

ASSIGNMENT

THIS ASSIGNMENT is made and entered into as of the
 30th day of ~~September~~ ^{December}, 1969 by and between GEOTHERMAL RESOURCES
 INTERNATIONAL, INC., a corporation, hereinafter referred to as
 "Assignor", and MAGMA ENERGY, INC., a corporation, hereinafter
 referred to as "Assignee."

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and
 sufficiency of which is hereby acknowledged, Assignor does
 hereby transfer, assign and convey to Assignee, upon and sub-
 ject to the terms and conditions hereinafter set forth, all
 right, title, interest and estate of Assignor in, to and under
 those certain leases and leasehold estates covering lands
 situate in Lander and Eureka Counties, Nevada, as set forth
 in Exhibit A attached hereto and made a part hereof.

This assignment is made by Assignor and accepted by
 Assignee upon and subject to the terms, conditions and agree-
 ments as follows, to wit:

1. This assignment is to be effective as of
 January 1, 1970.
2. This assignment is ^{made} without warranty, ~~and is as~~
~~to Assignor's interest in said leases and leasehold estates,~~
~~and is made and accepted~~ ^{and is only} subject to all agreements, rights
 and outstanding royalty interests under and with respect to
 said leases and leasehold estates, except that Assignor does
 warrant and represent to Assignee that Assignor has not
 transferred, assigned or encumbered, or suffered any lien
 or encumbrance against, the right, title, interest and estate
 of Assignor in and to said leases and leasehold estates as

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first acquired by Assignor, that is, that Assignor's title with respect to said leases and leasehold estates as of the date of Assignor's acquisition thereof has not been affected, altered or encumbered.

3. Assignee assumes and agrees to be bound by the terms and conditions of the aforesaid leases and leasehold estates from and after the date hereof and to hold Assignor harmless from any claims arising from the breach thereof.

4. Assignor does hereby reserve an overriding royalty of seven and one-half percent (7½%) of the gross proceeds received by Assignee from the sale of geothermal steam and extractable minerals produced from any of the lands covered by the said leases. Said overriding royalty shall be computed in the same manner and shall be subject to its proportionate share of the same charges as is lessor's royalty under the respective leases assigned hereby, ~~except that said overriding royalty shall be subject to the deduction therefrom of its proportionate part of the costs and expenses of producing, operating and maintaining any well, wells or any of the leased lands and all leasehold facilities and improvements thereon, but shall not be chargeable with any drilling, exploration or development cost. In determining operating costs, overhead charges shall at no time exceed twenty percent (20%) of such expenses.~~ Said royalty shall be payable in money only and shall be paid on or before the 25th day of the calendar month next following receipt by Assignee of proceeds from the sale of geothermal steam or extractable minerals for the prior calendar month.

5. Assignee shall have the right at any time and from time to time to quitclaim, surrender or forfeit (because

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of default or otherwise) any lease as to all or part of the lands covered thereby, and upon any such quitclaim, surrender or forfeiture, the said overriding royalty shall forthwith terminate as to the lands affected thereby; * *WBG*

6. Assignee shall have the right at any time and from time to time to amend, extend, renew and enter into any and all agreements with respect to said leases and any of them without the necessity of joinder or consent by Assignor, provided, however, that no such transaction shall cause reduction of the overriding royalty, as herein provided, as to any leases held by Assignee.

7. Assignee shall have no control over or participation in any operations on or with respect to the lands covered by the said leases, and Assignee shall have no obligations whatsoever to Assignor with respect to the development or operation of the lands covered by said leases, except as provided herein. The leases herein assigned and any of them may be unitized and pooled at the sole discretion of Assignee without the necessity of consent thereto by Assignor, and in the event of any such unitizing or pooling, the overriding royalty payable to Assignor shall be computed and paid on the basis of the unitized or pooled share of production allocable to the lands covered by the leases assigned hereby which are included in any such unit or pool.

8. In the event the overriding royalty interest of Assignor shall be divided and shall be payable to more than three holders thereof, any payment accruing to said overriding royalty may be made to a bank or trust company designated by the holders of said overriding royalty, or, in the event of

and failure so to do, designated by Assignee. Payment to such depository shall constitute full acquittance and discharge of any further liability therefor.

9. This assignment is made concurrently with and subject to the provisions of a certain agreement of concurrent date between the parties hereto, reference being made to the said agreement and the provisions thereof.

10. Subject to the provisions hereof, this assignment shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

EXECUTED by the officers of th parties duly authorized so to do.

GEOHERMAL RESOURCES INTERNATIONAL, INC.

By North B. Gault President

By M. J. Lindsay ASSIST. Secretary

MAGMA ENERGY, INC.

By B. C. McCabe President

By Joseph W. Lidlin JOSEPH W. LIDLIN, Secretary



The leases, leasehold estates, amendments, supplements and extensions thereof and all agreements between lessors and lessees relating thereto which are the subject of this assignment between GEOTHERMAL RESOURCES INTERNATIONAL, INC., as Assignor, and MAGMA ENERGY, INC., as Assignee, and the information with respect to said leases and recording information as to said leases or instruments referring thereto are as follows:

<u>Lessor and County and State</u>	<u>Lease Date</u>	<u>No. of Acres ±</u>	<u>Recording Info</u>	
			<u>Book</u>	<u>Page</u>

BEOWAWE AREA

Eureka and Lander Counties, Nevada

Robert G. Batz, et ux	12/01/59	310	Eureka H Lander 11	74 354
Dermengian, et ux	12/01/59	160	Eureka H Lander 11	75 362
Gordon Macmillan, et ux	6/17/59	29,670	Eureka H Lander 11	23 283

Lander County, Nevada

Charles Best, et ux	7/15/60	160	11	505
Charles Best, et ux	7/15/60	160	11	506
Charles Best, et ux	7/15/60	160	11	507
Clinton W. Roberts, et ux	5/14/65	80	7	406
Emil E. Shalander, et ux	6/14/60	160	8	61

Eureka County, Nevada

Albert Adams, et ux	11/23/60	40	7	275
Edna Lee Basmajian	1/20/61	20	7	278
Earl Byram	8/22/60	160	7	431
Helen Cooper	6/14/60	160	7	586
Sampson T. Friend	1/20/61	20	7	281
Ann T. Gelbke	8/11/60	80	7	428
Dale N. Hansen, et ux	1/25/61	40	7	284
Stanice Johnson	6/14/60	160	8	159
John E. McKinney, et al	1/20/61	20	7	287
John J. O'Hara, et ux	8/11/60	40	7	443
Donald T. Pope, et ux	7/25/65	20	8	444
Arthur O. Rollins, et ux	1/24/64	40	7	293
James H. Runyan, et ux	8/11/60	40	7	581
Maury B. Tyler, et ux	1/20/61	20	7	297
Stella A. Wren	5/5/65	80	7	421

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(Corporation)

STATE OF CALIFORNIA
COUNTY OF KERN } SS.

On February 11, 1970 before me, the undersigned, a Notary Public in and for said State, personally appeared NOETH B. GILLETTE

known to me to be the _____ President, and M. J. LINDSAY

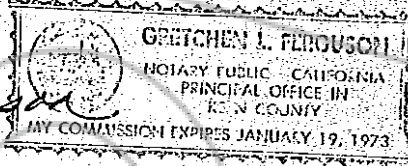
known to me to be Assistant Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Gretchen L. Ferguson

Gretchen L. Ferguson

Name (Typed or Printed)

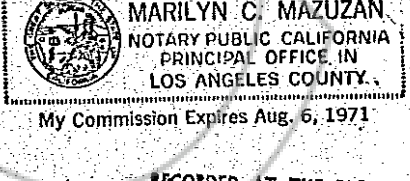


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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS.

On this 25th day of ~~January~~ February, 1970, before me, the undersigned, a Notary Public, personally appeared B. C. McCABE, known to me to be the President, and JOSEPH W. AIDLIN, known to me to be the Secretary of MAGMA ENERGY, INC., the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of MAGMA ENERGY, INC. 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.



Marilyn C. Mazuzan

RECORDED AT THE REQUEST OF
Joseph W. Aidlin
on March 18, 19 70
at 55 mins. past 10 A. M.
in Book 34 of OFFICIAL
RECORDS, page 540-545 RECORDS
OF EUREKA COUNTY, MENDOCINO
Mellor A. McFaslie
Recorder
File No. 52308 Fee \$9.00

BOOK 34 PAGE 545