

LEASE AND AGREEMENT
(Short Form)

KNOW ALL MEN BY THESE PRESENTS:

That JOHN M. JENNINGS & ANNE M. JENNINGS, 3690 Mayfair Dr. Pasadena, California 91107, as Lessors, do 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 11 day of JANUARY, 1972.

John Jennings
~~XXXXXXXXXXXX~~ JOHN M. JENNINGS

Anne M. Jennings
~~XXXXXXXXXXXX~~ ANNE M. JENNINGS

AMERICAN THERMAL RESOURCES, INC.

By Roy Parodi
ROY PARODI President

By Lyn Sharland
LYN SHARLAND Assistant Secretary

LESSEE

Gale M. Simmons
GALE M. SIMMONS

LESSOR

WITNESS

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.

TO 443 C
(Witness)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.
On January 13, 1972

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:

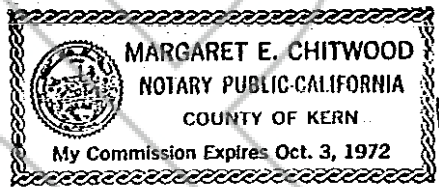
That he resides in Kern County, California, and that he was present and saw
JOHN M. and ANNE M. JENNINGS, personally known to him to be the same

person S described in and whose name as subscribed
to the within and annexed Instrument as LESSOR

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

WITNESS my hand and official seal

Signature Margaret E. Chitwood
Name (Typed or Printed)

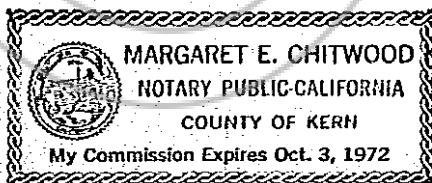


(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On January 13, 1972, before me, the undersigned, a
Notary Public, personally appeared ROY PARODI, known to me to be
the President, and LYN SHARLAND, known to me
to be the Assistant 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.



Margaret E. Chitwood

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: 5: E/2 W/2 NW/4

Containing 40 acres, more or less.

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.

RECORDED AT THE REQUEST OF American Thermal Resources, Inc.
on March 24, 19 72, at 41 mins. past 1 P. M. in
Book 42 of OFFICIAL RECORDS, page 155-157 RECORDS OF
EUREKA COUNTY, NEVADA Willis A. DePaoli Recorder.
File No. 55887 Fee \$5.00

ATR-101

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