

GT - 1

BONDS

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David Catanach
Division Director
Oil Conservation Division



June 23, 2015

Lightning Dock Geothermal HI-01, LLC
136 South Main Street, Suite 600
Salt Lake City, UT 84101
Attn: John Perry

Re: \$10,000 Multi-Well Geothermal Plugging Bond Rider No. 3
Lightning Dock Geothermal HI-01, LLC, Principal
RLI Insurance Company, Surety
Bond No. RLB0014263

Dear Mr. Perry:

The New Mexico Oil Conservation Division hereby approves and acknowledges receipt of the above-captioned Multi-Well Geothermal Plugging Bond Rider No. 3 dated June 9, 2015, amending the following wells:

Deleting Injection Well No. 54-12 located in Section 12, Township 25S, Range 20W; 2522 ft. FNL, 2556 ft. FEL, depth 3500 ft. and 77-12 located in Section 12, Township 25S, Range 20W; 957 ft. FSL, 926 ft. FEL Depth 3500 ft.

and

Adding Injection Well No. 76-7 Unit 1 located in Section 7, Township 25S, Range 19W NMB&M; 1128 ft. FEL, 1896 ft. FSL and 15-8 Unit L located in Section 8, Township 25S, Range 19W NMB&M; 345 ft. FWL, 2141 ft. FSL, depth 3500 ft.

Sincerely,

DENISE GALLEGOS
Bond Administrator

cc: Oil Conservation Division – Carl Chavez

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Attn: Robbie Duxbury, Attorney-in-Fact



RECEIVED OCD
2015 JUN 12 P 2:01

June 10, 2015

Mr. Jim Griswold
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Lightning Dock Geothermal HI-01, LLC Bond Number RLB0014263

Dear Mr. Griswold,

Please see the enclosed bond rider from Lightning Dock Geothermal HI-01, LLC's bond number RLLB0014263. The enclosed rider deletes Wells 54-12 and 77-12 from the bond and adds Wells 76-7 and 15-8. Additionally, per your request the legal description of the wells have been included on the rider.

If you have any questions, please feel free to contact me at 801.875.4200 or john.perry@cyrqenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "John Perry".

John Perry
CFO

Enclosed: Bond RLB0014263 Rider No. 1 dated June 9, 2015.

RIDER NO. 3

Attaching to and forming part of Multi-Well Geothermal Plugging Bond No. RLB0014263, executed February 23, 2012, on behalf of Lightning Dock Geothermal HI-01, LLC as Principal, in favor of the State of New Mexico, Oil Conservation Division as Obligee, issued by RLI Insurance Company as Surety in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

It is understood and agreed that effective June 9, 2015, the following wells are deleted:

Injection Well No.	API#
54-12	
77-12	

54-12 is located in Sec. 12, Twp. 25S, Range 20W; 2522 feet FNL and 2556 feet FEL; depth 3500 feet.
77-12 is located in Sec. 12, Twp. 25S, Range 20W; 957 feet FSL and 926 feet FEL; depth 3500 feet.

It is also understood and agreed that effective June 9, 2015, the following wells are added:

Injection Well No.	API#
76-7	
15-8	

76-7 Unit 1, is located in Sec. 7, Twp. 25S, Range 19W NMB&M; 1128 feet FEL and 1896 feet FSL.
15-8 Unit L, is located in Sec. 8, Twp. 25S, Range 19W NMB&M; 345 feet FWL and 2141 feet FSL.

All other conditions and terms to remain as originally written or previously amended by rider.

Signed, sealed and dated this 9th day of June, 2015.

Lightning Dock Geothermal HI-01, LLC

Principal

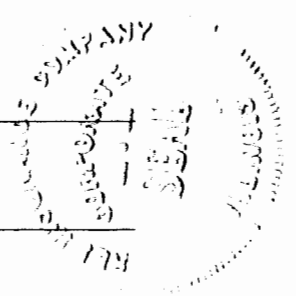
By: *JLTH*

John Perry CFO
Printed Name & Title

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

Surety

By: *Robbie Duxbury*
Robbie Duxbury, Attorney-in-Fact





RLI Surety
A division of RLI Insurance Company

RLB0014263

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: ROBBIE DUXBURY 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."

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)



Michael J. Stone
PRESIDENT

On this 9th day of June 2015 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



SPA027 (03/11)

Chavez, Carl J, EMNRD

From: Kacie Peterson <kacie.peterson@cyrqenergy.com>
Sent: Friday, February 27, 2015 8:04 AM
To: Chavez, Carl J, EMNRD
Cc: Dade, Randy, EMNRD; dwjanney160@gmail.com; michelle@mhenrie.com
Subject: RE: Notice Letter for TG well 22-18, Lightning Dock Geothermal HI-01, LLC
Attachments: LDG_OCD_No Drill 22-18_Correspondence Letter_2.27.15.pdf

Mr. Chavez,

Attached you will find LDG's correspondence letter regarding TG well 22-18. A hard copy is in the mail.

Thank you,

Kacie Peterson

Lightning Dock Geothermal HI-01, LLC

(p) 575.548.0301 | (c) 505.469.4025 | (f) 575.548.0304
18 Greenhouse Drive | Animas, NM 88020 | www.cyrqenergy.com





February 27, 2015

Mr. Carl Chavez, CHMM
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
505-476-3490
CarlJ.Chavez@state.nm.us

**RE: Notice letter for temperature gradient well TG 22-18 for Lightning Dock
Geothermal HI-01, LLC, Hidalgo County, New Mexico**

Dear Mr.Chavez:

Lightning Dock Geothermal HI-01, LLC has reviewed its records and OCD's online database and finds no indication that TG 22-18 was drilled. There is also no well in this location in the field.

Thank you very much for your assistance in the development of this important energy project. Should you have questions regarding this well, please do not hesitate to contact me by email at kacie.peterson@cyrqenergy.com or by phone at (575) 548.0301.

Respectfully submitted,

A handwritten signature in black ink that reads "Kacie Peterson". The signature is written in a cursive, flowing style.

Kacie Peterson
Lightning Dock Geothermal HI-01, LLC

Cc: Randy Dade - NMOCD Artesia
Michelle Henrie- Lightning Dock Geothermal HI-01, LLC
David Janney – Agent for Lightning Dock Geothermal HI-01, LLC

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David Catanach
Division Director
Oil Conservation Division



January 22, 2015

Lightning Dock Geothermal HI-01, LLC
136 South Main Street, Suite 600
Salt Lake City, UT 84101
Attn: John Perry

Re: \$5,000 One-Well Geothermal Plugging Bond
Lightning Dock Geothermal HI-01, LLC, Principal
RLI Insurance Company, Surety
17-07
1172' FNL and 1228' FWL
Section 7, Township 25 South, Range 19 West
Hidalgo County, NM
Bond No. RLB0014185

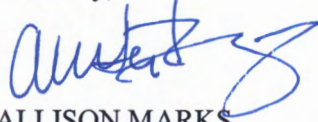
Dear Mr. Perry:

The New Mexico Oil Conservation Division hereby approves and acknowledges receipt of the above-captioned One-Well Geothermal Plugging Bond with attached Rider No. 1 dated January 9, 2015, amending the well name and location:

From: LDG 22-18 located in Section 18, Township 25 South, Range 19 West, 2,500 feet

To: 17-07 located in Section 7, Township 25 South, Range 19 West, Northwest Quarter of Southwest Quarter of Southwest Quarter; 5,00 feet.

Sincerely,


ALLISON MARKS
Assistant General Counsel

AM/dg

cc: Oil Conservation Division – Carl Chavez

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Attn: Jason T. Kilpatrick, Attorney-in-Fact

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



SEPTEMBER 9, 2014

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, Texas 77046

Re: \$10,000 Multi-Well Geothermal Plugging Bond Rider No. 2
Lightning Dock Geothermal HI-01, LLC, Principal
RLI Insurance Company
Bond No. RLBOO14263

Dear Sir or Madam:

The New Mexico Oil Conservation Division (OCD) is in receipt of Bond Rider No. 2 (rider) dated August 26, 2014, from the operator. After reviewing this rider, OCD has determined that amendments are required, i.e., legal locations of the wells, etc., and is in communication with the operator on an amended rider. The operator has requested that the attached rider be sent back to RLI Insurance Company.

Therefore, please find attached the rider that was rejected by OCD.

Please contact me if you have any questions at (505) 476-3490, U.S. Mail at the address below, or email at CarlJ.Chavez@state.nm.us.

Sincerely,

Carl J. Chávez
Environmental Engineer

Attachment: Original Bond Rider No. 2

cc: File

RIDER NO. 2

Attaching to and forming part of Multi-Well Geothermal Plugging Bond No. RLB0014263, executed February 23, 2012, on behalf of Lightning Dock Geothermal HI-01, LLC as Principal, in favor of the State of New Mexico, Oil Conservation Division as Obligee, issued by RLI Insurance Company as Surety in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

It is understood and agreed that effective August 26, 2014, the following wells are deleted:

Injection Well No.	API#
68-6	
88-6	

It is also understood and agreed that effective August 26, 2014, the following wells are added:

Injection Well No.	API#
54-12	
77-12	

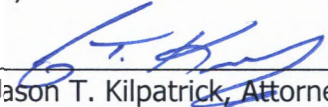
All other conditions and terms to remain as originally written or previously amended by rider.

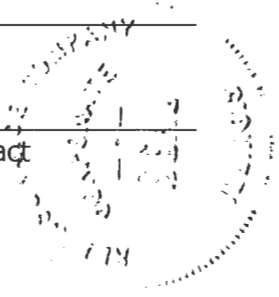
Signed, sealed and dated this 26th day of August, 2014.

Lightning Dock Geothermal HI-01, LLC
Principal

By: 
CFO
Printed Name & Title

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Surety

By: 
Jason T. Kilpatrick, Attorney-in-Fact





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: JASON T. KILPATRICK 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."

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)
County of Peoria) SS



Michael J. Stone
PRESIDENT

On this 26 day of August 2014 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



SPA028 (03/11)

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



SEPTEMBER 9, 2014

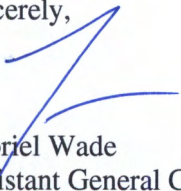
Mr. John Perry
Chief Financial Officer
136 South Main Street, Suite 600
Salt Lake City, Utah 84101

Re: \$10,000 Multi-Well Geothermal Plugging Bond Rider No. 2
Lightning Dock Geothermal HI-01, LLC, Principal
RLI Insurance Company
Bond No. RLBOO14263

Dear Mr. Perry:

The New Mexico Oil Conservation Division hereby acknowledges receipt and **approves** Bond Rider No. 2 dated August 26, 2014, to the above-captioned multi-well geothermal plugging bond, amending through a September 3, 2014 letter by addition of: 54-12 is located in Sec. 12, Twp. 25S, Rng. 20W; 2522 feet FNL and 2556 feet FEL; depth 3500 feet and 77-12 is located in Sec. 12, Twp. 25S, Rng. 20W; 957 feet FSL and 926 feet FEL; depth 3500 feet; and amending it by deletion of: Injection Wells Nos. 68-6 and 88-6.

Sincerely,


Gabriel Wade
Assistant General Counsel

cc: Carl Chavez, Santa Fe, NM

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

RIDER NO. 2

Attaching to and forming part of Multi-Well Geothermal Plugging Bond No. RLB0014263, executed February 23, 2012, on behalf of Lightning Dock Geothermal HI-01, LLC as Principal, in favor of the State of New Mexico, Oil Conservation Division as Obligee, issued by RLI Insurance Company as Surety in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

It is understood and agreed that effective August 26, 2014, the following wells are deleted:

Injection Well No.	API#
68-6	
88-6	

It is also understood and agreed that effective August 26, 2014, the following wells are added:

Injection Well No.	API#
54-12	
77-12	

54-12 is located in Sec. 12, Twp. 25S, Rng. 20W; 2522 feet FNL and 2556 feet FEL; depth 3500 feet.
77-12 is located in Sec. 12, Twp. 25S, Rng. 20W; 957 feet FSL and 926 feet FEL; depth 3500 feet.

All other conditions and terms to remain as originally written or previously amended by rider.

Signed, sealed and dated this 26th day of August, 2014.

Lightning Dock Geothermal HI-01, LLC
Principal

By: _____

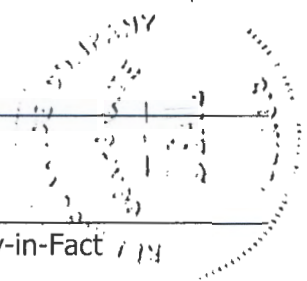
John Perry CFO

Printed Name & Title

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Surety

By: _____

Jason T. Kilpatrick, Attorney-in-Fact





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: JASON T. KILPATRICK 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."

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)
County of Peoria) SS



Michael J. Stone
PRESIDENT

On this 26 day of August 2014 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



SPA028 (03/11)



 RLI Insurance Company

8 Greenway Plaza | Suite 400 | Houston, TX 77046-0899
P: 713-961-1300 | F: 713-961-0285 | www.rlicorp.com

August 12, 2013

To: Cirq Energy, Inc
Attn: Cory Draper
136 South Main Street
Salt Lake City, UT 84101

**RE: Los Lobos Renewable Power, LLC – Name Change Riders
Bonds – RLB0013217, RLB0013218, RLB0013224, RLB0013245,
RLB0014263**

Dear Cory:

Enclosed please find the original name change riders for the above referenced bonds.

Please have an authorized officer of the company sign, sealed (if applicable), and then proceed with filing the original document and Power of Attorney with the obligee.

Should you have any questions or concerns, please feel free to call.

Sincerely,



Katie Tran
Associate Underwriter

Enclosures: Riders

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>
<u>LDG 68-6</u>	<u>382</u> FSL	<u>1370</u> FEL	<u>6 / 25 S/ 19 W</u>	<u>4000</u>
<u>LDG 88-6</u>	<u>365</u> FSL	<u>332</u> FEL	<u>6 / 25 S/ 19 W</u>	<u>4000</u>
<u>45A-7</u>	<u>2492</u> FSL	<u>2217</u> FWL	<u>7 / 25 S/ 19 W</u>	<u>4000</u>
_____	_____ 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 1776 1775 Main St Hbco, Salt Lake City, UT 84101
Address

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

By [Signature]

By [Signature]

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)

SEAL

My Commission Expires _____

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY

STATE OF UTAH)
SS.
COUNTY OF Salt Lake)

This Instrument was acknowledged before me on this 24 day of FEBRUARY 20 12
by John PERRY as C. F. O.
(Name of Person Signing Instrument) (Capacity, e.g. President, Partner, Manager, Member)
of Les Lois Renewable Power, LLC
(Name of Corporation, Partnership, Limited Liability Company)

SEAL

Aug 13 2014
My Commission Expires



[Signature]
Notary Public

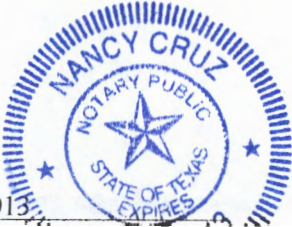
ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Texas)
SS.
COUNTY OF Harris)

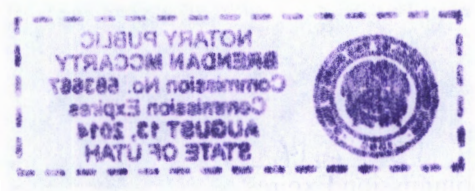
This Instrument was acknowledged before me on this 23rd day of February 2012
By Greg E. Chilson, as Attorney-in-Fact for RLI Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)

SEAL

July 22, 2013



Nancy Cruz
Notary Public Nancy Cruz



11/11/14



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 JP , 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 JP , CFO , 8/29/13

BOND RIDER NO. 1

Attaching to and forming part of Multi-Well Geothermal Plugging Bond No. RLB0014263, executed February 23, 2012, on behalf of Los Lobos Renewable Power, LLC as Principal, in favor of the State of New Mexico, Oil Conservation Division as Obligee, issued by RLI Insurance Company as Surety, in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

It is understood and agreed that effective August 12, 2013, the Principal's name is amended to read as follows:

Lightning Dock Geothermal HI-01, LLC

All other conditions and terms to remain as originally written or previously amended by rider.

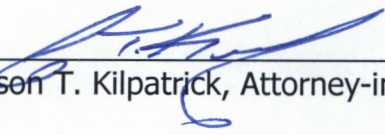
Signed, sealed and dated this 12th day of August 2013.

Lightning Dock Geothermal HI-01, LLC
Principal

BY: 

John T. Perry, CEO
(Typed Name & Title)

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046
Surety

By: 
Jason T. Kilpatrick, Attorney-in-Fact



RLB0014263

POWER OF ATTORNEY

RLI Insurance Company

RLI Surety
A division of 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

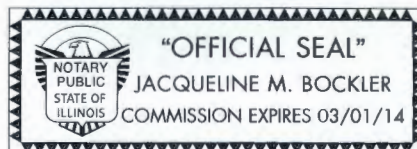
State of Illinois)
County of Peoria) SS



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





MHenrie | Land • Water • Law

June 14, 2012

Carl Chavez
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Los Lobos Renewable Power, LLC
Bond

Dear Mr. Chavez:

Enclosed please find original Rider No. 1 to Blanket Plugging Bond No. RLB00T3224 adding well LDG 63-7.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MH', with a long horizontal line extending to the right.

Michelle Henrie
Attorney for Lightning Dock Geothermal HI-01, LLC
and Los Lobos Renewable Power, LLC

RECEIVED OGD
JUN 14 PM 2:3

RIDER NO. 1

Attaching to and forming part of Blanket Plugging Bond No. RLB0013224, executed May 11, 2010, on behalf of Los Lobos Renewable Power, LLC as Principal, in favor of the State of New Mexico as Obligee, issued by RLI Insurance Company as Surety in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00).

It is understood and agreed that effective June 8, 2012, the following well is deleted:

Injection Well No.	API#
51-07	30-023-20020

It is also understood and agreed that effective June 8, 2012, the following well is added:

Injection Well No.	API#
63-7	N/A

All other conditions and terms to remain as originally written or previously amended by rider.

Signed, sealed and dated this 8th day of June, 2012.

Los Lobos Renewable Power, LLC

Principal

By: John Perry

John Perry

CFO

Printed Name & Title

RLI Insurance Company

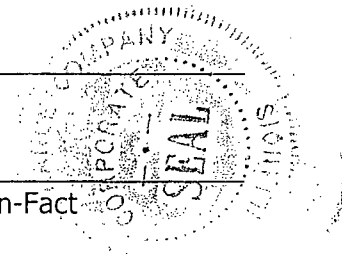
8 Greenway Plaza, Suite 400

Houston, TX 77046

Surety

By: Jason T. Kilpatrick

Jason T. Kilpatrick, Attorney-in-Fact





RLB0013224

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: JASON T. KILPATRICK 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:

\$50,000.00

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)
County of Peoria) SS



Michael J. Stone
PRESIDENT

On this 8 day of June 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



Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, May 03, 2012 12:01 PM
To: 'Janney, David'
Cc: Brooks, David K., EMNRD; Dade, Randy, EMNRD; Shapard, Craig, EMNRD
Subject: RE: Bonding for the injection wells

Mr. Janney:

The well changes appear to be correct. However, the OCD recommends that the operator wait until the OCD Artesia DO confirms approval of the well locations with or without any conditions (note: OCD is waiting for the BLM GPD approval) before the OCD receives a bond with the listed wells.

The OCD wants to be very clear about the process. The bond must reflect any wells that are approved by the OCD. Any extraneous wells that are under the approval process and without G-101 approval, must not appear on the well bond. Well types listed in G-101s and 102s must first be approved under its OCD Geothermal Spacing Regulations and we also look at other wells (geothermal....etc.) near the drill location for any concerns about correlative rights, etc.

I have copied the OCD Attorney in the event he has any comments, etc.

Thank you.

From: Janney, David [mailto:david.janney@amec.com]
Sent: Thursday, May 03, 2012 11:41 AM
To: Chavez, Carl J, EMNRD
Subject: Bonding for the injection wells

Greetings Mr. Chavez:

This email is being sent to you based on our conversation this morning regarding bonding of the proposed injection wells.

We currently have in place bond # RLB0013224, a \$50,000 Blanket Plugging Bond for three injection wells including the 42-18, 51-07 and 53-12. As we have discussed, Los Lobos Renewable Power wishes to change the location of two of these wells and move them to a new Kettleman grid square and move the third well to a new location within the same Kettleman grid.

Los Lobos wishes to replace the 51-07 well with the 63-7 well and the 53-12 well with the 54-12 well. The 42-18 well will be moved to the east and north within the same Kettleman grid square and the well number will not change.

We understand that this will require a bond rider form RLI Insurance Company. RLI has requested that you acknowledge this change in well locations so that they can prepare the appropriate rider.

Regards,

David W. Janney, PG
Senior Geologist
AMEC Environment and Infrastructure
8519 Jefferson, NE

Albuquerque, NM 87113

505.821.1801 off

505.821.7371 fax

505.449.8457 cell

The information contained in this e-mail is intended only for the individual or entity to whom it is addressed.
Its contents (including any attachments) may contain confidential and/or privileged information.
If you are not an intended recipient you must not use, disclose, disseminate, copy or print its contents.
If you receive this e-mail in error, please notify the sender by reply e-mail and delete and destroy the message.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis

Cabinet Secretary-Designate

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

Jami Bailey

Division Director

Oil Conservation Division



January 20, 2012

Lighting Dock Geothermal HI-01, LLC
136 South Main Street, Suite 600
Salt Lake City, UT 84101
Attention: Mr. John Perry

Re: \$5,000 One-Well Geothermal Plugging Bond
Lighting Dock Geothermal HI-01-LLC, Principal
RLI Insurance Company, Surety
LDG22-18
1172' FNL and 1228' FWL
Section 18, Township 25 South, Range 19 West
Hidalgo County, NM
Bond No RLB0014185

Dear Sir:

Returned is the above-captioned one-well plugging bond as the operator of record is **Los Lobos Renewable Power, LLC**. Additionally, the **exact** well location must be specified.

If you have any questions, please do not hesitate to contact me at 505-476-3450.

Sincerely,

DAVID K. BROOKS

Assistant General Counsel

DKB/dp

Enclosure

cc: Oil Conservation Division – Artesia, NM

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046



STATE OF NEW MEXICO
ONE WELL GEOTHERMAL PLUGGING BOND

BOND NO. RLB0014185
WELL DEPTH 2,500'
AMOUNT OF BOND \$5,000
COUNTY Hidalgo

Note: Bond Amount is as follows:

<u>Proposed Depth of proposed well or Actual (Measured) Depth of existing well</u>	<u>Amount of Bond*</u>
Less than 500 feet (shallow)	\$2,000
500 feet to 2,000 feet (intermediate)	\$3,000
More than 2,000 feet (deep)	\$5,000

*Under certain conditions, the Division may authorize a well to be drilled as much as 15% deeper than the maximum depth provided in the applicable financial assurance. [See Rule 19.14.20.8.A(1) NMAC]

File with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That Lightning Dock Geothermal HI-01, LLC, (an individual – if dba must read – Example: John Doe dba ABC Services) (a general partnership) (a corporation), (limited liability company) (limited partnership) 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 \$5,000.00-----, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, 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 one well to a depth not to exceed 2,500' feet, to prospect for geothermal resources, or other service well related to such exploration or production, or does own or operate, or may acquire, own or operate such well, the identification and location of said well being:

LDG 22-18 API No. 30- NA, located 1172 feet from the
(Name of Well)
North (North/South) line and 1228 feet from the West (East/West) line
of Section 18 Township 25S (North) (South), Range 19W (East) (West),
NMPM, Hidalgo County, New Mexico.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well 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.

Lightning Dock Geothermal HI-01, LLC
PRINCIPAL
136 South Main Street, Suite 600
Salt Lake City, UT 84101
Address
By [Signature]
Signature
CFO
Title

RLI Insurance Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046
Address
[Signature]
Jason T. Kilpatrick Attorney-in-Fact

If PRINCIPAL is a corporation, affix
Corporate seal here

Corporate surety affix
Corporate seal here

Notary Public

Corporate Surety attach Power of Attorney



RLB0014185

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: JASON T. KILPATRICK 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:

\$5,000.00

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 12 day of January 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



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary

May 26, 2010

Mark Fesmire
Division Director
Oil Conservation Division



Jim Noel
Deputy Cabinet Secretary

Mr. Benjamin Barker
Los Lobos Renewable Power, LLC
5152 Edgewood Drive, Suite 200
Provo, UT 84604

Re: \$5,000 One-Well Geothermal Bond
Los Lobos Renewable Power, LLC, Principal
RLI Insurance Company, Surety
TFD 55-7
2345' FSL and 2454' FEL
Unit Letter J, Section 7, Township 25 South, Range 19 West
Hidalgo County, New Mexico
Bond No. RLB0013245

Dear Mr. Barker:

The New Mexico Oil Conservation Division hereby approves the above-captioned One-Well Geothermal Bond.

Sincerely,

A handwritten signature in cursive script, reading "David K. Brooks".

DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Carl Chavez

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046



STATE OF NEW MEXICO
ONE WELL GEOTHERMAL PLUGGING BOND

BOND NO. RLB0013245
WELL DEPTH 3,400'
AMOUNT OF BOND \$5,000.00
COUNTY Hidalgo

Note: Bond Amount is as follows:

<u>Proposed Depth of proposed well or Actual (Measured) Depth of existing well</u>	<u>Amount of Bond*</u>
Less than 500 feet (shallow)	\$2,000
500 feet to 2,000 feet (intermediate)	\$3,000
More than 2,000 feet (deep)	\$5,000

*Under certain conditions, the Division may authorize a well to be drilled as much as 15% deeper than the maximum depth provided in the applicable financial assurance. [See Rule 19.14.20.8.A(1) NMAC]

File with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That Los Lobos Renewable Power, LLC, (an individual – if dba must read – Example: John Doe dba ABC Services) (a general partnership) (a corporation), (limited liability company) (limited partnership) 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 \$5,000.00-----, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, 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 one well to a depth not to exceed 3,400 feet, to prospect for geothermal resources, or other service well related to such exploration or production, or does own or operate, or may acquire, own or operate such well, the identification and location of said well being:

Unit Letter J API No. ~~30~~ TFD 55-7, located 2,345 feet from the
(Name of Well)
South (North/South) line and 2,454 feet from the East (East/West) line
of Section 7 Township 25 South (North) (South), Range 19 West (East) (West),
NMPM, Hidalgo County, New Mexico.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well 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.

Los Lobos Renewable Power, LLC
PRINCIPAL
5152 Edgewood Drive, Suite 200
Provo, UT 84604

Address
By Benjamin Barker
Signature
VP RESOURCE Mgmt
Title

RLI Insurance Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046


Address
Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

If PRINCIPAL is a corporation, affix
Corporate seal here

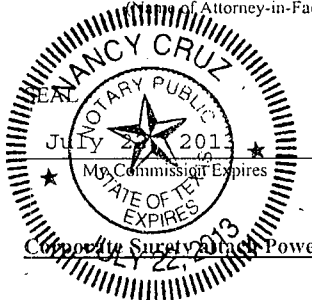
Corporate surety affix
Corporate seal here

My Commission Expires _____

Notary Public


 OFFICIAL SEAL
 JUSTIN FOSTER
 Notary Public
 State of New Mexico
 My Comm. Expires 7/21/2011

Notary Public
Nancy Cruz



Corporate Surety Attachment Power of Attorney

By Wendy K. Bratt
Date 5-26-10



RLB0013245

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:

\$5,000.00

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 25 day of May, 2010 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.

Cherie L. Montgomery
Notary Public



SPA026 (02/08)

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, May 25, 2010 11:30 AM
To: 'Nancy Cruz'
Cc: Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Sanchez, Daniel J., EMNRD; 'Layne Ashton'; 'Mike_Smith@blm.gov'
Subject: TFD 55-7: G-101, 102, 103s

Nancy:

I just heard from Mr. Daniel Sanchez (OCD Compliance & Enforcement Manager) that OCD will not be issuing API#s for geothermal wells, but tracking them separately from the Risk Based Management System (RBDMS), but under OCD Online ("GTHT-1") as thumbnails.

Therefore, I am instructing you to send the single-well bond similar to the last one, but reference the "TFD 55-7" as the API# that OCD will use to track the location and any future well work. The OCD may change this process at a later date? Please contact me if you have questions.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Nancy Cruz [mailto:Nancy.Cruz@rlcorp.com]
Sent: Tuesday, May 25, 2010 10:29 AM
To: Chavez, Carl J, EMNRD
Subject: RE: G-101, 102, 103 signature resend

Thanks. What about the API#?

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Monday, May 24, 2010 4:33 PM
To: Nancy Cruz
Subject: FW: G-101, 102, 103 signature resend

Nancy:

Be sure to use the G-102 Form for the footages and the Unit Letter based on the footages is: UL: J. Thanks. You may double check by clicking of the following link and going to the second page with footages at <http://www.emnrd.state.nm.us/oed/documents/WellLocation.pdf>.

Please contact me if you need further assistance. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Ben Barker [mailto:Ben.Barker@rasertech.com]
Sent: Sunday, April 18, 2010 11:43 PM
To: Chavez, Carl J, EMNRD
Cc: Layne Ashton
Subject: G-101, 102, 103 signature resend

Hi Carl,

Here are the three forms with my signature. I printed and scanned these with my signature in place so there ought to be no "detachment" as in my earlier transmittal.

Thanks,
Ben

VP Resource Management
Raser Technologies
5152 N. Edgewood Drive
Provo, UT 84604
801-765-1200 office
801-850-5904 direct
707-508-9963 mobile

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

May 18, 2010

Mark Fesmire
Division Director
Oil Conservation Division



Mr. Richard D. Clayton, Manager
Los Lobos Renewable Power, LLC
5152 Edgewood Drive, Suite 200
Provo, UT 84604

Re: \$50,000 Blanket Plugging Bond
Los Lobos Renewable Power, LLC, Principal
RLI Insurance Company, Surety
Bond No. RLB0013224

Dear Mr. Clayton:

The New Mexico Oil Conservation Division hereby approves the above-captioned blanket plugging bond.

Sincerely,



DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Carl Chavez – Santa Fe, NM

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046



STATE OF NEW MEXICO
\$50,000 BLANKET PLUGGING BOND

BOND NO. RLB0013224

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, (an individual – If dba, must read – Example: John Doe dba ABC Services) (a corporation) (a general partnership), (a limited liability company) (a limited partnership) 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 70-2-14, as amended, in the sum of **Fifty Thousand Dollars (\$50,000)** 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 oil or gas, carbon dioxide gas, helium gas or brine minerals, or an **injection** or other service well or wells related to such exploration or production, on privately owned or state owned lands within the State of New Mexico, or does own or operate, or may acquire, own or operate such a well or such wells, the identification and location of said wells being expressly waived by both PRINCIPAL and SURETY.

* Injection Well(s):	API#
42-18	30-023-20018
51-07	30-023-20020
53-12	30-023-20019

FILED
APR 11 2008
OCD

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 Rules 8.9 [19.15.8.9 NMAC] and 25.10 [19.15.25.10 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.

PROVIDED HOWEVER, that 30 days after receipt by the DIVISION of written notice of cancellation from the SURETY, the obligation of the SURETY shall terminate as to wells acquired, drilled or started, or of which PRINCIPAL assumes operation, after said 30-day period, but shall continue in effect, notwithstanding said notice, as to wells theretofore acquired, drilled, started or operated.

Los Lobos Renewable Power, LLC
PRINCIPAL
5152 Edgewood Drive, Suite 200
Provo, UT 84604
Address
By [Signature]
Signature
Manager
Title

RLI Insurance Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046
Address
By [Signature]
Greg E. Chilson, Attorney-in-Fact

If PRINCIPAL is a corporation, affix corporate seal here

Corporate surety affix corporate seal here

ACKNOWLEDGMENT FORM FOR INDIVIDUAL

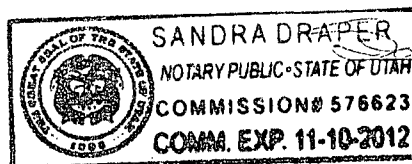
(If dba, must read – Example: John Doe dba ABC Services)

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 Utah)This Instrument was acknowledged before me on this 17th day of May 2010by Richard D. Chilton as Manager
(Name of Person Signing Instrument) (Capacity, e.g. President, Partner, Manager, Member)of Sos. Johns Renewable Power LLC
(Name of Corporation, Partnership, Limited Liability Company)_____
Notary Public

SEAL

My Commission Expires**ACKNOWLEDGMENT FORM FOR CORPORATE SURETY**STATE OF TEXAS)
SS.
COUNTY OF HARRIS)This Instrument was acknowledged before me on this 11th day of May 2010By Greg E. Chilson as Attorney-in-Fact for RLI Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)Nancy Cruz
Nancy Cruz, Notary Public

SEAL

My Commission Expires

Corporate surety attach power of attorney

APPROVED BY:

Oil Conservation Division of New Mexico

By David K. BrooksDate 5-18-10



RLI Surety
A division of RLI Insurance Company

RLB0013224

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:

\$50,000.00

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 11 day of May, 2010 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.

Cherie L. Montgomery
Notary Public



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

May 18, 2010

Mark Fesmire
Division Director
Oil Conservation Division




Mr. Richard D. Clayton, Manager
Los Lobos Renewable Power, LLC
5152 Edgewood Drive, Suite 200
Provo, UT 84604

Re: \$10,000 Multi-Well Geothermal Plugging Bond
Los Lobos Renewable Power, LLC, Principal
RLI Insurance Company, Surety
API 30-023-20013
API 30-023-20014
API 30-023-20015
API 30-023-20016
Bond No. RLB0013218

Dear Mr. Clayton:

The New Mexico Oil Conservation Division hereby approves the above-captioned Multi-Well Geothermal Plugging bond.

Sincerely,


DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Carl Chavez – Santa Fe, NM

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

May 18, 2010

Mark Fesmire
Division Director
Oil Conservation Division



Mr. Richard D. Clayton, Manager
Los Lobos Renewable Power, LLC
5152 Edgewood Drive, Suite 200
Provo, UT 84604

Re: \$5,000 One-Well Geothermal Plugging Bond
Los Lobos Renewable Power, LLC, Principal
RLI Insurance Company, Surety
API 30-023-20017
53-07
3775' FSL and 3052' FWL
Section 7, Township 25 South, Range 19 West
Hidalgo County, NM
Bond No. RLB0013217

Dear Mr. Clayton:

The New Mexico Oil Conservation Division hereby approves the above-captioned One-Well Geothermal Plugging Bond.

Sincerely,

A handwritten signature in cursive script, reading "David K. Brooks".

DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Carl Chavez – Santa Fe, NM

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046



Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, May 18, 2010 11:47 AM
To: 'Layne Ashton'
Cc: Reeves, Jacqueta, EMNRD; Dade, Randy, EMNRD
Subject: RE: Los Lobos Geothermal Project (GTHT-1) & Geothermal Bonds

Layne:

All bonds received and in process for approval, unless you hear otherwise in the near future.

Once Raser receives an approval letter(s) on the bonds, OCD-EB Santa Fe will coordinate with OCD Artesia District to get the APDs signed for each well. Once these are signed by Artesia and are placed on OCD Online (GTHT-1) under the "Permit" thumbnail, Raser will be good to go. I'll let you know when the APDs are signed and in our Administrative Record.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Layne Ashton [<mailto:lashton@rasertech.com>]
Sent: Tuesday, May 18, 2010 10:39 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Los Lobos Geothermal Project (GTHT-1) & Geothermal Bonds

Good morning Carl,

The injection well bond was sent to your attention via Fed Ex for delivery today. You should have it by this afternoon.

Best regards,

W. Layne Ashton
Raser Technologies, Inc.
5152 Edgewood Drive, Suite 375
Provo, Utah 84604
Tel. (801) 765-1200
Fax (801) 374-3314
Cell (801) 473-6090
layne.ashton@rasertech.com

From: Chavez, Carl J, EMNRD [<mailto:CarlJ.Chavez@state.nm.us>]
Sent: Tuesday, May 18, 2010 10:19 AM
To: Layne Ashton
Cc: nancy_cruz@rlicorp.com
Subject: Los Lobos Geothermal Project (GTHT-1) & Geothermal Bonds

Layne:

Good morning. OCD is in receipt of the geothermal well bonds for the five Geothermal Production or Development Wells.

OCD is currently awaiting receipt of the multi-well bond for the three UIC Class V Geothermal Injection Wells.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

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STATE OF NEW MEXICO
\$50,000 BLANKET PLUGGING BOND

BOND NO. RLB0013224

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, (an individual – If dba, must read – Example: John Doe dba ABC Services) (a corporation) (a general partnership), (a limited liability company) (a limited partnership) 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 70-2-14, as amended, in the sum of **Fifty Thousand Dollars (\$50,000)** 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 oil or gas, carbon dioxide gas, helium gas or brine minerals, or an **injection** or other service well or wells related to such exploration or production, on privately owned or state owned lands within the State of New Mexico, or does own or operate, or may acquire, own or operate such a well or such wells, the identification and location of said wells being expressly waived by both PRINCIPAL and SURETY.

* Injection Well(s):	API#
42-18	30-023-20018
51-07	30-023-20020
53-12	30-023-20019

RECEIVED
OCD
A 11:28

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 Rules 8.9 [19.15.8.9 NMAC] and 25.10 [19.15.25.10 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.

PROVIDED HOWEVER, that 30 days after receipt by the DIVISION of written notice of cancellation from the SURETY, the obligation of the SURETY shall terminate as to wells acquired, drilled or started, or of which PRINCIPAL assumes operation, after said 30-day period, but shall continue in effect, notwithstanding said notice, as to wells theretofore acquired, drilled, started or operated.


Los Lobos Renewable Power, LLC
PRINCIPAL
5152 Edgewood Drive, Suite 200
Provo, UT 84604
Address
By Richard D. Clayton
Signature
Manager
Title

RLI Insurance Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046
Address
By Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

If PRINCIPAL is a corporation, affix
corporate seal here

Corporate surety affix corporate
seal here

Notary Public

 SANDRA DRAPER
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 576623
COMM. EXP. 11-10-2012

Notary Public

(Name of Corporate Surety)

Nancy Cruz
Nancy Cruz, Notary Public

Date _____



RLI Surety
A division of RLI Insurance Company

RLB0013224

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:

\$50,000.00

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 11 day of May, 2010 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.

Cherie L. Montgomery
Notary Public



Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, May 18, 2010 10:19 AM
To: 'Layne Ashton'
Cc: 'nancy_cruz@rlcorp.com'
Subject: Los Lobos Geothermal Project (GTHT-1) & Geothermal Bonds

Layne:

Good morning. OCD is in receipt of the geothermal well bonds for the five Geothermal Production or Development Wells.

OCD is currently awaiting receipt of the multi-well bond for the three UIC Class V Geothermal Injection Wells.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

STATE OF NEW MEXICO

\$10,000 MULTI-WELL GEOTHERMAL PLUGGING BOND

BOND NO. RLB0013218

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 (an individual - If dba, must read - Example: John Doe dba ABC Services) (a corporation) (a general partnership), (a limited liability company) (a limited partnership) 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:

API Number	Footage N/S	Footage E/W	Section/Twsp/Range	Depth
<u>30-023-20013</u>	<u>3781 FNL/FSL 530</u>	<u>FEL/FWL</u>	<u>7 / 25 (N/S) 19 (E/W)</u>	<u>3400</u>
<u>30-023-20014</u>	<u>3721 FNL/FSL 1789</u>	<u>FEL/FWL</u>	<u>7 / 25 (N/S) 19 (E/W)</u>	<u>3400</u>
<u>30-023-20015</u>	<u>2360 FNL/FSL 2278</u>	<u>FEL/FWL</u>	<u>7 / 25 (N/S) 19 (E/W)</u>	<u>3400</u>
<u>30-023-20016</u>	<u>1219 FNL/FSL 2266</u>	<u>FEL/FWL</u>	<u>7 / 25 (N/S) 19 (E/W)</u>	<u>3400</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>
<u>30-0 -</u>	<u>FNL/FSL</u>	<u>FEL/FWL</u>	<u>/ (N/S) / (E/W)</u>	<u>_____</u>

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

5152 Edgewood Drive, Suite 200
Provo, UT 84604

By Richard L. Clayton
Signature
Manager
Title

RLI Insurance Company

SURETY

8 Greenway Plaza, Suite 400
Houston, TX 77046

By Greg E. Chilson
Signature
Greg E. Chilson Attorney-in-Fact

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 Utah)This Instrument was acknowledged before me on this 14th day of May, 2010by Richard D Clayton as Manager
(Name of Person Signing Instrument) (Capacity, e.g. President, Partner, Manager, Member)of Josh Hobas Renewable Power
(Name of Corporation, Partnership, Limited Liability Company)_____
Notary Public

SEAL

My Commission Expires**ACKNOWLEDGMENT FORM FOR CORPORATE SURETY**STATE OF Texas)
SS.
COUNTY OF Harris)This Instrument was acknowledged before me on this 6th day of May, 2010by Greg E. Chilson, as Attorney-in-Fact for RLI Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)_____
Notary Public
Nancy Cruz_____
Corporate Surety with power of attorney

APPROVED BY:

Oil Conservation Division of New Mexico

By _____

Date _____



RLI Surety
A division of RLI Insurance Company

RLB0013218

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



Michael J. Stone
PRESIDENT

State of Illinois)
County of Peoria) SS

On this 6 day of May, 2010 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.

Cherie L. Montgomery
Notary Public



STATE OF NEW MEXICO
ONE WELL GEOTHERMAL PLUGGING BOND

BOND NO. RLB0013217
WELL DEPTH 3,400'
AMOUNT OF BOND \$5,000.00
COUNTY Hidalgo

Note: Bond Amount is as follows:

<u>Proposed Depth of proposed well or Actual (Measured) Depth of existing well</u>	<u>Amount of Bond*</u>
Less than 500 feet (shallow)	\$2,000
500 feet to 2,000 feet (intermediate)	\$3,000
More than 2,000 feet (deep)	\$5,000

*Under certain conditions, the Division may authorize a well to be drilled as much as 15% deeper than the maximum depth provided in the applicable financial assurance. [See Rule 19.14.20.8.A(1) NMAC]

File with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That Los Lobos Renewable Power, LLC, (an individual – if dba must read – Example: John Doe dba ABC Services) (a general partnership) (a corporation), (limited liability company) (limited partnership) 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 \$5,000.00-----, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, 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 one well to a depth not to exceed 3,400 feet, to prospect for geothermal resources, or other service well related to such exploration or production, or does own or operate, or may acquire, own or operate such well, the identification and location of said well being:

53-07 API No. 30-023-20017, located 3,775 feet from the
(Name of Well)
South (North/South) line and 3,052 feet from the West (East/West) line
of Section 7 Township 25 South (North) (South), Range 19 West (East) (West),
NMPM, Hidalgo County, New Mexico.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well 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.

Los Lobos Renewable Power, LLC

PRINCIPAL

5152 Edgewood Drive, Suite 200
Provo, UT 84604

Address

By Richard D. Clayton

Signature

Manager

Title

RLI Insurance Company

SURETY

8 Greenway Plaza, Suite 400
Houston, TX 77046

Address

Greg E. Carlson

Greg E. Carlson, Attorney-in-Fact

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 Well Services)

STATE OF _____)
SS.
COUNTY OF _____)

This instrument was acknowledged before me on this _____ day of _____, 20____

by _____
(Name of Individual)_____
Notary Public

SEAL

My Commission Expires

ACKNOWLEDGMENT FORM FOR PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY

STATE OF Utah)
SS.
COUNTY OF Utah)This instrument was acknowledged before me on 14th day of May, 2010 by Richard D Clayton
(Name of Person Signing Instrument)as Manager of Los Lobos Renewable Power
(Capacity, e.g., partner, president, manager, member) (Name of partnership, corporation or limited liability company)_____
Notary Public

SEAL

My Commission Expires

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Texas)
SS.
COUNTY OF Harris)This instrument was acknowledged before me on this 6th day of May, 2010.by Nancy Cruz Chilson, as Attorney-in-Fact for RLI Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)_____
Notary Public
Nancy CruzCorporate Surety attach Power of Attorney

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By _____

Date _____



RLI Surety
A division of RLI Insurance Company

RLB0013217

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:

\$5,000.00

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 6 day of May, 2010 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.

Cherie L. Montgomery
Notary Public



Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, February 09, 2010 11:45 AM
To: Chavez, Carl J, EMNRD; 'Michael Hayter'
Cc: 'Layne Ashton'; 'Ben Barker'; 'Mike_Smith@blm.gov'; Brooks, David K., EMNRD; Dade, Randy, EMNRD; Reeves, Jacqueta, EMNRD; Sanchez, Daniel J., EMNRD
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Mike:

David Brooks has replied with the following in relation to the new project production/development well in the above subject proposed to be re-worked by Raser.

Carl

I am not entirely clear on the facts. As I read the applicable bonding requirements, if they plan to drill four "deep" (>=2,000 feet) wells under their multi-well bonds, no additional wells can be covered under that bond, and a single-well bond in the applicable amount would be required for each additional well.

I do not know if the issue is involved here, but the references to BLM in the emails cause me to address it. I find nothing in the Geothermal Resources Act or the Geothermal rules that limits bonding requirements to non-federal lands. Thus, it would seem that a geothermal operator, unlike an oil and gas operator, would have to furnish a bond to OCD in the applicable amount for a geothermal well on federal land, the same as if it were on State or private land.

David

Consequently, further evaluation of OCD Geothermal Regulations (see yellow highlighted) indicates the following:

19.14.20.8 PLUGGING BOND:

A. Any person who has drilled or is drilling or proposes to drill any geothermal resources well shall post with the division, and obtain approval thereof, a bond, in a form approved by the division, conditioned to plug such well, if non-productive or when abandoned, in such a way as to confine all fluids in their native strata. Each such bond shall be executed by a responsible surety company authorized to transact business in the state of New Mexico and shall describe, or by subsequent rider describe, the name and exact location of the well, or wells, covered by the bond. Bonds may be either one-well bonds or multi-well bonds, in the amounts stated below in accordance with type of bond and depth of well(s):

(1) One-well bonds:

Projected depth of proposed well or Actual depth of existing well	Amount of bond
Less than 500 feet deep ("shallow")	\$2,000
500 feet to 2,000 feet deep ("intermediate")	\$3,000
More than 2,000 feet deep ("deep")	\$5,000

Revised plans for an actively drilling shallow or intermediate well being drilled under a one-well bond may be approved by the division for drilling as much as 15 percent deeper than the maximum depth on the well's bond, provided, however, any well drilled more than 15 percent deeper than the maximum allowed depth on the bond must be covered by a new bond in the amount prescribed for the deeper depth bracket, in which case the old bond will be released.

(2) Multi-well bonds:

Projected depth of proposed wells or Actual depth of existing wells	Amount of bond
Less than 500 feet deep ("shallow")	\$10,000
500 feet to 2,000 feet deep ("intermediate")	\$10,000
More than 2,000 feet deep ("deep")	\$10,000

(a) Not more than ten shallow wells may be drilled under a \$10,000 multi-well bond. A \$2,000 one-well bond shall be posed for each additional shallow well drilled or an additional \$10,000 multi-well bond must be posted for each additional ten (or portion thereof) shallow wells drilled.

(b) Not more than six intermediate wells may be drilled under a \$10,000 multi-well bond. A \$3,000 one-well bond shall be posted for each additional intermediate well drilled or an additional \$10,000 multi-well bond must be posted for each additional six (or portion thereof) intermediate wells drilled.

(c) Not more than four deep wells may be drilled under a \$10,000 multi-well bond. A \$5,000 one-well bond shall be posted for each additional deep well drilled or an additional \$10,000 multi-well bond must be posted for each additional four (or portion thereof) deep wells drilled.

(d) The \$10,000 multi-well bond may be used to cover the drilling of a combination of wells, i.e., shallow and intermediate, shallow and deep, intermediate and deep, or shallow, intermediate and deep, provided however, that the \$10,000 capacity of the bond shall be charged in an amount equal to the one-well bond requirement for each such combination well according to its depth.

(e) Revised plans for an actively drilling shallow or intermediate well being drilled under a multi-well bond may be approved for drilling as much as 15 percent deeper than the well's maximum depth bracket without affecting the bond. Any well drilled more than 15 percent deeper than its depth bracket, however, shall be placed in the next deeper depth bracket, and the \$10,000 capacity of the multi-well bond charged accordingly. Additional bonding will be required in the event the capacity of the bond to cover the well in its new depth bracket is inadequate.

B. For the purposes of the division, the bond required is a plugging bond, not a drilling bond, and shall endure until the well has been plugged and abandoned, and such plugging and abandonment approved by the division. Transfer of the well or property does not release the bond. In case of transfer and the principal desires to be released from the bond, he shall proceed as follows:

(1) The principal on the bond shall notify the division in writing that the well, or wells, covered by the bond are being or have been transferred to a certain transferee. The notice shall name the wells and shall give their exact location.

(2) On the same instrument the transferee shall recite that he accepts such transfer and accepts the responsibility for such well, or wells, under his bond which shall be tendered therewith.

(3) When the division has approved the transfer, the transferor is immediately released of the plugging responsibility of the well, or wells, constitute all of the wells covered by the bond, such bond will be released by written notice from the division to the principal and to the surety company.

C. The division director is vested with power to act for the division in all matters relating to this rule.

[Recompiled 12/31/01]

In conclusion, any new geothermal production/development well associated with the project shall require the OCD to issue a new API# in order to track plug and abandonment of the new geothermal well under OCD Geothermal Regulations. Raser apparently has some options on any new geothermal production/development geothermal wells and they are:

- 1) Obtain a one-well bond for each new well based on depth (see above information) as needed.
- 2) Change the one-well deep bond to a multi-well bond and pay \$10,000 instead of a one-well bond \$5,000 depending on depth and this would allow Raser to drill new wells in the future. New wells associated with the project require API#s and should be referenced in the bond and/or a letter with reference to the new well, its location and API# for any future wells handled under a multi-well bond with applicable geothermal regulations shall be submitted to OCD for approval before work over or drilling of the new wells begins.

If the well is going to be a Class V Geothermal Injection Well under WQCC Regulations, bond requirements fall under the WQCC 20.6.2 NMAC Regulations.

Lastly, the BLM may have bonding and regulatory requirements and OCD and Raser need to include BLM in the project going forward.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD

Sent: Tuesday, February 09, 2010 9:25 AM

To: 'Michael Hayter'
Cc: Layne Ashton; Ben Barker; Mike_Smith@blm.gov; Brooks, David K., EMNRD
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Good communication on this matter. I will confer with our Attorney Mr. Brooks and get back with you based on the situation (re-entry into a PA'd well).

The issue as I see it is whether OCD may require 2 multi-well bonds for the production/development wells under the OCD Geothermal Regulations that should cover Raser with any additional PA'd wells that it would like to re-enter. Stay tuned....

Regarding BLM, I see you have copied Mike Smith who can provide any Federal information based on your intent. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Michael Hayter [<mailto:Michael.Hayter@rasertech.com>]
Sent: Tuesday, February 09, 2010 9:17 AM
To: Chavez, Carl J, EMNRD
Cc: Layne Ashton; Ben Barker; Mike_Smith@blm.gov
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

We understand regarding the well diagram. We will provide that and the plan for re-entry and testing. Regarding bonding, my understanding is that we are covered under the existing bond we have with BLM. As for the OCD bond which we will submit in the near future, please let us know how to proceed. We are submitting for 5 exploratory wells (a single well bond and a deep multi-well bond for 4 wells, in addition to the injection well bond), so can we include 55-7 in these bonds or add it as a 6th well under a single well bond?

Thanks,

Mike

Director - Geothermal Business Development
Raser Technologies, Inc.
5152 North Edgewood Drive
Provo, Utah 84003
Office: +1.801.765.1200 x216
Mobile: +1.801.589.1872
www.rasertech.com

From: Chavez, Carl J, EMNRD [<mailto:CarlJ.Chavez@state.nm.us>]
Sent: Tuesday, February 09, 2010 9:11 AM
To: Michael Hayter
Cc: Layne Ashton; Ben Barker; Mike_Smith@blm.gov
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Mike:

In speaking with Mr. Layne, I indicated that the well is an ancillary well to the OCD Discharge Permit (GTHT-001). Therefore, a G-103 would be the path and OCD and BLM would need to see a well diagram of the present well construction. The well apparently has a significant work record so any well work proposed would require a well construction diagram of the existing condition of the well. Also, the question of well bonding came up that BLM and OCD would need to consider as part of the re-entry into a PA'd well. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Michael Hayter [<mailto:Michael.Hayter@rasertech.com>]
Sent: Tuesday, February 09, 2010 9:03 AM
To: Chavez, Carl J, EMNRD
Cc: Layne Ashton; Ben Barker
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Carl,

The landowner is Dale Burgett, it is a split-estate. We have a surface agreement that gives us full permission and rights to re-enter the well and use it for production should it be found capable. We are planning to submit a sundry notice to BLM also.

Mike

Director - Geothermal Business Development
Raser Technologies, Inc.
5152 North Edgewood Drive
Provo, Utah 84003
Office: +1.801.765.1200 x216
Mobile: +1.801.589.1872
www.rasertech.com

From: Chavez, Carl J, EMNRD [<mailto:CarlJ.Chavez@state.nm.us>]
Sent: Tuesday, February 09, 2010 8:52 AM
To: Michael Hayter
Cc: Layne Ashton; Ben Barker
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Mike:

No problem. I'm coordinating with Mike Smith (Bureau of Land Management) on the above subject well. It appears to be an ancillary well to the OCD discharge permit and the OCD must coordinate with BLM on Federal wells. Wells that are plugged and abandoned revert back to the landowner, and in this case it is the BLM I believe? Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490

Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Michael Hayter [mailto:Michael.Hayter@rasertech.com]
Sent: Tuesday, February 09, 2010 8:44 AM
To: Chavez, Carl J, EMNRD
Cc: Layne Ashton; Ben Barker
Subject: RE: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

Carl,

Thank you. Unfortunately, I must postpone today's meeting. Our equity partner, Evergreen who is funding drilling, called a last minute meeting to discuss the Lightning Dock project. I'll be in touch later today or tomorrow to reschedule. I'm sorry for the change, I hope it doesn't cause any problems.

Best;
Mike

Director - Geothermal Business Development
Raser Technologies, Inc.
5152 North Edgewood Drive
Provo, Utah 84003
Office: +1.801.765.1200 x216
Mobile: +1.801.589.1872
www.rasertech.com

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Tuesday, February 09, 2010 7:50 AM
To: Michael Hayter
Subject: FW: Raser Technologies Bonding (GTHT-001) & Well 55-7 Info.

FYI. Please find below OCD's most recent bond contact from Well Fargo.

Also, regarding Well 55-7, I located Well 55-7 information and have provided the file location related to the well. I notice from my preliminary review of the file that it is a Federal well with some history, i.e., directionally drilled and/or whip stocked and it went through a couple of well owners. The well was PA'd as you had indicated.

AMAX (GTLT-005) First Row Last Column File
<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC0912464638>

I look forward to meeting with you today. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Barnes, Patrick [mailto:Patrick_Barnes@wellsfargois.com]
Sent: Thursday, February 05, 2009 8:55 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Raser Technologies

Mr.. Chavez,

Thanks for your response to my inquiry. I have talked to Mr.. Brooks and he has cleared up the questions I had regarding the bond forms. One other question has developed as a result of my discussions with the risk. That is, is it possible to bond the \$50,000 sum required for geothermal injection wells? The form we have is entitled "Cash Plugging Bond" but it appears to be an assignment of cash collateral. The account would rather handle this with a bond from a surety if that is acceptable to you. Please let me know if that is something you would accept. Thanks for your continued assistance on this matter.

Patrick Barnes CIC
Sr. Account Executive
Wells Fargo Insurance Services
1095 E. 2100 S. Ste 200
SLC, Utah 84106
Tel: (801) 246-4376
Fax: (801) 485-5217

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, January 30, 2009 10:52 AM
To: Barnes, Patrick
Cc: Watson, Jason F.; Brooks, David K., EMNRD; Gum, Tim, EMNRD
Subject: RE: Raser Technologies

Mr. Patrick:

A couple of issues from your note that I request that you follow-up on:

- 1) Please contact Mr. David Brooks at (505) 476-3450 about the outdated and penal sum of the bonds being incorrect. Attorney Brooks developed the bond documentation for Los Lobos or Raser Technologies. Please be advised that the bond documents must reference "Los Lobos Renewable Power, LLC. as the application was received under Los Lobos. The amounts of bonds are split between regulations, i.e., WQCC (\$50K multi-injection wells) vs. OCD geothermal (Amts. split for multi vs. single) production well bonding requirements.
- 2) I have forwarded the draft discharge permit (see attachment) to Mr. Tim Gum of the OCD Artesia Office to cross-check issued API#s from him to identify any incorrect API#s in the draft discharge permit page 1 and in Section 21 (see OCD draft discharge permit with references to API#s and the most recent discharge permit that I sent to Mr. Gum to double check). I will work with Mr. Gum to make sure you have the correct API#s for the bond.

You may also contact Mr. Gum of the OCD District 2 Office in Artesia at (575) 748-1283 (X 102). Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Barnes, Patrick [mailto:Patrick_Barnes@wellsfargois.com]
Sent: Friday, January 30, 2009 9:10 AM
To: Chavez, Carl J, EMNRD
Cc: Watson, Jason F.
Subject: Raser Technologies

Mr. Chavez, we are in the final stages of securing the bonds needed for this company to proceed with the geothermal projects planned in the state of New Mexico. The surety informs us that the bond forms we have referenced are outdated and the penal sum of the bonds is also incorrect. Could you please provide us with the proper bond forms and also the penal sum of the bonds that are required. Could you also please confirm the API numbers for each of these bonds, as the surety also indicated that one of those was not correct.

Thanks you for your assistance. Please give me a call if you would like to discuss the matter further. We look forward to getting this matter resolved in the near future.

Patrick Barnes CIC
Sr. Account Executive
Wells Fargo Insurance Services
1095 E. 2100 S. Ste 200
SLC, Utah 84106
Tel: (801) 246-4376
Fax: (801) 485-5217

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Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 23, 2009 9:22 AM
To: Patrick_Barnes@wellsfargois.com
Cc: Chavez, Carl J, EMNRD
Subject: Geothermal Bonds

Dear Mr. Barnes:

Mr. Chavez reminded me that I had, in fact, prepared forms for the geothermal production well bonds. These forms are on OCD's website under "Forms," and they are designated GT B-1 and GT B-2, respectively.

Please let me know if you have further questions.

Sincerely

David K. Brooks
Legal Examiner
505-4176-3450

Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 23, 2009 9:07 AM
To: Patrick_Barnes@wellsfargois.com
Cc: Chavez, Carl J, EMNRD
Subject: Los Lobos Geothermal - pro forma bonds

Dear Mr. Barnes

Carl Chavez has forwarded to me the pro forma bonds for geothermal wells which your office apparently sent to him.

The \$50,000 bond for the injection wells is on a form I prepared for the purpose, and is satisfactory; provided that an Assignment of Cash Collateral on our form, pledging \$50,000 in cash, and signed by both the operator and the bank, will also be required.

The \$10,000 and \$5,000 bonds for the geothermal production wells are not on forms that will work. Under the Division's geothermal rules, as you correctly note, these must be surety bonds, and must be signed by the operator and a corporate surety. We have separate surety bond forms for oil and gas bonds. I do not think we have forms that will work for geothermal wells without some adaptation. I will undertake to adapt them some time this week, or possibly next.

Sincerely,

David K. Brooks
Legal Examiner
505-476-3450

Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, January 13, 2009 1:24 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Lightning Dock Geothermal Letter of Credit (LOC) Renewal Question?
Attachments: image001.gif

Carl

Banks like annual renewal. We require five-year terms with automatic renewal every five years for oil and gas bonds, and nearly all banks, including Wells Fargo, have agreed to that when we insisted.

David

From: Chavez, Carl J, EMNRD
Sent: Tuesday, January 13, 2009 12:34 PM
To: Brooks, David K., EMNRD
Cc: jason.f.watson@wellsfargo.com
Subject: Lightning Dock Geothermal Letter of Credit (LOC) Renewal Question?

Jason Watson (Well Fargo) called to inquire about an annual automatic renewal for the LOC? I seem to recall every 5 years?

Anyway, he would like permission to add an automatic annual renewal for the LOC. This means every year the OCD along w/ the owner/operator of the well will receive a letter stating that if Wells Fargo does not hear otherwise by date certain, the LOC will be renewed. I think tracking this is cumbersome and Wells Fargo prefers automatic annual renewal vs. every 5 years.

Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, November 13, 2008 3:44 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Lightning Dock Geothermal Hearing

Thanks
David

From: Chavez, Carl J, EMNRD
Sent: Thursday, November 13, 2008 3:39 PM
To: Brooks, David K., EMNRD
Subject: RE: Lightning Dock Geothermal Hearing

David:

Please find the Raser contacts fax nos. below.

1) Michael Hayter
Director – Geothermal Development
Raser Technologies
Office: 801.765.1200
Mobile: 801.589.1872
Fax: 801.374.3314
mike.hayter@rasertech.com
www.rasertech.com

2) Jay Hamilton (Consultant)
Hamilton Environmental, L.L.C.
485 West 1400 North
Orem , Utah 84057
Office (801) 224-4585
Fax (801) 224-1893
Cell (801) 361-2102
e-mail hamiltonenviro@yahoo.com

Thnx.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Brooks, David K., EMNRD
Sent: Thursday, November 13, 2008 3:29 PM
To: Chavez, Carl J, EMNRD
Subject: Lightning Dock Geothermal Hearing

Carl

Do you have a FAX number for Raser?

David

Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, November 10, 2008 4:17 PM
To: Chavez, Carl J, EMNRD
Subject: RE: Bond Application for Raser Technologies

That could be done. The amount, however, should be left blank on the version posted on the website, as, unlike the oil and gas blanket bond, it will not always be \$50,000.

David

From: Chavez, Carl J, EMNRD
Sent: Monday, November 10, 2008 12:34 PM
To: Brooks, David K., EMNRD
Subject: RE: Bond Application for Raser Technologies

David:

Hi. Please let me know if I need to work to place the word documents on the OCD Internet "Forms" page for Geothermal Applications? Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Brooks, David K., EMNRD
Sent: Tuesday, November 04, 2008 4:29 PM
To: 'Jim Rosser'
Cc: Chavez, Carl J, EMNRD
Subject: RE: Bond Application for Raser Technologies

Dear Mr. Rosser

I have attached adapted forms for the proposed geothermal injection wells.

You will need to attach an exhibit to the Cash Bond describing the specific wells. The Operator will need to execute the Cash Bond, and the Operator and the bank will need to execute the assignment after filling in the account number of the account being pledged to secure the bond.

Please contact me if you have any questions.

Very truly yours,

David K. Brooks
Legal Examiner
505-476-3450

Chavez, Carl J, EMNRD

From: Barnes, Patrick [Patrick_Barnes@wellsfargois.com]
Sent: Thursday, February 05, 2009 8:55 AM
To: Chavez, Carl J, EMNRD
Subject: RE: Raser Technologies

Mr.. Chavez,

Thanks for your response to my inquiry. I have talked to Mr.. Brooks and he has cleared up the questions I had regarding the bond forms. One other question has developed as a result of my discussions with the risk. That is, is it possible to bond the \$50,000 sum required for geothermal injection wells? The form we have is entitled "Cash Plugging Bond" but it appears to be an assignment of cash collateral. The account would rather handle this with a bond from a surety if that is acceptable to you. Please let me know if that is something you would accept. Thanks for your continued assistance on this matter.

Patrick Barnes CIC
Sr. Account Executive
Wells Fargo Insurance Services
1095 E. 2100 S. Ste 200
SLC, Utah 84106
Tel: (801) 246-4376
Fax: (801) 485-5217

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Friday, January 30, 2009 10:52 AM
To: Barnes, Patrick
Cc: Watson, Jason F.; Brooks, David K., EMNRD; Gum, Tim, EMNRD
Subject: RE: Raser Technologies

Mr. Patrick:

A couple of issues from your note that I request that you follow-up on:

- 1) Please contact Mr. David Brooks at (505) 476-3450 about the outdated and penal sum of the bonds being incorrect. Attorney Brooks developed the bond documentation for Los Lobos or Raser Technologies. Please be advised that the bond documents must reference "Los Lobos Renewable Power, LLC. as the application was received under Los Lobos. The amounts of bonds are split between regulations, i.e., WQCC (\$50K multi-injection wells) vs. OCD geothermal (Amts. split for multi vs. single) production well bonding requirements.
- 2) I have forwarded the draft discharge permit (see attachment) to Mr. Tim Gum of the OCD Artesia Office to cross-check issued API#s from him to identify any incorrect API#s in the draft discharge permit page 1 and in Section 21 (see OCD draft discharge permit with references to API#s and the most recent discharge permit that I sent to Mr. Gum to double check). I will work with Mr. Gum to make sure you have the correct API#s for the bond.

You may also contact Mr. Gum of the OCD District 2 Office in Artesia at (575) 748-1283 (X 102). Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Barnes, Patrick [mailto:Patrick_Barnes@wellsfargois.com]
Sent: Friday, January 30, 2009 9:10 AM
To: Chavez, Carl J, EMNRD
Cc: Watson, Jason F.
Subject: Raser Technologies

Mr. Chavez, we are in the final stages of securing the bonds needed for this company to proceed with the geothermal projects planned in the state of New Mexico. The surety informs us that the bond forms we have referenced are outdated and the penal sum of the bonds is also incorrect. Could you please provide us with the proper bond forms and also the penal sum of the bonds that are required. Could you also please confirm the API numbers for each of these bonds, as the surety also indicated that one of those was not correct.

Thanks you for your assistance. Please give me a call if you would like to discuss the matter further. We look forward to getting this matter resolved in the near future.

Patrick Barnes CIC
Sr. Account Executive
Wells Fargo Insurance Services
1095 E. 2100 S. Ste 200
SLC, Utah 84106
Tel: (801) 246-4376
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Chavez, Carl J, EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, November 04, 2008 4:29 PM
To: 'Jim Rosser'
Cc: Chavez, Carl J, EMNRD
Subject: RE: Bond Application for Raser Technologies
Attachments: geothermal injection bond.doc; geothermal injection asgmt.doc

Dear Mr. Rosser

I have attached adapted forms for the proposed geothermal injection wells.

You will need to attach an exhibit to the Cash Bond describing the specific wells. The Operator will need to execute the Cash Bond, and the Operator and the bank will need to execute the assignment after filling in the account number of the account being pledged to secure the bond.

Please contact me if you have any questions.

Very truly yours,

David K. Brooks
Legal Examiner
505-476-3450

From: Jim Rosser [mailto:Jim.Rosser@rasertech.com]
Sent: Tuesday, November 04, 2008 1:42 PM
To: Brooks, David K., EMNRD
Cc: Jay Hamilton
Subject: RE: Bond Application for Raser Technologies

David,

I copied Jay Hamilton who is Raser's Permitting Consultant in case he has any different information.

Thanks for your questions.

1. The production wells are being handled under a separate bond application. Therefore, the only one we are concerned with is the injection wells.
2. The amount agreed upon is \$50,000 and this covers all of the injection wells currently proposed.
3. It will be a cash bond with a bank.

Please let me know if you have any other questions.

Jay Hamilton

If you know of anything different, please let Mr Brooks or myself know.

Thank you,

Jim Rosser

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, November 04, 2008 1:34 PM
To: Jim Rosser
Subject: RE: Bond Application for Raser Technologies

Dear Mr. Rosser

Sorry I missed your callback. Since I do not know where you are located, I do not know in what time zone you are located. Hence I do not know when your 2:30 meeting will be by MST.

In the hope of not delaying you further, I will state my questions in this e-mail, and you can call to respond, or respond by email.

1. Is it correct that the bond you are now concerned about is the bond for the injection wells only, and that the bonding for the geothermal production wells is being handled separately?
2. Did you and Carl Chavez agree on a blanket amount for all the injection wells, and is that for a specific number of wells, or is it open ended?
3. Do you contemplate obtaining a surety bond from a commercial surety company, or do you propose to deposit cash with bank to secure your bond?

I think with the above information, I can prepare an adapted version of an appropriate bond form.

Thanks

David Brooks

From: Jim Rosser [mailto:Jim.Rosser@rasertech.com]
Sent: Tuesday, November 04, 2008 9:16 AM
To: Brooks, David K., EMNRD
Subject: Bond Application for Raser Technologies

David,

Did you vote?

Have you had a chance to draft the Bond Application for the injection wells for Lightning Dock. We are needing to move forward to set up the accounts and submit the applications to Carl and the OCD.

Please let me know the status.

Thank you,

Jim Rosser

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Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, January 30, 2009 10:52 AM
To: 'Barnes, Patrick'
Cc: Watson, Jason F.; Brooks, David K., EMNRD; Gum, Tim, EMNRD
Subject: RE: Raser Technologies
Attachments: GT-1 DP 1-27-09.doc

Mr. Patrick:

A couple of issues from your note that I request that you follow-up on:

- 1) Please contact Mr. David Brooks at (505) 476-3450 about the outdated and penal sum of the bonds being incorrect. Attorney Brooks developed the bond documentation for Los Lobos or Raser Technologies. Please be advised that the bond documents must reference "Los Lobos Renewable Power, LLC. as the application was received under Los Lobos. The amounts of bonds are split between regulations, i.e., WQCC (\$50K multi-injection wells) vs. OCD geothermal (Amts. split for multi vs. single) production well bonding requirements.
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Sr. Account Executive
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1095 E. 2100 S. Ste 200
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Tel: (801) 246-4376
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Attachments: geothermal injection bond.doc; geothermal injection asgmt.doc

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Jay Hamilton

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Jim Rosser

11/10/2008

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Jim Rosser

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11/10/2008

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STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division

BOND NO. _____
(Issued by OCD)

CASH PLUGGING BOND
for Geothermal Injection Wells

(Name of Operator)

_____, organized in the State of
(Individual (if dba, must read - Example: John Doe dba ABC Services), Partnership, Corporation, Limited Liability Company,
Etc.) (_____, and authorized to do business in the State of New Mexico, whose mailing
address is _____, _____ is hereby firmly bound to the
Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the
State of New Mexico ("the DIVISION"), in the sum of **Fifty Thousand Dollars (\$50,000)** upon the following
conditions:

OPERATOR has drilled or acquired, owns or operates, or desires to drill, acquire or assume operation of,
injection wells for geothermal operations in the State of New Mexico, for which operator has obtained or will seek
to obtain permits as Class V injection wells pursuant to 20.6.2.5006 NMAC. This bond is submitted to comply with
the financial assurance requirement of 20.6.2.3107 NMAC and other applicable rules of the New Mexico Water
Quality Control Commission (NMWQCC) with respect to such wells, which are more particularly described in
Exhibit A attached hereto (the subject wells).

OPERATOR has deposited on behalf of the DIVISION the sum of **Fifty Thousand Dollars (\$50,000)**
with _____ ("FINANCIAL INSTITUTION") in the account indicated on, and
subject to the terms of, the Assignment of Cash Collateral filed with this bond. OPERATOR pledges this sum as
financial assurance that it or its successors or personal representatives will cause the subject wells to be properly
plugged and abandoned when no longer useful for other beneficial purpose, and will comply with all provisions of
any closure plan(s) approved or discharge permits granted by the Division with respect to such wells, in accordance
with all applicable rules and orders of the NMWQCC, including but not limited to applicable provisions of 20.6.2
NMAC, as the same now exist or may be hereafter amended. If OPERATOR does not wholly comply with all of the
foregoing provisions and requirements and with all applicable rules and orders of the NMWQCC and the Division
with respect to the subject wells, this bond may be forfeited to the DIVISION. If the principal sum of this bond is
less than the actual cost incurred by the DIVISION to remedy any non-compliance of Operator with any of the
provisions of this bond or rules referred to herein, or any other applicable rules or orders, OPERATOR, its
successors or personal representatives, shall be liable for such deficiency, and the DIVISION may initiate action to
recover same.

If OPERATOR or its successors, heirs, personal representatives or assigns cause all of the subject wells to
be properly plugged and abandoned in accordance with all applicable rules and orders of the NMWQCC and the
DIVISION and Operator's approved closure plan and discharge permit, as above described, and otherwise complies
wholly with the obligations described herein and with any and all permits, rules and orders applicable to the subject
wells, then, upon plugging and final abandonment of all of the subject wells, this bond shall be null and void, and
the principal sum of the deposit securing this bond shall be released to OPERATOR or to its successors, heirs, or
personal representatives, upon written request.

PRINCIPAL

By _____
Signature

Return to: **Oil Conservation Division**
1220 South Saint Francis
Santa Fe, NM 87505

INDIVIDUAL ACKNOWLEDGMENT: (If dba, must read – Example: John Doe dba ABC Services)

State of New Mexico

County of _____

This instrument was acknowledged before me on this _____ day of _____, 20____,

by _____
(Individual Operator)

Notary Public

SEAL

My Commission Expires:

ACKNOWLEDGMENT FOR CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY

State of New Mexico

County of _____

This instrument was acknowledged before me on this _____ day of _____, 20____,

by _____ of _____
(Name of Person Signing Document) (Title)

(Name of Operator)

Notary Public

SEAL

My Commission Expires:

APPROVED BY:

Oil Conservation Division of New Mexico

By _____

Date _____

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

_____("OPERATOR") of _____,
_____(address) has deposited with
_____(name of federally insured state or national bank
or savings association in the State of New Mexico) of _____,
_____(address) (FINANCIAL INSTITUTION), the sum of Fifty Thousand Dollars
(\$50,000) in Certificate of Deposit or Savings Account No. _____(FUND).

To comply with the financial assurance requirements of 20.6.2.3107 NMAC, OPERATOR hereby assigns all right, title and interest in the FUND, except as herein otherwise provided, to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico (the DIVISION).

OPERATOR AND FINANCIAL INSTITUTION agree that as to the FUND:

- a. The DIVISION acquires by this assignment the entire beneficial interest in the FUND with the right to order the FINANCIAL INSTITUTION in writing to distribute the FUND to persons determined by the DIVISION to be entitled thereto, including the DIVISION itself, in amounts determined by the DIVISION, without further consent by the OPERATOR. FINANCIAL INSTITUTION hereby acknowledges that the DIVISION is FINANCIAL INSTITUTION'S customer with respect to the FUND.
- b. OPERATOR retains no legal or beneficial interest in the FUND except the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION following final closure of all wells in the State of New Mexico for which this Assignment now or hereafter serves as financial assurance.
- c. FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or of a court order entered in a proceeding to which the DIVISION is a party. FINANCIAL INSTITUTION hereby waives all statutory or common law liens or rights of set-off or recoupment against the FUND by reason of any indebtedness or obligation of OPERATOR to FINANCIAL INSTITUTION now existing or hereafter incurred.
- d. OPERATOR agrees that FINANCIAL INSTITUTION may deduct, solely from interest due OPERATOR, any costs or attorney fees incurred by FINANCIAL INSTITUTION by reason of any claim or demand via writ, summons or other process made upon FINANCIAL INSTITUTION arising from OPERATOR'S business. FINANCIAL INSTITUTION agrees that no such costs or fees shall otherwise be deducted from the principal of the FUND prior to final release thereof to OPERATOR by the DIVISION.

This agreement shall be governed by the laws of the State of New Mexico.

Operator

Financial Institution

By: _____
(Signature of Individual Operator)

By: _____
(Signature of Authorized Officer of Financial Institution)

Title

Title

NOTE: If the officer executing this instrument on behalf of the Financial Institution is not the President, a Vice President or a branch manager, attach a copy of certified resolution of the Board of Directors evidencing such officer's authority.

INDIVIDUAL ACKNOWLEDGMENT: (If individual is dba, must read – Example: John Doe dba ABC Services)

State of New Mexico
County of _____.

This instrument was acknowledged before me on this _____ day of _____ 20____,

by _____
(Individual Operator)

(Notary Public)

SEAL

My Commission Expires:

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:

State of New Mexico
County of _____

This instrument was acknowledged before me on this _____ day of _____ 20____,

by _____
(Name of Person(s) Signing)
as _____ of _____
(Capacity, e.g., Partner, President, etc.) (Name of Operator)
a _____
(Partnership, Corporation or Limited Liability Company)

(Notary Public)

SEAL

My Commission Expires:

FINANCIAL INSTITUTION ACKNOWLEDGMENT:

State of New Mexico
County of _____

This Instrument was acknowledged before me on this _____ day of _____ 20____,

by _____
(Name of Officer)
as _____ of _____
(Title) (Name of Financial Institution)

(Notary Public)

SEAL

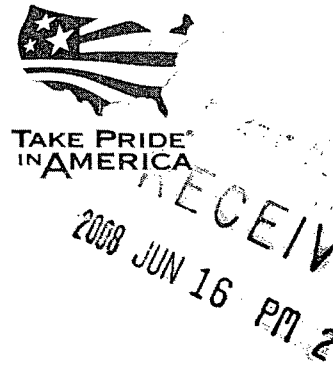
My Commission Expires:



IN REPLY REFER TO:

NM 34790
3260 (03100)

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Las Cruces District Office
1800 Marquess
Las Cruces, New Mexico 88005
www.nm.blm.gov



JUN 11 2008

Mr. Richard Clayton
General Counsel
Raser Technologies, Inc.
On behalf of
Lightning Dock Geothermal HI-01, LLC
5152 North Edgewood Drive, Suite 375
Provo, UT 84604

Re: Lease Conversion NM 34790

RECEIVED
2008 JUN 16 PM 2 09

Dear Mr. Clayton:

Enclosed is a copy of the executed Form 3200-24a approving the conversion of Geothermal Lease Number NM 34790 pursuant to the terms and conditions of 43 C.F.R. 3200.7. The effective date of this action is June 1, 2008.

This conversion is granted in response to Lightning Dock Geothermal's satisfactory completion of all agreed upon pre-conditions set forth previously by the Bureau of Land Management (BLM). These pre-conditions included:

- 1) A written agreement by Lightning Dock Geothermal (LDG), that all geothermal wells located on Federal Lease Number NM 34790, which are determined by BLM to be unnecessary to the operations of LDG, will be plugged and abandoned as per New Mexico State Engineer's specifications
- 2) A bond in an amount sufficient to cover the third party cost of plugging all geothermal wells located on Federal Lease Number NM 34790. The bond amount will be based on an estimated plugging cost of \$75,000 less the value of bonds currently in place.
- 3) Immediately plugging and abandonment of 10 specified wells in compliance with BLM plugging requirements.

In addition to the above requirements, LDG has agreed to complete testing of the remaining wells located on the subject lease and present a plugging plan for all wells not necessary to the

proposed operation. This plan is to be completed within 6 months of the effective date of this lease conversion.

The BLM will withhold any further action on the remaining wells on Lease NM 34790 for 6 months (until December 1, 2008). Please note however, that all unnecessary wells, as determined by BLM per 43 CFR 3263.14, are to be plugged promptly at the end of that period. In order to support any request to retain an existing well, LDG must show that the well is necessary for use in the proposed operation.

If you have any questions or require further information or clarification regarding this matter, please contact John Besse, Environmental Protection Specialist, at (575) 525-4363 for assistance.

Sincerely,



FOR

Tim L. Sanders

Assistant District Manager

Division of Multi-Resources

1 Enclosure

cc:

Hidalgo County

✓ New Mexico Oil Conservation Division

Minerals Management Service

NM (92100; J. Spielman)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM MAIL ROOM

Serial No.

NM-34790

OFFER TO LEASE AND LEASE FOR GEOTHERMAL RESOURCES
(For New Leases Issued Under the Energy Policy Act of 2005 [August 5, 2005])

The undersigned (see page 2) offers to lease all or any of the lands in the BLM Field Office available for lease pursuant to the Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1025).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name LIGHTNING DOCK GEOTHERMAL, HI-01, LLC	1a. Street 5152 EDGEWOOD DR.. #375	
1b. City PROVO	1c. State UT	1d. Zip Code 84604

2. Surface managing agency if other than BLM: Fee (ROSETTE, INC.) Unit/Project: N/A

Legal description of land requested (segregate by public domain and acquired lands): Enter T., R., Meridian, State and County

See Attachment #1

Total Acres Applied for 2,500.96

Percent U.S. interest 100

Amount remitted: Processing Fee \$ _____ Rental Fee \$ _____ Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease: Enter T., R., Meridian, State and County

See Attachment #1

Total Acres in Lease 2,500.96

Rental Retained \$ _____

In accordance with the above offer, or the previously submitted competitive bid, this lease is issued granting the exclusive right to drill for, extract, produce, remove, utilize, sell, and dispose of all the geothermal resources in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon, for a primary term of 10 years and subsequent extensions thereof in accordance with 43 CFR subpart 3207. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and, when not inconsistent with the provisions of this lease, regulations and formal orders hereafter promulgated.

Type of Lease:

- ☒ Competitive
☐ Noncompetitive
☐ Noncompetitive direct use (43 CFR subpart 3205)

Comments:

Geothermal lease conversion pursuant to the terms and conditions of 43 C.F.R. 3200.7(a)(2).
Surface owner is:
ROSETTE INC.
26 ROSE LANE
ANIMAS, NM 88020

THE UNITED STATES OF AMERICA

BY

Tim h. Sanders
(Signing Official)

Tim Sanders
(Printed Name)

Assistant District Manager

(Title)

May 28, 2008
(Date)

EFFECTIVE DATE OF LEASE 02/01/1979

Check if this is a converted lease ☒

EFFECTIVE DATE OF LEASE CONVERSION JUNE 1, 2008

4. (a) The undersigned certifies that:
- (1) The offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States, any State or the District of Columbia; (2) All parties holding an interest in the offer are in compliance with 43 CFR part 3200 and the authorizing Act; (3) The offeror's chargeable interests, direct and indirect, do not exceed those allowed under the Act; and (4) The offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.
- (b) The undersigned agrees that signing this offer constitutes acceptance of this lease, including all terms, conditions and stipulations of which the offeror has been given notice, and any amendment or separate lease that may cover any land described in this offer open to lease application at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford the offeror no priority if it is not properly completed and executed in accordance with the regulations or if it is not accompanied by the required payments. Title 18 U.S.C. § 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this 28th day of April, 2008 Brent M. Cook - Manager Brent M. Cook
(Printed Name of Lessee or Attorney-in-fact) (Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals must be paid to the proper office of the lessor in advance of each lease year. Annual rental rates per acre or fraction thereof, as applicable, are:

- (a) Noncompetitive lease (includes post-sale parcels not receiving bids, a direct use lease or a lease issued to a mining claimant): \$1.00 for the first 10 years; thereafter \$5.00; or
- (b) Competitive lease: \$2.00 for the first year; \$3.00 for the second through tenth year; thereafter \$5.00.
- Annual rental is always due by the anniversary date of this lease (43 CFR 3211.13), regardless of whether the lease is in a unit or outside of a unit, the lease is in production or not, or royalties or direct use fees apply to the production.

Rental may only be credited toward royalty under 43 CFR 3211.15 and 30 CFR 218.303. Rental may not be credited against direct use fees. Failure to pay annual rental timely will result in late fees and will make the lease subject to termination in accordance with 43 CFR 3213.14.

Sec. 2. (a) Royalties—Royalties must be paid to the proper office of the lessor. Royalties are due on the last day of the month following the month of production. Royalties will be computed in accordance with applicable regulations and orders. Royalty rates for geothermal resources produced for the commercial generation of electricity but not sold in an arm's length transaction are: 1.75 percent for the first 10 years of production and 3.5 percent after the first 10 years. The royalty rate is to be applied to the gross proceeds derived from the sale of electricity in accordance with 30 CFR part 206 subpart H.

The royalty rate for byproducts derived from geothermal resource production that are minerals specified in section 1 of the Mineral Leasing Act (MLA), as amended (30 U.S.C. 181), is 5 percent, except for sodium compounds, for which the royalty rate is 2 percent for sodium produced between September 29, 2006 and September 29, 2011 (Pub. L. No. 109-338, § 102; note to 30 U.S.C. 262). No royalty is due on byproducts that are not specified in 30 U.S.C. § 181. (43 CFR 3211.19.)

If this lease or a portion thereof is committed to an approved communitization or unit agreement and the agreement contains a provision for allocation of production, royalties must be paid on the production allocated to this lease.

(b) Arm's length transactions—The royalty rate for geothermal resources sold by you or your affiliate at arm's length to a purchaser is 10 percent of the gross proceeds derived from the arm's-length sale (43 CFR 3211.17, 3211.18).

(c) Advanced royalties—In the absence of a suspension, if you cease production for more than one calendar month on a lease that is subject to royalties and that has achieved commercial production, your lease will remain in effect only if you make advanced royalty payments in accordance with 43 CFR 3212.15(a) and 30 CFR 218.305.

(d) Direct use fees—Direct use fees must be paid in lieu of royalties for geothermal resources that are utilized for commercial, residential, agricultural, or other energy needs other than the commercial production or generation of electricity, but not sold in an arm's length transaction (43 CFR 3211.18; 30 CFR 206.356). This requirement applies to any direct use of federal geothermal resources (unless the resource is exempted as described in 30 CFR 202.351(b) or the lessee is covered by paragraph (e), below) and is not limited to direct use leases. Direct use fees are due on the last day of the month following the month of production.

(e) If the lessee is a State, tribal, or local government covered by 43 CFR 3211.18(a)(3) and 30 CFR 206.366, check here: ☐. A lessee under this paragraph is not subject to paragraph (d), above. In lieu of royalties, the lessee under this paragraph must pay a nominal fee of \$_____.

Sec. 3. Bonds—A bond must be filed and maintained for lease operations as required by applicable regulations.

Sec. 4. Work requirements, rate of development, unitization, and drainage—Lessee must perform work requirements in accordance with applicable regulations (43 CFR 3207.11, 3207.12), and must prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves the right to specify rates of development and production and to require lessee to commit to a communitization or unit agreement, within 30 days of notice, if in the public interest. Lessee must drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in the amount determined by lessor. Lessor will exempt lessee from work requirements only where the lease overlies a mining claim that has an approved plan of operations and where BLM determines that the development of the geothermal resource on the lease would interfere with the mining operation (43 CFR 3207.13).

Sec. 5. Documents, evidence, and inspection—Lessee must file with the proper office of the lessor, not later than (30) days after the effective date thereof, any contract or evidence of other arrangement for the sale, use, or disposal of geothermal resources, byproducts produced, or for the sale of electricity generated using geothermal resources produced from the lease. At such times and in such form as lessor may prescribe, lessee must furnish detailed statements and all documents showing (a) amounts and quality of all geothermal resources produced and used (either for commercial production or generation of electricity, or in a direct use operation) or sold; (b) proceeds derived therefrom or from the sale of electricity generated using such resources; (c) amounts that are unavoidably lost or reinjected before use, used to generate plant parasitic electricity (as defined in 30 CFR 206.351) or electricity for lease operations, or otherwise used for lease operations related to the commercial production or generation of electricity; and (d) amounts and quality of all byproducts produced and proceeds derived from the sale or disposition thereof. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest.

In a format and manner approved by lessor, lessee must keep a daily drilling record, a log, and complete information on well surveys and tests; keep a record of subsurface investigations; and furnish copies to lessor when required.

Lessee must keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee must maintain copies of all contracts, sales agreements, accounting records, billing records, invoices, gross proceeds and payment data regarding the sale, disposition, or use of geothermal resources, byproducts produced, and the sale of electricity generated using resources produced from the lease, and all other information relevant to determining royalties or direct use fees. All such records must be maintained in lessee's accounting offices for future audit by lessor and produced upon request by lessor or lessor's authorized representative or agent. Lessee must maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

Sec. 6. Conduct of operations—Lessee must conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee must take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with leased rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses will be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee. Prior to disturbing the surface of the leased lands, lessee must contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessor may require lessee to complete minor inventories or short term special studies under guidelines provided by lessor. If, in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee must immediately contact lessor. Lessee must cease any operations that are likely to affect or take such species, or result in the modification, damage or destruction of such habitats or objects.

Sec. 7. Production of byproducts—If the production, use, or conversion of geothermal resources from these leased lands is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance with applicable State water laws, lessor may require substantial beneficial production or use thereof by lessee.

Sec. 8. Damages to property—Lessee must pay lessor for damage to lessor's improvements, and must save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 9. Protection of diverse interests and equal opportunity—Lessee must maintain a safe working environment in accordance with applicable regulations and standard industry practices, and take measures necessary to protect public health and safety. Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. Lessee must comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractor may maintain segregated facilities.

Sec. 10. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee must file with lessor any assignment or other transfer of an interest in this lease. Subject to the requirements of 43 CFR subpart 3213, lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which will be effective as of the date BLM receives it, subject to the continued obligation of the lessee and surety to be responsible for: paying all accrued rentals and royalties; plugging and abandoning all wells on the relinquished land; restoring and reclaiming the surface and other resources; and complying with 43 CFR 3200.4.

Sec. 11. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee must place all wells in condition for suspension or abandonment, reclaim the land as specified by lessor, and within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells or continued protection of the environment.

Sec. 12. Proceedings in case of default—If lessee fails to comply with any provisions of this lease or other applicable requirements under 43 CFR 3200.4, and the noncompliance continues for 30 days after written notice thereof, this lease will be subject to termination in accordance with the Act and 43 CFR 3213. This provision will not be construed to prevent the exercise by lessor of any other legal and equitable remedy or action, including waiver of the default. Any such remedy, waiver, or action will not prevent later termination for the same default occurring at any other time. Whenever the lessee fails to comply in a timely manner with any of the provisions of the Act, this lease, the regulations, or other applicable requirements under 43 CFR 3200.4, and immediate action is required, the lessor may enter on the leased lands and take measures deemed necessary to correct the failure at the lessee's expense.

Sec. 13. Heirs and successors-in-interest—Each obligation of this lease will extend to and be binding upon, and every benefit hereof will inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Attachment #1

Geothermal Lease #NM-34790 Legal Description

T. 25 S., ; R. 19 W., ; NMPM Hidalgo County, New Mexico

Sec. 6: Lots 3,4,5,6,7 SE1/4NW1/4

Sec. 6: E1/2SW1/4 (From 1001 ft. below the surface)

Sec. 7: Lots 1,2,3,4, S1/2NE1/4, SE1/4NW1/4, E1/2SW1/4, SE1/4

Sec 7 NW1/4NE1/4, NE1/4NW1/4 (From 1001 ft. below the surface)

Sec 18: Lot 1, N1/2NE1/4, NE1/4NW1/4

T. 25 S., ; R. 20 W., ; NMPM Hidalgo County, New Mexico

Sec. 1: NW1/4SW1/4, S1/2SW1/4, SW1/4SE1/4

Sec 11: NE1/4, S1/2

Sec. 12: All

Sec. 13: N1/2N1/2

A total of 2,500.96 Acres

Note: Geothermal rights in E1/2SW1/4 Sec. 6, NW1/4NE1/4, NE1/4NW1/4 Sec.7, T. 25 S., R. 19 W., NMPM are reserved to the United States from the surface of the ground down to 1,000 feet. This reservation is made in order for the United States to offer in the future the resource so it may be utilized for non-electrical purposes.