

NOTICE OF DESIGNATION AND CREATION OF
OPERATING UNIT

KNOW ALL MEN BY THESE PRESENTS:

MAGMA POWER COMPANY, Lessee under those certain Leases and Agreements for development of natural steam and steam power from the lands covered by said Leases and Agreements and for the use of said natural steam as such, or for conversion into electric power or for processing to obtain by-products therefrom, which said Leases and Agreements cover lands situated in Eureka County, Nevada, said Leases and Agreements and the lands covered thereby being described in Exhibit "A" attached hereto and made a part hereof, does hereby combine all of said Leases and Agreements as to all lands covered thereby into an operating unit and does hereby designate and create an operating unit to be known as "Hot Point Unit No. 1" for the purpose of developing and operating said lands for, and producing, utilizing or selling therefrom natural steam and all other substances covered by those respective Leases and Agreements.

This Notice of Designation and Creation of the said operating unit is pursuant to the provisions of paragraph 23 of said respective Leases and Agreements and the provisions of said paragraph 23 shall be applicable to all operations on and all royalties and other considerations payable under said respective Leases and Agreements.

All of the said Leases and Agreements and all estates and rights or interests thereunder and all lands covered thereby and all estates and rights and interests in such lands are hereby pooled, combined and unitized for the purposes aforesaid.

The terms and provisions hereof shall extend to and be binding upon the parties Lessor and Lessee under said respective Leases and Agreements, their successors, legal representatives and assigns.

The operating unit designated and created hereby shall come into existence upon the filing of this Notice of Designation and Creation of Operating Unit in the office of the County Recorder of Eureka County, Nevada.

DATED this 13th day of April, 1965.

MAGMA POWER COMPANY



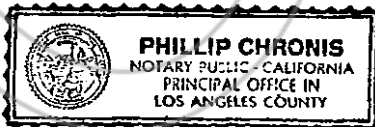
by B. C. McCabe
President

by Joseph W. Aidlin
Secretary

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

On April 13, 1965 before me, the undersigned, a Notary Public in and for said State, personally appeared B. C. McCABE, known to me to be the President, and JOSEPH W. AIDLIN, known to me to be the Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument or behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



My Commission Expires August 8, 1967

Phillip Chronis

The Leases and Agreements and the lands covered thereby which are combined into the foregoing Operating Unit are as follows to-wit:

- * 1. Lease and Agreement between Crescent Valley Ranch & Farms, a Nevada Corporation, Lessor, and Magma Power Company, a Nevada corporation, Lessee, dated June 14, 1960, recorded in Book H, Page 111 as Instrument No. 34964 in Miscellaneous Records of Eureka County, Nevada, covering lands situated in Eureka County, Nevada, described as follows:

All of Section 1, Township 29 North, Range 48 East, M.D.B. & M., 640 Acres, more or less;

and

East Half of Section 11, Township 29 North, Range 48 East, M.D.B. & M., 320 Acres, more or less,

Known as Hot Point, Crescent Valley, in the County of Eureka, State of Nevada.

(Total acreage, 960 Acres).

It is understood that the Mineral Spa and Trailer Court site of approximately seventeen (17) acres in Section 1 is not included in this lease.

2. Lease and Agreement between Edna Lee Basmajian, a married woman as her separate property, as Lessor, and Magma Power Company, a corporation, as Lessee, dated January 20, 1961, unrecorded, covering lands situated in Eureka County, Nevada, described as follows:

West Half of Southeast Quarter of Northeast Quarter, Section 9, Township 31 North, Range 48 East, M.D.B. & M., Eureka County, Nevada, consisting of 20 acres more or less.

3. Lease and Agreement between Hilda M. Brown as Lessor and Magma Power Company, a Nevada Corporation, as Lessee, dated July 1, 1960, unrecorded, covering lands situated in Eureka County, Nevada, described as follows, to-wit:

South half of Southwest Quarter of Section 29, Township 30 North, Range 49 East, M.D.B. & M., consisting of 80 acres, more or less, in the area known as Hot Point, Crescent Valley, Eureka County, Nevada.

EXHIBIT "A" cont'd.

- ** 4. Lease and Agreement between Mr. and Mrs. Phil Garrett, as Lessor, and Magma Power Company, a Nevada corporation, as Lessee, dated June 14, 1960, unrecorded, covering lands situated in Eureka County, Nevada, described as follows, to-wit:

Northwest quarter of Section 29 in Township 30 North, Range 49 East, M.D.B. & M., consisting of approximately 160 Acres, more or less, known as Hot Point, Crescent Valley, Eureka County, Nevada.

5. Lease and Agreement between Ellsworth and Irene Farr, as Lessor, and Magma Power Company, a Nevada corporation as Lessee, dated July 15, 1960, unrecorded, covering lands in Eureka County, Nevada, described as follows, to-wit:

West Half of Northeast Quarter of Northeast Quarter of Section 29, Township 30 North, Range 49 East, M.D.B. & M., consisting of 20 acres, more or less, situated at Hot Point, Crescent Valley, Eureka County, Nevada.

6. Lease and Agreement between Phillip K. Garrett, a married man as his sole and separate property, and Lloyd L. Smith, as Lessor and Magma Power Company, a Nevada corporation, as Lessee, dated July 15, 1960, unrecorded, covering lands in Eureka County, Nevada, described as follows, to-wit:

The West One Half of the Northeast Quarter, and,

The Southeast Quarter of the Northeast Quarter of Section 29, Township 30 North, Range 49 East, in the County of Eureka, State of Nevada, M.D.B. & M., containing 120 acres, more or less.

7. Lease and Agreement between Wesley and Irene McEntire, as Lessor and Magma Power Company, a Nevada corporation, as Lessee, dated June 14, 1960, unrecorded, covering lands in Eureka County, Nevada, described as follows, to-wit:

All of Section 31 in Township 30 North, Range 49 East, M.D.B. & M., consisting of approximately 226.40 acres, known as Hot Point, Crescent Valley, Eureka County, Nevada.

8. Lease and Agreement between James C. Prout and Susan Prout, Joint Tenants, as Lessor and Magma Power Company, a Nevada Corporation, as Lessee, dated January 25, 1961, unrecorded, covering lands in Eureka County, Nevada, described as follows, to-wit:

West Half of Northwest Quarter of Northeast Quarter, Section 9, Township 31 North, Range 48 East, M.D.B. & M., Eureka County, Nevada, consisting of 20 acres more or less.

This land is now owned by Donald T. and Eileen G. Pope.

EXHIBIT "A" Cont'd.

9. Lease and Agreement between Maury B. and Mary Tyler, as Lessor, and Magma Power Company, a Nevada Corporation, as Lessee, dated January 20, 1961, unrecorded, covering lands in Eureka County, Nevada, described as follows, to-wit:

East Half of Northeast Quarter of Northeast Quarter, Section 9, Township 31 North, Range 48 East, M.D.B. & M., Eureka County, Nevada, consisting of 20 acres more or less.

*Portions of the land covered by the Lease and Agreement between Crescent Valley Ranch & Farms, a Nevada corporation, Lessor, and Magma Power Company, Lessee, have heretofore been sold and the present owners thereof are as follows:

- a. The Northeast Quarter of Section 11, Township 29 North, Range 48 East, is now owned by THELMA WYANT and ANITA WYANT.
- b. The Southeast Quarter of Section 11, Township 29 North, Range 48 East, is now owned by Paul Green and Ann Green.
- c. The South Half of South Half of Section 1, Township 29 North, Range 48 East, is now owned by Arthur C. Kamenar.

(The foregoing lands are embraced within the said Crescent Valley Ranch & Farms lease).

** The present owner of the land covered by said lease and agreement is Mildred M. Morgan (formerly Mildred H. Garrett)

40775

File No. _____

RECORDED AT THE REQUEST OF
Aidlin, Martin & Mamakos

April 19 _____ A. D. 1965

At 15 minutes past 9 A.M.

in Book 7 of OFFICIAL RECORDS

Page 205-209 Records of

EUREKA COUNTY, NEVADA

Mildred M. Morgan Recorder

Fee \$ 5.20