

ORMAT NEVADA, INC.
APPLICATIONS FOR GEOTHERMAL DRILLING PERMIT
Geothermal Exploration Wells 18-27, 81-28, 44-28, 86-29 and 33-33
Geothermal Leases NVN-074881, NVN-074883 and NVN-077483
T27N, R40E, Sections 27, 28, 29 and 33, MDB&M

Conditions of Approval

1. This approval is contingent upon the lessee/operator being in receipt of and compliance with all appropriate state and local permits.
2. The lessee/operator must abide by the Lease Terms, Lease Stipulations, Conditions of Approval, and all environmental protection measures and mitigation measures included in the Geothermal Drilling Permits and Operations Plan.
3. When cultural or paleontological resources, including but not limited to historic ruins, prehistoric artifacts and fossils, are discovered in the performance of the permit, the resources shall be left intact and immediately brought to the attention of the BLM authorized officer.
4. Pursuant 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (as defined at 43 CFR 10.20). Further, pursuant to 43 CFR 10.4(c) and (d), the lessee/operator shall immediately stop all activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the BLM authorized officer.
5. No hazardous materials shall be used during any phase of the operations unless prior approval has been obtained from the BLM authorized officer. All onsite drilling materials and chemicals shall be properly stored to ensure the prevention of spills. No chromate or other heavy metals or environmentally harmful additives will be used.
6. No chemicals, fuels, oils, lubricants, or noxious fluids shall be disposed of at the drill sites, in the reserve or flow pits or down the wells.
7. If any chemicals, fuels, oils, lubricants, and/or noxious fluids are spilled during drilling operations, they shall be cleaned up immediately. The lessee/operator shall have absorbent on site for spill containment. After clean up, the chemicals, fuels, oil, lubricants and/or noxious fluids and any contaminated material shall be removed from the drill site and disposed of at an approved disposal facility.
8. The lessee/operator shall be responsible for all cost associated with any releases of chemicals and/or subsurface fluids resulting from their operations and practices.

9. Material Safety Data Sheets for all drilling mud components are to be provided to the Hazmat coordinator at the Winnemucca Field Office.
10. Portable chemical toilets shall be used for human waste. The human waste shall not be buried on site.
11. All equipment and machinery shall be equipped with spark arresters and mufflers.
12. The lessee/operator shall be responsible for all suppression costs for any fire resulting from their operations and practices.
13. Trash and other debris shall be contained onsite and then hauled to an approved landfill. Burial and/or burning onsite shall not be permitted.
14. Except where otherwise noted, all test equipment, both surface and subsurface, shall be removed at the completion of this drilling and testing, as well as all other debris associated with this exploration.
15. For a period of three years following the commencement of construction, project sites shall be inventoried by the lessee for the presences of invasive, nonnative species. Inventory data shall be reported to the BLM Winnemucca Field Office (WFO) project lead within one week of receipt by the lessee. The area shall be treated with BLM certified pesticides following BLM approval of a pesticide use proposal if species are present.

Following the three year period, periodic inventory for the presence of invasive nonnative species would be performed at project sites, with treatment occurring as necessary. The periodic inventory and treatment would occur until the BLM determines that final reclamation of the project site is complete and acceptable.

16. Roads to be constructed, improved or reclaimed as part of the Project would be reviewed by the BLM and required to conform to the requirements of BLM Manual 9113 and the "Gold Book" ("Oil and Gas Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development"), as applicable to the intended project use.
17. The reserve pit shall maintain a minimum of two feet of freeboard at all times.
18. A minimum of 12 inches of topsoil would be salvaged during construction, and stockpiled for use during subsequent reclamation of the disturbed areas.
19. Lessee shall monitor and collect the following hydrologic data from each of the two springs known as the Jersey Valley Hot Springs, which are located in the SW1/4 SW1/4 of Section 28 and the SE1/4SE1/4 of Section 29, respectively:
 - Representative temperature, flow or stage, and basic thermal water chemistry- once immediately prior to the commencement of drilling and once immediately following the completion of drilling;

- During the drilling or flow testing of slim or full-size well 86-29 or when extracting water from the groundwater well – Representative temperature and flow or stage – once each week until drilling, flow testing or water extracting is completed;
- Each year following the drilling of the first well until all wells have been abandoned – Representative temperature, flow or stage, and basic thermal water chemistry – once per year.

Collected data shall be reported to the BLM WFO project lead and hydrologist in written form within one week of receipt by the lessee.

Lessee shall document available information regarding fresh water aquifers which may be encountered during drilling, including the number encountered, their depths and saturated thickness, their quality and any other properties.

20. If the wells are successfully completed, all surface equipment and facilities shall be painted a color that blends with the natural surroundings. The authorized officer shall be contacted and BLM Winnemucca Office staff consulted prior to the selection of the color.
21. Wellhead equipment left on the drill site following the completion of drilling would be painted a color, subject to approval by the authorized officer, which would blend with the landscape. Prior to paint selection, Ormat would contact the WFO project lead.

All drill rig and well testing facility lights would be limited to those required to safely conduct the operations, and would be shielded and/or directed in a manner which focuses direct light to the immediate work area.

22. If any well will be sitting idle for longer than one year, the well pad shall be scarified and seeded with the recommended seed mix.
23. Upon abandonment of the wells, the following shall be done:
 - a. The wells shall be plugged to comply with all Federal and State of Nevada regulations.
 - b. All reclamation of disturbed areas shall be completed within one year from the date of proper plugging and abandonment of the well. Any constructed roads, drill pads and reserve pits shall be recontoured to original grade, salvaged topsoil spread on the disturbed area and the site scarified. The disturbed area shall be seeded by hand broadcasting or drilling with the BLM recommended seed mixture. The area shall be raked or dragged to cover the seed if broadcast seeding is used. The BLM Winnemucca Field Office shall be notified in writing when reclamation operations commence and are completed.

- c. Seeding of disturbed areas will be completed using the following native seed mixture and application rate. Any variance in the mix would be coordinated with the BLM Winnemucca Field Office. The BLM recommended seed mixture is:

Species	PLS LBS./Acre	Bulk LBS./Acre	PLS/sq. ft.
Sandberg bluegrass	1.90	2.00	38
Fourwing saltbush	3.00	5.00	4
Shadscale	3.00	5.00	4
Indian ricegrass	1.00	1.25	4
Totals	8.90	13.25	50

PLS = Pure Live Seed