

APPENDIX "A"

SAN EMIDIO GEOTHERMAL EXPLORATION PROJECT Geothermal Drilling Permits Federal Geothermal Leases NVN-42707, NVN-75233, and NVN-74196 Exploration Well Numbers 62-4, 68-33, 57-33, 73-9, 84-16, and 87-16

CONDITIONS OF APPROVAL

1. This approval is contingent upon the lessee/operator being in receipt of and in compliance with all appropriate federal, state, and local permits.
2. The 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. A careful examination of each area to be disturbed during the breeding season (April 15 to July 15), shall be done to assure no nests with eggs or young are present. Surveys shall be conducted by a qualified biologist acceptable to the Bureau of Land Management (BLM) Authorized Officer. If active nests are found, they shall be avoided by an appropriate distance to prevent destruction of the nest and disturbance of the nesting birds until they have fledged. Ground clearing activities outside of the breeding season are not subject to this condition of approval.
6. 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.
7. No chemicals, fuels, oils, lubricants, noxious fluids shall be disposed of at the drill site, in the reserve or flow pits or down the well.
8. If any chemicals, fuels, oils, lubricants, and/or noxious fluids are spilled during drilling,

testing, and completion 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.

9. The lessee/operator shall be responsible for all costs associated with any releases of chemicals and/or subsurface fluids resulting from their operations and practices.
10. Material Safety Data Sheets for all drilling mud components are to be provided to the Hazmat coordinator at the Winnemucca Field Office.
11. A copy of the Spill or Discharge Contingency Plan must be maintained at the drill site during active operations.
12. The reserve pit shall be fenced on three sides during drilling. Upon completion of the drilling operation, when the site is unoccupied, the fourth side shall also be fenced until the liquid has evaporated out of the reserve pit.
13. Flagging shall be placed on all newly erected fencing to increase visibility to wildlife.
14. Portable chemical toilets shall be used for human waste. The human waste shall not be buried on site.
15. All equipment and machinery shall be equipped with spark arresters and mufflers.
16. The lessee/operator shall be responsible for all suppression costs for any fire resulting from their operations and practices.
17. Trash and other debris shall be contained onsite and then hauled to an approved landfill. Burial and/or burning onsite shall not be permitted.
18. The lessee/operator shall be responsible for controlling all noxious weeds and other undesirable invading plant species in the disturbed operating and reclaimed area until the revegetation activities have been determined to be successful and accepted by the BLM authorized officer. The lessee/operator shall obtain approval from the BLM authorized officer for any application of herbicide, and the request must include descriptions of the types and quantities. Unless certified weed free seed is procured for the reclamation of this project, all seed shall be tested for purity, noxious, poisonous and or prohibited plant species, and the test results submitted to and approved by the BLM authorized officer.
19. Once the wells are successfully completed, the drill pad shall be reduced in size to only that necessary for production, injection, testing, working over, re-entering, or observation operations.
20. If a completed well will be sitting idle for more than a year, the site shall be scarified and seeded with the BLM recommended seed mix.
21. Upon abandonment of the geothermal 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 BLM Winnemucca Field Office shall be notified in writing when reclamation operations commence and are completed.