

LEASE AND AGREEMENT
(Short Form)

KNOW ALL MEN BY THESE PRESENTS:

That KATHLEEN R. OBERST, who acquired title as
~~KATHLEEN MCKINNEY~~ Kathleen McKinney,
912 North Avenue 51, Los Angeles, California 90042, as Lessors,
do es hereby lease to AMERICAN THERMAL RESOURCES, INC.,
a corporation, as Lessee, pursuant to all of the terms
and conditions of that certain Lease and Agreement, between the parties
hereto, bearing the date hereof, the land situated in the County of
Eureka, State of Nevada, described in Exhibit "A"
attached hereto and made a part hereof, with the sole and exclusive right
to Lessee to explore for (by such methods as it may desire), drill for,
produce, extract, take and remove therefrom and to sell steam, thermal
energy and hot water and extractable minerals from, and to store, utilize,
process, convert and otherwise treat such steam, thermal energy and hot
water upon said land, and to extract any extractable minerals therefrom
and from said land, during the term hereof, with the right of entry thereon
and use and occupancy thereof at all times from said purposes and the
furtherance thereof.

The term of this Lease and Agreement is for a period of five (5)
years commencing ninety (90) days after the date hereof
and so long thereafter as lease substances, or any of them, are derived
or produced in commercial quantities from the lease land or lands pooled
or combined therewith and for so long, as well, as Lessee is prevented
from producing same, or the obligations of Lessee are suspended, for
the causes as set forth in said Lease and Agreement.

Said Lease and Agreement is incorporated herein and made a part
hereof in all respects as though fully set forth herein. Reference is made
hereby to executed copies of said Lease and Agreement in possession of
Lessor and Lessee, respectively.

Dated this 7 day of DECEMBER, 1971.

AMERICAN THERMAL RESOURCES,
INC.

By [Signature]
President

~~KATHLEEN MCKINNEY~~
Kathleen R. Oberst
KATHLEEN R. OBERST, who acquired
title as Kathleen McKinney

By [Signature]
Secretary

[Signature] GALE M. SIMMONS
LESSEE SEAL
Affixed

WITNESS

LESSOR

EXHIBIT "A"

The land which is the subject of the herein Lease and Agreement is that certain land situated in the County of Eureka, State of Nevada, more particularly described as follows, to-wit:

Township 31 North, Range 48 East, M.D.B. & M.

Section 9: SW/4 SW/4 NE/4

Containing 10 acres.

Including, unless specifically excepted herein, all the land and interests therein owned by Lessor situated in Section _____, Township _____, Range _____, County of _____, State of _____.

SUBJECT TO: All encumbrances, covenants, conditions, rights of way and rights of record.

TO 443 C
(Witness)

(TI)

STATE OF CALIFORNIA)
COUNTY OF Kern) SS.
On December 7, 1971

before me, the undersigned, a Notary Public in and for said State, personally appeared Gale M. Simmons, personally known to me to be the person whose name is subscribed to the within Instrument, as a Witness thereto, who being by me duly sworn, deposes and says:

That he resides in Bakersfield, California, and that he was present and saw Kathleen R. Oberst, personally known to him to be the same

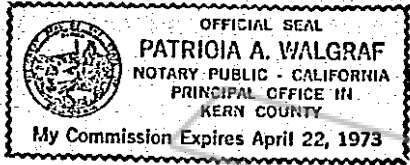
person described in and whose name is subscribed to the within and annexed Instrument as Lessor

XXX thereto, execute and deliver the same, and she acknowledged to said affiant that she executed the same; and that said affiant subscribed his name thereto as a Witness.

WITNESS my hand and official seal.

Signature Patricia A. Walgraf

Name (Typed or Printed)



igned,
ribed
the

(This area for official notarial seal)

STATE OF _____)
COUNTY OF _____) SS.

On _____ before me, the undersigned, a Notary Public personally appeared _____

known to me to be the person whose name _____ subscribed to the within instrument and acknowledged that _____ executed the same.

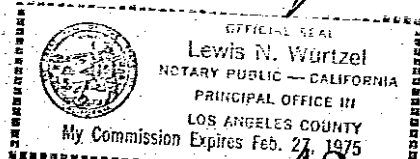
WITNESS my hand and official seal.

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) SS.

On _____, before me, the undersigned, a Notary Public, personally appeared ROY PARODI, known to me to be the President, and SANEY BRADPIECE, known to me to be the Secretary of AMERICAN THERMAL RESOURCES, INC., 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.

RECORDED AT THE REQUEST OF American Thermal Resources Inc
on March 24 1972, at 34 mins. past 1 P. M. in
Book 42 of OFFICIAL RECORDS, page 134-136 RECORDS OF
EUREKA COUNTY, NEVADA *Thelma A. DePaoli* Recorder.
File No. 55880 Fee \$5.00



BOOK 42 PAGE 136