

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 Starland  
Assistant Secretary

\_\_\_\_\_  
\_\_\_\_\_

Gale M. Simmons  
GALE M. SIMMONS



LESSOR

WITNESS

ATR-101

00-007-037

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)

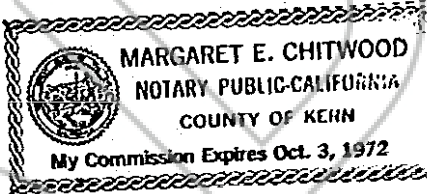
STATE OF CALIFORNIA )  
COUNTY OF KERN ) SS.

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)

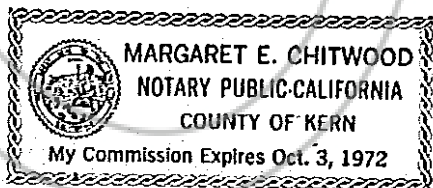


(This area for official notarial seal)

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. DeTash Recorder  
File No. 55891 Fee \$5.00