

File - Geothermal  
Case -



November 24, 2008

2008 DEC 8 PM 4 05

Holland & Hart  
Attn: Michael Campbell  
110 North Guadalupe Suite 1  
Santa Fe, NM 87501  
FAX: (505)983-6043

Dear Mr. Campbell:

We received your letter dated November 13, 2008 on November 17, 2008.

The Joint Facility Operating Agreement to which you refer relates only to AmeriCulture's 15 acre property (the "Property"). The discharge permit which is the subject of the December 1, 2008 hearing, which you appear to be trying to intimidate us from attending, is a proposed permit to discharge effluent on an adjoining property. As such, it is not subject to the JFOA to which you refer. We are in full compliance with our obligations under the JFOA and intend to remain so. Furthermore, the rights set forth in the Geothermal Lease are determined by the Federal Government, not AmeriCulture.

You mischaracterize our request for a public hearing as a "protest." Our right to participate in a governmental activity conducted by the State of New Mexico to insure that your client's proposed discharge is in compliance with applicable law and regulation is absolutely protected and in no way limited or abrogated by the JFOA. If your client is entitled to the discharge permit it seeks you have nothing to fear from AmeriCulture. If on the other hand, your client's application for a discharge permit is not in compliance with applicable law and regulation then your threats to us to try and prevent the State of New Mexico from properly making that determination by hearing what we have to say are, at the least, unseemly and troubling.

Sincerely Yours,

Damon E. Seawright  
President

cc: Mark Fesmire, Director, Oil Conservation Division  
Charles Jackson, District Supervisor, District 3 Office, NM Office of the State Engineer  
Jeffrey Harris, Managing Partner, Rubin, Winston, Diercks, Harris & Cooke, LLP  
Gary Seawright, Chairman, AmeriCulture, Inc.

Enclosure: Holland & Hart letter, dated November 13, 2008

25 Tilapia Trail, Animas, NM 88020 • Ph: 575.548-2328 Fax: 505.548.2631  
e-mail: [damon@americulture.com](mailto:damon@americulture.com) • [www.americulture.com](http://www.americulture.com)



November 13, 2008

VIA REGISTERED MAIL

Damon E. Seawright  
Americulture, Inc.  
25 Tilapia Trail  
Animas, New Mexico 88020

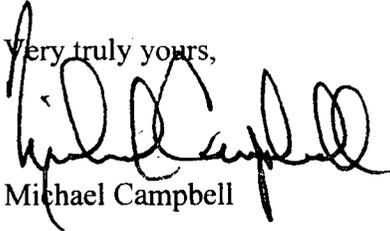
Dear Mr. Seawright:

I refer to that certain Joint Facility Operating Agreement (“JFOA”) dated September 6, 1995 by and between Americulture, Inc. (“Americulture”) and Lightning Dock Geothermal, Inc. (“LDG”) and that certain Federal Geothermal Lease NM 34790 (“the Geothermal Lease”), referenced therein.

Lightning Dock Geothermal HI-01 LLC (“Lightning Dock”) received an assignment from LDG of the JFOA. As a result, the JFOA inures to the benefit of Lightning Dock. By its terms, the JFOA incorporates by reference the terms and conditions of the Geothermal Lease. In Section IV(A) of the JFOA, Americulture expressly agreed that Lightning Dock shall have all of the rights set forth in the Geothermal Lease. In addition, in Section IV(A)(1) of the JFOA, Americulture expressly agreed that with respect to a particular tract of property owned by Americulture (“the Property”), Lightning Dock shall have the right to conduct any and all activities and operations involving the utilization of geothermal resources from the Geothermal Lease to generate electricity.

Lightning Dock has filed an application before the New Mexico Oil Conservation Division (“OCD”) for the permit to proceed with development of geothermal wells on the Geothermal Lease, including on the Property subject to the JFOA. Americulture has filed and is pursuing a protest of Lightning Dock’s application. You are hereby notified that Americulture’s protest is in direct violation and breach of Lightning Dock’s express contractual rights under the JFOA. Demand is hereby made that Americulture (i) immediately withdraw its protest of Lightning Dock’s pending OCD application, (ii) cease and desist from any further conduct affecting the exercise of Lightning Dock’s rights under the JFOA and (iii) confirm in writing, delivered to Lightning Dock no later than seven (7) days after the date of this letter, that Americulture recognizes all of Lightning Dock’s rights and will abide by all of Americulture’s obligations under the JFOA and will take no further action adverse to any of Lightning Dock’s rights pursuant to either the JFOA or the Geothermal Lease.

If Americulture does not respond as provided above, Lightning Dock will pursue all rights and remedies against Americulture. If you wish to discuss this matter in any way, please contact me.

Very truly yours,  
  
Michael Campbell

MC:ras