

RECORDING REQUESTED BY
AMERICAN THERMAL RESOURCES, INC.

56744

WHEN RECORDED RETURN TO

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

LEASE AND AGREEMENT

(Short Form)

KNOW ALL MEN BY THESE PRESENTS:

That LAWRENCE E. McCLAY and KATHRYN McCLAY, (who gained title as KATHRYN McCLAY), 20523 E. Stephanie Dr., Covina, California 91722, 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 31 day of MAY, 1972.



Lawrence E. McClay
LAWRENCE E. McCLAY

Kathryn McClay
KATHRYN McCLAY who gained
title as KATHRYN McCLAY

AMERICAN THERMAL RESOURCES, INC.

By Roy Parodi
ROY PARODI President

By Lyn Sharland
Lyn Sharland Assistant Secretary

LESSEE

Carl M. Simon

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)

(TI)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On June 2, 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
LAWRENCE E. and KATHYRN McCLAY, personally known to him to be the same

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

Part they 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 Marilee May

Name (Typed or Printed)



(This area for official notarial seal)

STATE OF CALIFORNIA)
COUNTY OF KERN) SS.

On June 2, 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.

Marilee May

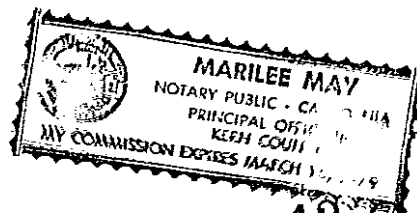


EXHIBIT "A"

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: SE/4 NW/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 17 mins. past 11 A. M. In
Book 43 of OFFICIAL RECORDS, page 480-482 RECORDS OF
EUREKA COUNTY, NEVADA Hollis A. DeCastro Recorder
File No. 56744 Fee \$ 5.00

ATR-101

BOOK 43 PAGE 482