

RECORDING REQUESTED BY:

AMERICAN THERMAL RESOURCES, INC.

WHEN RECORDED MAIL TO:

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

RECORDED AT THE REQUEST OF American Thermal Resources, Inc.,
on Jan. 15, 1973, at 03 min. past 8 A. M. in
Book 44 of OFFICIAL RECORDS, page 255-256 RECORDS OF
EUREKA COUNTY, NEVADA, *Keller & Co. Pool* Recorder
File No. 56945 Fee \$4.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT, made and entered into this 14 day of NOVEMBER, 1972, by and between
FRANCES A. REES, 6012 Friends Avenue, Whittier, CA 90601

hereinafter called "LESSOR" (whether one or more) and AMERICAN THERMAL RESOURCES, INC., a Nevada corporation, hereinafter called "LESSEE".

WITNESSETH

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the land hereinafter described, for the purposes, and with the sole and exclusive right of exploring, drilling, developing, mining, producing, utilizing, and operating the leased land for geothermal fluids, including geothermal steam, hot water, and hot brine, geothermal energy and heat at all depths, by-products thereof, products associated therewith, and other commercially valuable substances which may be produced through wells on the leased land, whether or not similar to the above-mentioned substances. The land hereby leased is situated in the County of EUREKA, State of NEVADA, and is described as follows:

TOWNSHIP 31 NORTH, RANGE 48 EAST, M.D.B. & M.

Section 21: N/2 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 80 acres, more or less.

This lease is made for the term and upon and subject to each and all the terms, provisions, covenants and conditions set forth in the certain Geothermal Lease and Agreement of even date herewith between the parties hereto covering the lands hereinabove described, and said Geothermal Lease and Agreement is hereby incorporated herein with the same force and effect as though set forth at length.

ON WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

AMERICAN THERMAL RESOURCES, INC.

Frances A. Rees
FRANCES A. REES

By

Roy Parody
ROY PARODY

President

By

Lyn Sharland
LYN SHARLAND, Assistant

Secretary

SEAL
Affixed

LESSOR

LESSEE

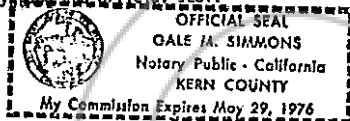
STATE OF KERN CALIFORNIA }
COUNTY OF LOS ANGELES KERN } ss.

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared

FRANCES A. REES

known to me to be the person whose name is subscribed to the within Instrument and acknowledged that she executed the same.

WITNESS my hand and official seal.



Gale M. Simmons

STATE OF _____ }
COUNTY OF _____ } ss.

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared

_____, known to me to be the _____ President, and
_____, known to me to be the _____ Secretary of

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 same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

STATE OF CALIFORNIA }
COUNTY OF KERN } ss.

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared

ROY PARODI

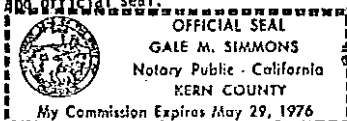
_____, known to me to be the _____ President, and

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 same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Gale M. Simmons