

GTHT - _____1_____

**TRANSFER OF
OWNERSHIP**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



SEPTEMBER 12, 2013

Mr. Nick Goodman
Lightning Dock Geothermal HI-01, LLC
136 South Main Street, Suite 600
Salt Lake City, Utah 84101

RE: Lightning Dock Geothermal Project (GTHT-001): Transfer of Ownership/Operator from Los Lobos Renewable Power, LLC to Lightning Dock Geothermal HI-01, LLC in Hidalgo County, New Mexico

Dear Mr. Goodman:

The New Mexico Oil Conservation Division (OCD) is in receipt of the operator's letter (letter) dated August 28, 2013 with the required information to complete the "Transfer of Ownership or Operator" (transfer) for the above subject project.

After careful review and consideration of your transfer request, the OCD hereby **approves** the transfer. The OCD has inactivated the Los Lobos Renewable Power, LLC (OGRID No. 261071) and will utilize the existing New Mexico State Land Office Lightning Dock Geothermal HI-01, LLC (OGRID No. 282193).

If you have any questions, please do not hesitate to contact me by phone at (505) 476-3490, mail at the address below, or email at CarlJ.Chavez@state.nm.us. Thank you.

Sincerely,

Carl J. Chávez
Environmental Engineer

CJC/cjc

cc: Mr. David Brooks, OCD Santa Fe
OCD Artesia Office

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, August 29, 2013 2:55 PM
To: Janney, David (david.janney@amec.com)
Cc: Dawson, Scott, EMNRD; Sanchez, Daniel J., EMNRD; Brooks, David K., EMNRD; VonGonten, Glenn, EMNRD; Dade, Randy, EMNRD; Shapard, Craig, EMNRD
Subject: FW: Transfer of Ownership & Financial Assurance, i.e, Bonds

David:

The New Mexico Oil Conservation Division (OCD) is in receipt of your letter dated August 28, 2013 addressing the Notice of Transfer of Ownership (see highlighted section below), Registration, and Original Bond Request.

The OCD requests a resubmittal of the "Transfer of Ownership" document that conforms to the highlighted section below. Specifically, the document shall be termed "Transfer of Ownership", signature block is missing requested information (i.e., printed name of Principal, address, etc.), and paragraph language of acceptance.

Please double check the highlighted section below and resubmit the "Transfer of Ownership" document signed to the OCD at your earliest convenience.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: <http://www.emnrd.state.nm.us/ocd/>

"Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at <http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental>

From: Chavez, Carl J, EMNRD
Sent: Thursday, August 22, 2013 12:01 PM
To: Janney, David (david.janney@amec.com)
Cc: Dawson, Scott, EMNRD; Brooks, David K., EMNRD; VonGonten, Glenn, EMNRD; Dade, Randy, EMNRD; Shapard, Craig, EMNRD
Subject: Transfer of Ownership & Financial Assurance, i.e, Bonds

David:

Good afternoon. The New Mexico Oil Conservation Division (OCD) is in receipt of the bond riders. OCD needs the following to complete the "Transfer of Ownership" from Los Lobos Renewable Power, LLC (LLRP) to Lightning Dock Geothermal HI-01, LLC (LDG):

- 1) PRC Registration for LDG to confirm that it is current and in effect in New Mexico. Please send this to the OCD.
- 2) Bond Riders reflecting the LDG designation have been received and OCD notices one extra bond rider (bond no. RLB0014263) in the amount of \$10,000 that OCD lacks the original bond or bond duplicate in its bond records. OCD requests the original bond or bond duplicate for this bond to be mailed to the OCD with any associated wells listed for the bond. If there are currently no wells associated with this bond, the OCD will process it and may require riders for any associated wells at a later date.
- 3) OCD has identified Discharge Permit (GTHT-001) Section 22 (see provision below), which requires a "written notice" of the transfer from LLRP to LDG. Therefore, please find below an example of a written notice that the operator may copy to a separate document and submit to the OCD signed by LLRP and LDG to satisfy the "written notice" requirement of Section 22.

Section 22 states: Transfer of Discharge Permit: Pursuant to WQCC Regulation Subsection H of 20.6.2.5101 NMAC, the owner/operator and new owner/operator shall provide written notice of any transfer of the permit. Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with the terms and conditions of the previously approved discharge permit. OCD will not transfer well operations until proper bonding or financial assurance is in place and approved by the OCD. OCD reserves the right to require a modification of the permit during transfer.

Example of "Written Notice" for Section 22 above:

TRANSFER OF OWNERSHIP WRITTEN NOTICE

Lightning Dock Geothermal HI-01, LLC (LDG) hereby accepts the terms and conditions of the attached the Discharge Permit (GTHT-001) and associated geothermal wells and agrees to comply with the terms and conditions of the Discharge Permit. LDG acknowledges that the Oil Conservation Division (OCD) may change the terms and conditions for good cause shown as necessary to protect fresh water, human health, and the environment. The undersigned also attests to the fact that he or she understands 19.15.1.41 NMAC which states "Any person who conducts any activity pursuant to a permit, administrative order or other written authorization or approval from the division shall comply with every term, condition and provision of such permit, administrative order, authorization or approval, financial assurance, etc. "

Accepted.

Lightning Dock Geothermal HI-01, LLC

Name of Principal

Address

City, State, Zip Code

Phone

Signature Title Date -----, -----, -----

Accepted.

Los Lobos Renewable Power, LLC

Name of Principal

Address

City, State, Zip Code

Phone

Signature Title Date -----, -----, -----

Please provide the requested items above at your earliest convenience so that the OCD may complete the transfer of ownership process and recognize LDG as the new operator. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Department

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Drive, Santa Fe, New Mexico 87505

Office: (505) 476-3490

E-mail: CarlJ.Chavez@State.NM.US

Website: <http://www.emnrd.state.nm.us/ocd/>

“Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?” To see how, please go to: “Pollution Prevention & Waste Minimization” at

<http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental>



August 28, 2013

RECEIVED OCD

Project 1151700102

2013 AUG 29 P 2:30

Mr. Carl Chavez, CHMM
New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**RE: Notice of Transfer of Ownership from Los Lobos Renewable Power, LLC (LLRP) to
Lightning Dock Geothermal HI-01, LLC (LDG)**

Dear Mr. Chavez:

Pursuant to your email to me dated August 22, 2013, please find attached the remaining documents that will complete the transfer of ownership referenced above. It is my understanding that you have received the transferred bond riders from RLI Insurance Company. Per your request, please find attached the following:

- The PRC registration for Lightning Dock Geothermal HI-01, LLC;
- The original RLI Insurance Company bond number RLB0014263, for which there are currently no wells. LDG assumes that the OCD will process this bond and may require riders for any associated wells at a later date; and
- A "written notice" of the transfer from LLRP to LDG that follows the requirements in GTHT-001 Section 22.

Thank you for your assistance with the State's first commercial geothermal power generation facility. Please do not hesitate to contact me with questions regarding this matter. I can be reached at 505.821.1801 or david.janney@amec.com.

Respectfully submitted,

David W. Janney, PG
Agent for Lightning Dock Geothermal HI 01, LLC

Cc: Mr. Chuck Smiley, LDG
Ms Michelle Henrie, LDG
Mr. David Brooks, NMOCD
Mr. Randy Dade, NMOCD

ATTACHMENTS

The PRC registration for Lightning Dock Geothermal HI-01, LLC
The original RLI Insurance Company bond number RLB0014263
The written notice of the transfer from LLRP to LDG



RECEIVED OCD
2013 AUG 30 P 2:42

August 29, 2013

David Brooks
EMNRD
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Transfer of Ownership Written Notice

Dear Mr. Brooks

This letter is to provide notice that Los Lobos Renewable Power, LLC, will transfer its Discharge Permit for the Lightning Dock Geothermal No. 1 (HI-01)(GTHT-001) project to the following entity:

Lightning Dock Geothermal HI-01, LLC, a Delaware limited liability company authorized to do business in New Mexico as a foreign limited liability company.

Lightning Dock Geothermal HI-01, LLC (LDG) hereby accepts the terms and conditions of the attached the Discharge Permit (GTHT-001) and associated geothermal wells and agrees to comply with the terms and conditions of the Discharge Permit. LDG acknowledges that the Oil Conservation Division (OCD) may change the terms and conditions for good cause shown as necessary to protect fresh water, human health, and the environment. The undersigned also attests to the fact that he or she understands 19.15.1.41 NMAC which states "Any person who conducts any activity pursuant to a permit, administrative order or other written authorization or approval from the division shall comply with every term, condition and provision of such permit, administrative order, authorization or approval, financial assurance, etc."

The transfer will take place on September 30, 2013.

Yours sincerely,

Accepted.
Lightning Dock Geothermal HI-01, LLC
John Perry, Chief Financial Officer
136 South Main Street, Suite 600
Salt Lake City, UT 84101
801.875.4200
Signature Title Date John Perry, CFO, 8/29/13

Accepted.
Los Lobos Renewable Power, LLC
John Perry, Chief Financial Officer
136 South Main Street, Suite 600
Salt Lake City, UT 84101
801.875.4200
Signature Title Date John Perry, CFO, 8/29/13



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Name LIGHTNING DOCK GEOTHERMAL HI-01, LLC
Type Foreign Limited Liability Company

Good Standing Status:

Filing Information

Corp # 2950376
Status Exempt
Date of Incorporation Oct-19-2007
State of Incorporation DE
Fiscal Year Date
Report Duedate

Address Information

1. Corp Mailing Address
 10TH & KING ST/ONE RODNEY SQUARE,
 WILMINGTON, DE - 19801

Agent Information

MICHELLE HENRIE
 225. E DE VARGAS,
 SANTA FE, NM - 87501

Directors Information

NO RECORD(S) FOUND

Officers Information

1. Manager - NICHOLAS GOODMAN
2. Manager - JOHN T. PERRY
3. Manager - SCOTT R. RHEES

Instrument History

1. Instrument
 - Number** 2950376
 - Filing Date** Oct-19-2007
 - Type** Certificate Of Registration
 - Text** LIGHTNING DOCK GEOTHERMAL HI-01, LLC DATE OF ORGANIZATION IN DELAWARE IS OCTOBER 11, 2007 (4 PG) PERPETUAL
2. Instrument
 - Number** 7444893
 - Filing Date** Sep-29-2011
 - Type** Amended Certificate Of Registration
 - Text** UPDATING MANAGMENT (2 PGS)

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STATE OF NEW MEXICO

\$10,000 MULTI-WELL GEOTHERMAL PLUGGING BOND

BOND NO. RLB0014263

NOTE: This bond may cover up to 10 shallow wells (depth less than 500 feet), OR six intermediate wells (depth 500 feet to 2,000 feet) OR four deep wells (depth greater than 2,000 feet). If the wells described herein include wells in more than one depth category, see Rule 19.14.20.8.A(2)(d) for applicable maximum number of wells this bond may cover.

File with the OIL CONSERVATION DIVISION, 1220 South St. Francis, Santa Fe, New Mexico 87505

KNOW ALL MEN BY THESE PRESENTS:

That Los Lobos Renewable Power, LLC, (a limited liability company) organized in the State of Delaware, and authorized to do business in the state of New Mexico, as PRINCIPAL, and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION) pursuant to NMSA 1978, Section 71-5-8.A, as amended, in the sum of **Ten Thousand Dollars (\$10,000)** for the payment of which the PRINCIPAL and SURETY hereby bind themselves and their successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the PRINCIPAL has commenced or may commence the drilling of a well or wells to prospect for and/or produce geothermal resources, or a service well or wells (other than an injection well) related to such exploration or production, or does own or operate, or may acquire, own or operate such a well or such wells, more particularly identified as follows:

<u>Kettlemen ID Number</u>	<u>Footage N/S</u>	<u>Footage E/W</u>	<u>Section/Twsp/Range</u>	<u>Depth</u>
LDG 68-6	382 FSL	1370 FEL	6 / 25 S/ 19 W	4000
LDG 88-6	365 FSL	332 FEL	6 / 25 S/ 19 W	4000
45A-7	2492 FSL	2217 FWL	7 / 25 S/ 19 W	4000
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____
_____	_____ FNL/FSL	_____ FEL/FWL	_____ / _____ (N/S)/ _____ (E/W)	_____

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them or their successors or assigns, or any of them, shall cause all of said wells to be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, including but not limited to Rule 19.14.73.8 NMAC, as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise, and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

THIS BOND may be amended by rider to add or delete wells (subject to the maximum number provided for applicable depth categories); SUBJECT, HOWEVER, to Division approval.

Los Lobos Renewable Power, LLC
PRINCIPAL

RLI Insurance Company
SURETY

¹³⁶
^{10 1776} 101776 805 Main St #600, Salt Lake City, UT 84101
Address

8 Greenway Plaza, #400, Houston, TX 77046
Address

By [Signature]
Signature

By [Signature]
Greg E. Chilson, Attorney-in-Fact

CEO
Title

If PRINCIPAL is a corporation, affix corporate seal here

Corporate surety affix corporate seal here

ACKNOWLEDGMENT FORM FOR INDIVIDUAL

(If dba, must read - Example: John Doe dba ABC Services)

STATE OF _____)
SS.
COUNTY OF _____)

This Instrument was acknowledged before me on this _____ day of _____,
by _____
(Name of Individual)

Notary Public

SEAL

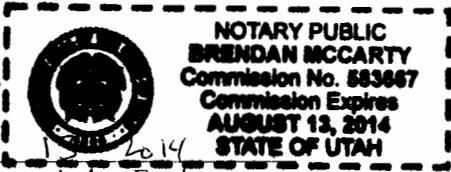
My Commission Expires _____

ACKNOWLEDGMENT FORM FOR CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY

STATE OF UTAH)
SS.
COUNTY OF Sevier)

This Instrument was acknowledged before me on this 24 day FEBRUARY 2012
by John PERRY as C. F. O.
(Name of Person Signing Instrument) (Capacity, e.g. President, Partner, Manager, Member)
of Los Lobos Renewable Power, LLC
(Name of Corporation, Partnership, Limited Liability Company)

[Signature]
Notary Public

SEAL 
My Commission Expires Aug 13 2014

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Texas)
SS.
COUNTY OF Harris)

This Instrument was acknowledged before me on this 23rd day of February 2012
By Greg E. Chilson, as Attorney-in-Fact for RLI Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)

[Signature]
Notary Public Nancy Cruz

SEAL 
My Commission Expires July 22, 2013

Corporate surety attach power of attorney

APPROVED BY:

Oil Conservation Division of New Mexico

By _____

Date _____



RLB0014263

RLI Surety
A division of RLI Insurance Company

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$10,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees; official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

“All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers-of-Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.”

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Jean M. Stephenson
CORPORATE SECRETARY

State of Illinois)
) SS
County of Peoria)



RLI INSURANCE COMPANY
Michael J. Stone
PRESIDENT

On this 23 day of Feb. 2012 before me, a Notary Public, personally appeared Michael J. Stone and Jean M. Stephenson, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Jacqueline M. Bockler
Notary Public

