Las Cruces, Field Office
1800 Marquess
Las Cruces, NM. 88005

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5381

PS Form 3811, March 2001

Domestic Return Receipt

102595-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

4-10-02

C. Signature

X *Francis O'Neil* Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dale Burgett
Burgett Geothermal, Inc.
HC 65 Box 265 A
Animas, NM 88020

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5398

PS Form 3811, March 2001

Domestic Return Receipt

102595-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

4-10-02

C. Signature

X *Dale Burgett* Agent Addressee

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Jami Bailey
 New Mexico State Land Office
 Oil, Gas, and Minerals Division
 P.O. Box 1148
 Santa Fe, NM 87504-1148

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5350

PS Form 3811, March 2001

Domestic Return Receipt

102595-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X

- Agent
- Addressee

D. Is delivery address different from item 1? Yes No

APR 11 2002

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roy Cunniff
 Lightning Dood Brothers, Inc.
 224 West Greening Ave.
 Las Cruces, NM 88005

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5404

PS Form 3811, March 2001

Domestic Return Receipt

102585-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Donna Cunniff

04/10/2002

C. Signature

X Donna Cunniff

- Agent
- Addressee

D. Is delivery address different from item 1? Yes No

If YES, enter delivery address below:

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roy Johnson
 Senior Petroleum Geologist,
 Supervisor, District IV
 NM Oil Conservation Division
 1220 S. St. Francis Dr.
 Santa Fe, NM 87505

2. Article Number

(Transfer from service label)

7001 1140 0002 7983 5374

PS Form 3811, March 2001

Domestic Return Receipt

102595-01-M-1424

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

M. Balink

4/11/02

C. Signature

X M Balink

- Agent
- Addressee

D. Is delivery address different from item 1? Yes No

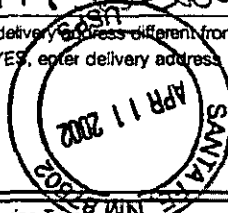
If YES, enter delivery address below:

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes



3-09843 \$25.00

IMPORTANT-READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM

APPLICATION FOR PERMIT

Date Received _____ File No. A-45-A-5 **Enlarged**

1. Name of applicant AmeriCulture, Inc.
 Mailing address HC 65 Box 2600
 City and State Animas, NM 88020

2. Source of water supply Shallow, located in Animas
(Artesian or shallow water aquifer) (name of underground basin)

3. The well is to be located in the NW 1/4 NE 1/4 NE 1/4 Section 7 Township 25S
 Range 19W N.M.P.M., or Tract No. _____ of Map No. _____ of the _____ District,
 on land owned by State of New Mexico

4. Description of well: name of driller Jim McRee
 Outside Diameter of casing 10-3/4" inches; Approximate depth to be drilled 399 feet;

5. Quantity of water to be appropriated and beneficially used 1775.52 maximum acre feet,
(consumptive use, diversion)
 for non-consumptive geothermal power production to support aquaculture and agriculture purposes.

6. Acreage to be irrigated or place of use 15.0 acres.

Subdivision	Section	Township	Range	Acres	Owner
<u>NW 1/4 NE 1/4</u>	<u>7</u>	<u>25S</u>	<u>19W</u>	<u>15.0</u>	<u>Applicant</u>

* Amount of water diverted not to exceed 1775.52 acre-ft per year for non-consumptive geothermal power production to support aquaculture and agriculture production in addition to supplemental diversion for aquaculture and agriculture purposes approved under OSE file number A-45-A and permit A-45-A-S.

7. Additional statements or explanations All water diverted under this permit to be conveyed from the wellhead to the injection well via a closed system with no water appearing on the surface or being applied to beneficial use

- Attachments:
- 1) Copy of approved form G-103 from the Oil Conservation Division indicating OCD approval of diversion of water from A-45-A-S
 - 2) Approval letter from the State Land Office, pertaining to diversion of water from A-45-A-S
 - 3) Copy of State Land Office Geothermal Lease GTR-304-1
 - 4) Copy of OCD form G-112 with outlines anticipated diversion and reinjection volumes
 - 5) Plat showing locations of production well (A-45-A-S) and proposed injection well
 - 6) Administrative Order of the Oil Conservation Division indicating their approval of the injection well application which included well construction and operational details
- **Refer to Application for Permit for Injection well, File no _____ for additional details pertaining to the injection well including a geochemical and thermal rationale for injection well placement and construction

7) See/EA 1396 Lull

I, Damon E. Seawright, affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

AmeriCulture, Inc., Permittee.
 By [Signature]
 subscribed and sworn to before me this 3rd day of October, A.D., 192002.
 My commission expires 11/23/02 [Signature]
 Notary Public

Number of this permit A-45-A-Enlarged

ACTION OF STATE ENGINEER

After notice pursuant to statute and by authority vested in me, this application is approved provided it is not exercised to the detriment of any others having existing rights; further provided that all rules and regulations of the State Engineer pertaining to the drilling of shallow wells be complied with; ~~and that the proposed well be for the purpose of irrigation~~ and is not detrimental to the public welfare or contrary to the conservation of water within the state, subject to the following conditions:

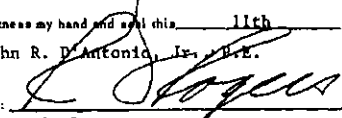
**SEE ATTACHED STATE ENGINEER
CONDITIONS OF APPROVAL**

Proof of completion of well shall be filed on or before January 31 2007

Proof of application of water to beneficial use shall be filed on or before January 31 2007

Witness my hand and seal this 11th day of February, A.D., 2003

John R. D'Antonio, Jr., P.E.

By: 
R. Q. Rogers
Professional Engineer
District 3 Manager

INSTRUCTIONS

This form shall be executed, preferably typewritten, in triplicate and shall be accompanied by a filing fee. Each of triplicate copies must be properly signed and attested.

A separate application for permit must be filed for each well used.

Secs. 1-4—Fill out all blanks fully and accurately.

Sec. 5—Irrigation use shall be stated in acre feet of water per acre per annum to be applied on the land. If for municipal or other purposes, state total quantity in acre feet to be used annually.

Sec. 6—Describe only the lands to be irrigated or where water will be used. If on unsurveyed lands describe by legal subdivision "as projected" from the nearest government survey corners, or describe by metes and bounds and tie survey to some permanent, easily located natural object.

Sec. 7—If lands are irrigated from any other source, explain in this section. Give any other data necessary to fully describe water right sought.


**ATTACHMENT
STATE ENGINEER CONDITIONS OF APPROVAL**

FILE: A-45-A
APPLICATION: A-45-A-Enlarged
APPLICANTS: AmeriCulture, Inc.

1. Permit: A-45-A-Enlarged
Priority: October 24, 2002
Source: Animas Valley Underground Water Basin
Point of Diversion: A-45-A-S, NW~~1~~NE~~4~~NE~~4~~, Section 7, Township 25 South, Range 19 West, N.M.P.M.
Purpose of Use: Non-Consumptive Geothermal Power Production to Support Aquaculture and Agriculture
Place of Use: NW~~1~~NE~~4~~, Section 7, Township 25 South, Range 19 West, N.M.P.M.
Amount of Water: Amount of water diverted shall not exceed 1775.52 acre-feet per annum for non-consumptive geothermal power production to support aquaculture and agriculture purposes.
2. The amount of water diverted for non-consumptive geothermal power production to support aquaculture and agriculture purposes described under this permit shall not exceed 1775.52 acre-feet per annum, measured at well A-45-A-S.
3. All water diverted under this permit shall be conveyed from the wellhead to injection well A-45-A-S-6 via a closed system with no water appearing on the surface or being applied to beneficial use.
4. Well A-45-A-S shall be equipped with a totalizing meter of a type approved by and installed in a manner at a location acceptable to the State Engineer.

The State Engineer shall be advised of the make, model, serial number, date of installation and initial reading of the meter prior to diversion of water. Pumping records shall be submitted to the Office of the State Engineer, District 3 Manager, P.O. Box 844, Deming, New Mexico 88031 for each calendar month, on or before the 10th day of the following month.
5. The permittee shall utilize the best technology and management practices currently available to conserve water.

Witness my hand and seal this 11th day of February, 2003.

John R. D'Antonio, Jr., P.E.

R. Q. Rogers
Professional Engineer
District 3 Manager

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form G-103
Applied 10-
Revised 10-

NO. OF COPIES RECEIVED	
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File	
T. M. H. M.	
U. S. G. S.	
Operator	
Land Office	

SUNDRY NOTICES AND REPORTS
ON
GEOTHERMAL RESOURCES WELLS

5. Indicate Type of State **GTR-304-1**

6. State Lease No. **GTR-304-1**

7. Unit Agreement Name

8. Name of Lease Name **AmeriCulture**

9. Well No. **A-601-E**
renumbered A-45-A-S-2

10. Field and Plant or Well in **Lightning Dock**

11. County **Hidalgo**

Do Not Use This Form for Proposals to Drill or to Deepen or Plug Back to a Different Reservoir. Use "Application For Permit" (Form G-101) for Such Proposals.

1. Type of well: Geothermal Producer Temp. Observation
Low-Temp Thermal Injection/Disposal

2. Name of Operator **AmeriCulture, Inc.**

3. Address of Operator **HC 65 Box 260C Animas, NM 88020**

4. Location of Well
Unit Letter **B, 319** Feet From The **North** Line and **825** Feet From
The **East** Line, Section **7** Township **25S** Range **19W** NMPM.

13. Elevation (Show whether DF, RT, GR, etc.) **4256' RT**

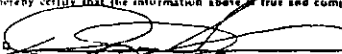
16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG & ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or completed Operations (Clearly state all pertinent details and give pertinent dates, including estimated date of start proposed work) SEE RULE 203.

Drilling on well A-601-EXPL (to be renumbered A-45-A-S-2) was terminated November 29, 2001 at a total depth of 910' and left full of a 50 viscosity mud enriched with drispac to stabilize the hole for future drilling and facilitate future logging efforts. AmeriCulture may or may not choose not to resume drilling. In either case AmeriCulture desires to pump geothermal fluids from said geothermal well for its operational requirements. Any disposal of spent geothermal fluids will be done according to the terms specified in our recently renewed discharge permit from New Mexico ENMRD or future terms approved by ENMRD, and as allowed under the pertinent stipulations placed upon AmeriCulture by the New Mexico Office of the State Engineer regarding the quantity, place, and purpose of use of water rights of AmeriCulture. Although some surface discharge is possible, as outlined under our current discharge permit, AmeriCulture intends to use reinjection, whenever practicable, in deference to geothermal resource conservation. AmeriCulture is applying to the New Mexico Office of the State Engineer to permit well A-601-EXPL (to be renamed A-45-A-S-2) as a supplemental well. Such designation would serve to include said well to the group of fresh and geothermal wells from which AmeriCulture is permitted to produce annually water up to its current water rights holdings (1,567.8 acre feet). Approval of this sundry notice will evidence, to the State Engineer, that the OCD approves of directly producing geothermal fluids from well A-601-EXPL according to the terms stated herein.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED  TITLE **Vice-President** DATE **March 15, 2002**

APPROVED BY  TITLE **DISTRICT SUPERVISOR** DATE **5/22/02**

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION
Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL
Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS
Phone (505) 827-1245
Fax (505) 827-5766



**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES
Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT
Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES
Phone (505) 827-5793
Fax (505) 827-5711

June 15, 2001

Damon Seawright
Americulture, Inc.
HC - 65 Box 260C
Animas, NM 88020

RE: Geothermal Lease GTR-304-1

Dear Mr. Seawright:

Your geothermal lease GTR-304-1 in the NW4NE4NE4 of Section 7, Township 25 South, Range 19 West in Hidalgo County is current and all rents and royalties have been paid through August 1, 2001.

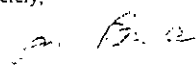
The State Land Office has no objections to your increasing the utilization of geothermal resources from the lease as long as the royalties are paid on any increase.

The original royalty calculations were based on circulating water through a down hole heat exchanger in the well and did not involve removing geothermal water; the new system will involve the actual pumping of geothermal water from the well. It will be necessary to re-negotiate the royalty rate when the pump system is installed and operating. We will analyze the resource usage and establish a basis for any revision of the royalty, if necessary.

Please keep us informed of the progress in installing the pumping system and the operational parameters, such as gallons per minute, and exit and re-injection temperatures, when they have been established.

Please contact Gene Darnell, Minerals Manager, at (505) 827-5750 if you have any additional questions.

Sincerely,


Jami Bailey, Director
Oil, Gas, and Minerals Division

JB/ewd

"WE WORK FOR EDUCATION"

APPENDIX A: RESOURCE RIGHTS

NEW MEXICO STATE LAND OFFICE
ASSIGNMENT OF MINERAL LEASE

FOR OFFICE USE ONLY
 Lease No. GTR-304
 From No. 2 To No. 1

KNOW ALL MEN BY THESE PRESENTS:

That THOMAS W. McCants, hereinafter called "Assignor", for and in consideration of the sum of One Dollar, and other good and valuable consideration paid by Agriculture, Inc., whose Post Office address is 505 Paul Place, LOS ALAMOS, N.M. 87544, (Assignee)

hereinafter called the "Assignee", has sold, transferred, set over and assigned, and by these presents does sell, transfer, set over and assign to the Assignee, his heirs, successors, and assigns, all of the Assignor's right, title, interest and claim in and to that certain Mineral Lease No. GTR-104, made by the State of New Mexico to Thomas W. McCants, under date of September 9, 1985, only insofar as said lease covers the following described land to wit:

Inclusive Ref. Sch.	Section	Township	Range	Subdivision	Acres
	7	25B	19W	W $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$	10.00

TRACT #10 HIDALGO COUNTY See Attached Survey

Together with the personal property therein, if any, appurtenant thereto, or used or obtained in connection herewith.

The Assignor covenants and agrees to perform all obligations on the State of New Mexico insofar as said described lands are affected, and to pay such rental and royalties, and to do such other acts as are required by said lease registered as to the above-described subdivisions, to the same extent and in the same manner as if the provisions of said lease were fully set out herein and Assignor is relieved of such obligations and duties.

It is agreed that the Assignee shall succeed to all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to the lands above described.

Signed this 18th day of Dec, 1996.

 SECRETARY (Corporation Only)

Thomas W. McCants
 ASSIGNOR (If Corporation Print or Type Name of Corporation and Executive Officer) THOMAS W. McCants
Martha J. McCants
 WIFE (If Applicable) Martha J. McCants

(PERSONAL ACKNOWLEDGMENT)

STATE OF New Mexico)
 COUNTY OF Hidalgo) ss.

The foregoing instrument was acknowledged before me this 18th day of December, 1996, by Martha J. McCants and Thomas W. McCants

My Commission Expires: June 12, 1999 Barbara Angelle
Notary Public

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

STATE OF _____)
 COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____ as attorney-in-fact in behalf of _____

My Commission Expires _____
Notary Public

Figure A.1. New Mexico State Mineral Lease Assignment.

Use or disclosure of data contained on this page is subject to the restriction on the title page of this offer.



State of New Mexico
Commissioner of Public Lands
310 OLD SANTA FE TRAIL, P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

RAY POWELL, M.S., D.V.M.
COMMISSIONER

PHONE 827-8716
FAX 828-274786

January 26, 1996

Americulture, Inc.
536 Paul Place
Los Alamos, New Mexico 87544

Mr. Gary Seawright

Re: Assignment of State of New Mexico Geothermal Lease No. GTR-304-1

Dear Mr. Seawright:

Enclosed is an approved copy of the above referenced assignment and collateral assignment for your records.

If we can be of additional assistance to you, please contact Karen S. Kreutzer at (505) 827-5750.

Sincerely,

LARRY KEHOE, Director
Oil, Gas and Minerals Division

LK/KSK/lak

Encl.

cc: Thomas W. McCants
Star Route, Box 265
Animas, New Mexico 88020

Figure A.2. New Mexico State Mineral Lease Assignment confirmation letter.

Use or disclosure of data contained on this page is subject to the restriction on the title page of this offer.

NEW MEXICO STATE LAND OFFICE
COLLATERAL ASSIGNMENT

The undersigned Americulture, Inc., a New Mexico corporation
and wife or state of incorporation and wife or state of incorporation
of 536 Paul Place, Los Alamos, NM 87566, the Grantee/RAA No. 100-100
(Specify type of lease or contract)
which expires on the N/A day of N/A, 1996, does hereby assign, transfer
and set over unto Thomas W. McCants and Martha Jacquetta McCants, his wife
Address HC 65, Box 265, Animas, NM 88020
the aforesaid ~~(PARTIAL ASSIGNMENT)~~ covering the following described lands of the State of New Mexico,
to wit: Partial Assignment

10 acres more fully described on copy of survey attached

APPROVED ON January 23 1996
COMMISSIONER OF PUBLIC LANDS

This assignment is made as collateral security for the payment of indebtedness owing by the undersigned to
the assignee herein amounting to \$100,000.00, and the payment of further advances that may
hereafter be made by the assignee herein to the undersigned, not exceeding; however, the sum of
\$ 100,000.00. The sum of \$70.00 for a filing fee must accompany this application.

If the above indebtedness includes any of the following, please indicate such information: Private lands
(owned and leased) 15 acres; Federal Lands (includes U.S. Forest Service, BLM, etc.)
 acres; Other state leased lands acres and lease number(s)
 ; State lands under Purchase Con-
tract(s) acres and Contract number(s) .

This assignment is made subject to all terms and provisions of Sections 19-7-27 through 19-7-45, New Mexico
Statutes, Annotated, 1979 Compilation.
GARY L. SEAWRIGHT, Pres.
AMERICULTURE, INC.
ASSIGNOR (If Corporation, print or type name of
Corporation and Executive Officer)

SECRETARY (Corporation only) WIFE (if applicable)

FEE: \$70.00 (OVER)

Figure A.2: New Mexico State Land Office Collateral Assignment (page 1).

Use or disclosure of data contained on this page is subject to the restriction on the title page of this offer.

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____

12

day of _____

19____

My Commission expires: _____ NOTARY PUBLIC

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

STATE OF _____)
)ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____

19____, by _____

an attorney-in-fact in behalf of _____

My Commission expires: _____ NOTARY PUBLIC

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF _____

day of _____

My Commission expires: 6-2-94 Robert J. Higgins NOTARY PUBLIC

APPROVAL OF THE COMMISSIONER

Office of the Commissioner of Public Lands
 Santa Fe, New Mexico

I hereby certify that the within Assignment was filed in my office on October 24, 1995

approved by me and to be effective as to the State of New Mexico

on January 23, 1996.

Ron Powell
 COMMISSIONER OF PUBLIC LANDS
 STATE OF NEW MEXICO RJP

Figure A.3: New Mexico State Land Office Collateral Assignment (page 2).

Use or disclosure of data contained on this page is subject to the restriction on the title page of this offer.

APPLICATION TO PLACE WELL ON INJECTION-GEOTHERMAL RESOURCES AREA

Operator: **AmeriCulture, Inc.** Address: **HC 65 Box 260C, Animas, NM 88021**
 Name: **AmeriCulture, Inc.** Well Type: **Lightning Dock**
 Location: Well is Located **2290'** East **2650'** South
 Section: **6** Township: **25S** Range: **19W** NMPM.

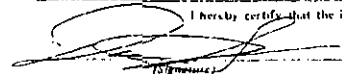
CASING AND TUBING DATA					
NAME OF STRING Conduits Pipe	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP OF TUBING
Surface Casing	20"	20'	13	surface	
Punch perforated	13-3/8"	150' or top of formation	70	surface	Surface Return
	9-5/8"	Formation dependent			
Name, Model and Depth of Tubing Packer					

Name of Proposed Injection Formation: **Gila Conglomerate** Top of Formation: _____ Bottom of Formation: _____
 Is Injection Through Tubing, Casing, or Annulus? **Casing** Perforations or Open Hole? **Perforations** Proposed Interval(s) of Injection: **150-300'**
 Is This a New Well Drilled For Injection? **Yes** (If Answer is No, For What Purpose was Well Originally Drilled? _____) Has Well Ever Been Perforated in Any Zone Other Than the Proposed Injection Zone? _____
 List All Such Perforated Intervals and Sacks of Cement used to Seal Off or Squeeze Each _____

Depth of Bottom of Deepest Fresh Water Zone in This Area: _____ Is This Injection for Purpose of Pressure Maintenance or Water Disposal? **Pressure Maintenance**
 Anticipated Daily Injection Volume: **1,584,000 gal** Minimum: **1,440,000 gal** Maximum: **1,728,000 gal** Open or Closed Type System: _____ Is Injection to be by Gravity or Pressure? **Gravity** Approx. Pressure: _____
 Answer Yes or No Whether the Following Waters are Mineralized Water to be Injected: **No** Natural Water in Injection Zone: **No** Are Water Analyses Attached? **Yes**
 (to such a degree as to be unfit for domestic, stock, irrigation, or other general uses)

Name and Address of Surface Owner (or Lessee, if State or Federal Land): **Burgett Geothermal Inc. (Mr. Dale Burgett) - Lessee of GTR-303; Mr. Thomas McCants - Surface Lessee (agriculture)**
 List Names and Addresses of all Operators Within One Half (1/2) Mile of This Injection Well: **Burgett Geothermal; Attn: Mr. Dale Burgett; Box 265A Animas, NM 88020 Phone: (505)-548-2353**
Mr. Thomas McCants; Box 265 Animas, NM 88020 Phone: (505)-548-2260
Lightning Dock Geothermal, Inc.; Attn: Mr. Roy Conniff; 224 W. Greening Ave.; Las Cruces, NM 88005; Phone: (505) 523-7908

Have Copies of this Application been sent to Land Operator Within One Year of this Date? **Yes** **No**
 Are the Following Items Attached to this Application (See Rule 503)?
 Plat of Area: **Yes** **No** Electrical Log: **Yes** **No** Diagrammatic Sketch of Well: **Yes** **No**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Damon E. Seawright, Vice President **April 8, 2002**
 (Title) (Date)

NOTE: Should waters from all operators within one-half mile of the proposed injection well not accompany this application the New Mexico Oil Conservation Division will hold the application for a period of 20 days from the date of receipt by the Division's Santa Fe office. If at the end of the 20-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for a date of the protest.

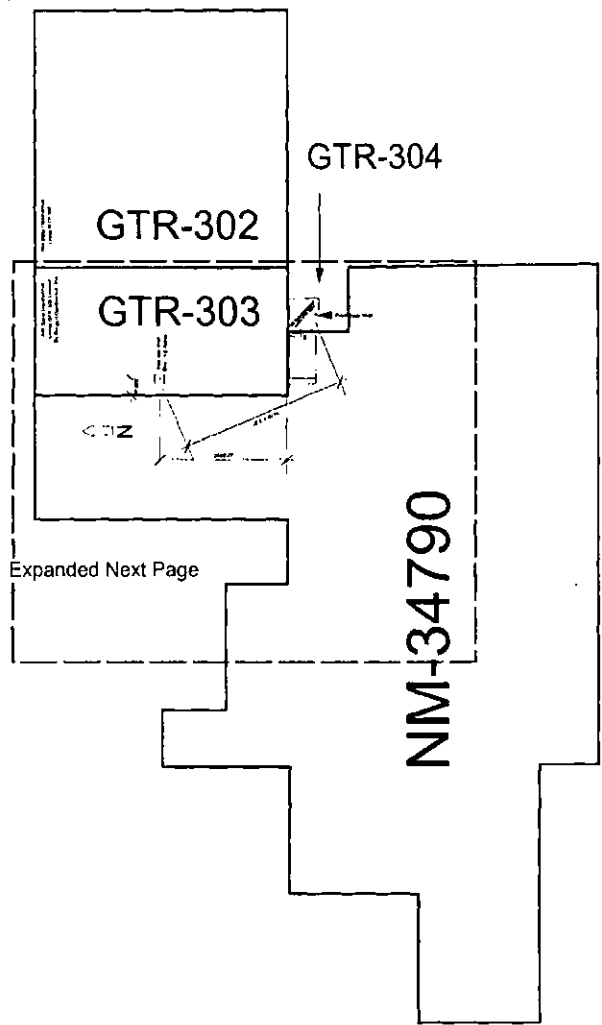
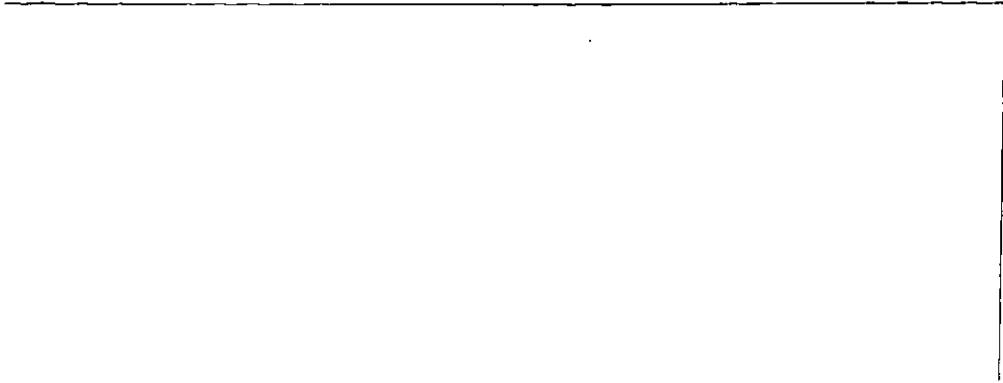


Figure 1. Local Geothermal leases showing production well and proposed injection well site.





NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

Administrative Order No. GIW-15

THE APPLICATION OF AMERICULTURE, INC.
FOR ONE GEOTHERMAL INJECTION WELL,
HIDALGO COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF
THE OIL CONSERVATION DIVISION

Under the provisions of Rule 503 of the New Mexico Oil Conservation Division Rules and Regulations, Geothermal Resources, AmeriCulture, Inc. made application on April 11, 2002 for authority to complete for injection purposes into a geothermal reservoir its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico.

THE DIRECTOR FINDS THAT:

- (1) The application has been duly filed pursuant to the provisions of the Geothermal Resources Rules and Regulations.
- (2) That all offsetting owners of geothermal leases within a one-half mile radius of the proposed injection well have been notified by Certified Mail.
- (3) All the requirements of Rule 503 have been complied with.
- (4) The proposed injection well is in the interest of conservation and will prevent waste and protect correlative rights and that the subject well is cased and cemented and shall be equipped in such a manner as to prevent danger to natural resources including geothermal resources, underground water supplies and surface resources.
- (5) The proposed geothermal injection well should be approved.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant herein, AmeriCulture, Inc., is hereby authorized to complete its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico, in such a manner as to permit the injection of fluids into the Gila Conglomerate through a perforated interval located from 150 feet to 300 feet.
- (2) Injection shall be through tubing and surface injection pressure shall not exceed 20 psi.

(3) Monthly injection for the above-described well shall be filed with the Division in accordance with Rule 210 of the Geothermal Resources Rules and Regulations.

(4) The applicant will obtain and file with the Division's District Office a water analysis of the proposed injection zone prior to any injection of fluids.

(5) Surveillance of the above-described well shall be conducted as required by Rule 505 of the Geothermal Rules and Regulations to ensure that all injected fluids are being confined to the intended zone of injection.

IT IS FURTHER ORDERED THAT:

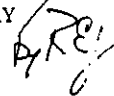
Jurisdiction of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or the protection of correlative rights, and for the protection of natural resources and the environment. Upon failure of the applicant to comply with any requirement of this order, the Division may terminate the authority hereby granted.

APPROVED AT Santa Fe, New Mexico on this 17th day of June, 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director



LW/REJ