

LEASE AND AGREEMENT
(Short Form)

KNOW ALL MEN BY THESE PRESENTS:

That DANIEL R. MC KINNEY AND BONNIE JEAN MC KINNEY
12956 11th Street, Yucaipa, California 92399, 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 14th day of March, 19 72.

Daniel R. Mc Kinney
DANIEL R. MC KINNEY

AMERICAN THERMAL RESOURCES,
INC.

By Roy Parodi
ROY PARODI President

Bonnie Jean Mc Kinney
BONNIE JEAN MC KINNEY

By Lyn Shaland
Assistant Secretary

LESSEE

SEAL
Affixed

Gale M. Simmons
GALE M. SIMMONS

LESSOR

WITNESS

ATR-101

00-002-034

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)

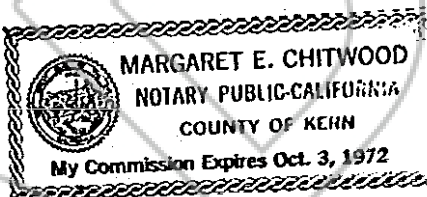
STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On March 14, 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
Daniel R. and Bonnie Jean Mc Kinney, personally known to him to be the same
person X described in and whose name as subscribed
to the within and annexed Instrument as they 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)

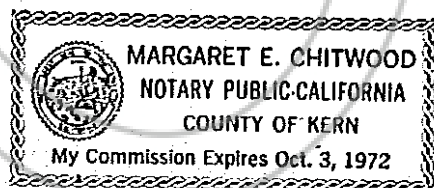


(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On March 14, 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 9: E/2 SW/4 NE/4

Containing 20 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.

ATR-101

RECORDED AT THE REQUEST OF American Thermal Resources, Inc.
on March 24, 19 72, at 44 mins. past 1 P. M. in
Book 42 of OFFICIAL RECORDS, page 167-169, RECORDS OF
EUREKA COUNTY, NEVADA Hellis A. DeTasha Recorder
File No. 55891 Fee \$5.00