

RECORDING REQUESTED BY

AMERICAN THERMAL RESOURCES, INC.

56742

WHEN RECORDED RETURN TO:

American Thermal Resources, Inc.
5405 Stockdale Hwy., Suite 205
Bakersfield, CA 93309

LEASE AND AGREEMENT

(Short Form)

KNOW ALL MEN BY THESE PRESENTS:

That RICHARD L. FORNOF and RUTH ANN FORNOF
17911 Malden, Northridge, CA 91324, 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 1st day of JUNE, 1972.

SEAL
Affixed

Richard L. Fornof
RICHARD L. FORNOF

Ruth Ann Fornof
RUTH ANN FORNOF

AMERICAN THERMAL RESOURCES, INC.

By Roy Parod
ROY PAROD, President

By Lyn Sharland
Assistant Secretary

LESSEE

LESSOR

WITNESS

ATR-101

00-002-045-

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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 June 5, 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
RICHARD L. and RUTH ANN FORNOF, personally known to him to be the same

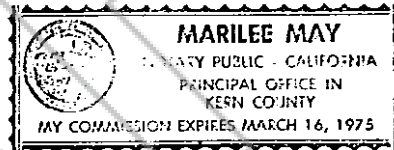
person described in and whose name as subscribed
to the within and annexed Instrument as Lessor

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 _____

Name (Typed or Printed)

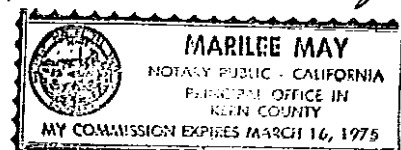


(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On June 5, 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.



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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 13: NE/4 SW/4

together with such rights as Lessor may have in waterways, ditches, sloughs, canals, dikes, levees, roads, streets, alleys, easements, and rights of way within or adjoining the above described lands and containing 40 acres, more or less.

RECORDED AT THE REQUEST OF American Thermal Resources, Inc.
on Oct. 2, 1972, at 15 mins. past 11 A. M. in
Book 43 of OFFICIAL RECORDS, page 474-476 RECORDS OF
EUREKA COUNTY, NEVADA William A. DePaulis Recorder
File No. 56742 Fee \$ 5.00

ATR-101

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