

THIS LEASE AGREEMENT (SHORT FORM) made and entered into this 27th day of SEPTEMBER, 1974, by and between CATTLEMEN'S TITLE GUARANTEE COMPANY, a corporation, as Trustee for Calico Land & Cattle Company, a corporation, Contract Seller, and WILLIAM J. HERNACKI and KAREN A. HERNACKI, His Wife, Contract Buyer,

hereinafter called "Lessor," and STANDARD OIL COMPANY OF CALIFORNIA, a corporation, hereinafter called "Lessee,"

WITNESSETH:

1. That Lessor, for valuable consideration, receipt of which is hereby acknowledged, and in consideration of the covenants and agreements contained in that certain Geothermal Resources Lease referred to in Paragraph 3 below, hereinafter called "said Geothermal Resources Lease" has granted, let and leased, and by these presents does grant, let and lease, exclusively unto Lessee the real property hereinafter described and referred to as "said land" for the purposes of drilling for, producing, extracting, taking and removing therefrom (a) all products of geothermal processes, embracing indigenous steam, hot water and hot brines; (b) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into subsurface formations; (c) heat or other associated energy found beneath the surface of the earth; and (d) byproducts of any of the foregoing such as minerals (exclusive of oil or hydrocarbon gas that can be separately produced) which are found in solution or association with or derived from any of the foregoing (hereinafter collectively referred to as "geothermal resources"), storing, utilizing, processing, converting and otherwise using geothermal resources and selling the same; disposing of waste products; injecting water, brine, steam and gases from one well into another; exploring said land by geological, geophysical or other methods and taking water from said land; and for other uses and purposes incidental to the foregoing uses and purposes, as provided in said Geothermal Resources Lease; and constructing, using, maintaining, erecting, repairing and replacing thereon and removing therefrom such structures, facilities, roads, pipelines and utility lines as are necessary for the foregoing. Possession by Lessee of said land shall be sole and exclusive excepting only that Lessor reserves the right to occupy and use or to lease the surface of said land for agricultural, horticultural or other surface uses, except those granted to Lessee hereunder and in said Geothermal Resources Lease, which uses shall be carried on by Lessor subject to and with no interference with the rights or operations of Lessee hereunder. The said land covered by this lease is situated in the County of Eureka, State of Nevada, and is described as follows:

The Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 21, Township 31 North, Range 48 East, M. D. B. & M.,

containing 10 acres of land, more or less.

2. This Lease shall remain in force for a term of 10 years from the date hereof and either as long thereafter as geothermal resources are produced from said land or so long as operations are conducted on said land or so long as this lease is kept in force under any other provision of said Geothermal Resources Lease, all as particularly set forth therein and subject to termination as therein provided.

3. This Lease Agreement (Short Form) is made upon the terms, covenants and conditions set forth in that certain Geothermal Resources Lease bearing even date herewith by and between the said parties hereto, covering the real property above described, which Geothermal Resources Lease is by this reference incorporated herein and made a part hereof in all respects as though the same were fully set forth herein.

4. This Lease and all its terms, conditions and stipulations shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date first hereinabove written.

LESSEE

STANDARD OIL COMPANY OF CALIFORNIA

By

[Signature]
Its Attorney-in-Fact

LESSOR

William J. Hernacki
WILLIAM J. HERNACKI

Karen A. Hernacki
KAREN A. HERNACKI, His Wife

CONTRACT BUYER

APPROVED:

CALICO LAND & CATTLE COMPANY

BY

CATTLEMEN'S TITLE GUARANTEE
COMPANY, Trustee

BY

[Signature]
CONTRACT SELLER

STATE OF ~~CALIFORNIA~~ ILLINOIS

COUNTY OF DU PAGE

ON William J. HERNACK 9-27 1975
before me, the undersigned, a Notary Public in and for said State, personally appeared
WILLIAM J. HERNACK AND KAREN A. HERNACK

known to me,
to be the person and whose name are subscribed to the within instrument,
and acknowledged to me that they executed the same.

WITNESS my hand and official seal.



Robert J. Pies

Notary Public in and for said State.

Commission Expires 3-14-76

ACKNOWLEDGMENT—General—Notary Form 223—Rev. 3-64

STATE OF ~~CALIFORNIA~~ NEVADA

COUNTY OF ~~SAN FRANCISCO~~ ELKO

ON FEB 17 1976
before me, the undersigned, a Notary Public in and for said State, personally appeared
WALTER B. ALDRICH JR. VICE PRESIDENT OF
CALICO LAND & CATTLE COMPANY known to me to be the
person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



AURORA BRAVO
Notary Public - State of Nevada
Elko County, Nevada
My Commission Expires Jan. 16, 1979

ACKNOWLEDGMENT—General—Notary Form 222—Rev. 3-64

Aurora Bravo
Notary Public in and for said State.

STATE OF ~~CALIFORNIA~~ NEVADA

COUNTY OF ~~SAN FRANCISCO~~ ELKO

ON FEB 17 1976
before me, the undersigned, a Notary Public in and for said State, personally appeared
BERT K. GURR, VICE-PRESIDENT OF
CATTLEMEN'S TITLE GUARANTEE COMPANY known to me to be the
person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



AURORA BRAVO
Notary Public - State of Nevada
Elko County, Nevada
My Commission Expires Jan. 16, 1979

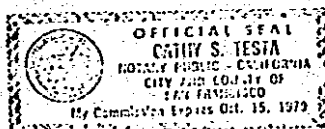
ACKNOWLEDGMENT—General—Notary Form 222—Rev. 3-64

Aurora Bravo
Notary Public in and for said State.

State of California
City and County of San Francisco

On March 12, 1976, before me, the undersigned, a Notary Public
in and for said City and County and State, residing therein, duly commissioned and sworn, personally appeared Clair Ghylin
known to me to be an Attorney in Fact of STANDARD OIL COMPANY OF CALIFORNIA the Corporation described in and
that executed the within instrument, and also known to me to be the person who executed it on behalf of the said
Corporation therein named, and he acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal, the day and year in this
certificate above written.



Cathy S. Testa
CATHY S. TESTA
Notary Public in and for said City and
County of San Francisco, State of California

BOOK 54 PAGE 206
10-155 (CD 10-75)

RECORDED AT THE REQUEST OF Title Insurance & Trust Co.
on March 22, 1976, at 20 min. past 10 A.M. in
Book 54 of OFFICIAL RECORDS, page 205-207, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 61023 Fee \$ 5.00