

66307

Title Insurance & Trust Co.
P.O. Box 3059
Reno, Nevada 89509

ATTN: Melidee GEOTHERMAL RESOURCES LEASE (SHORT FORM)

THIS LEASE AGREEMENT (SHORT FORM), made and entered into as of the 29th day of August, 1978, by and between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California, hereinafter called "Lessor" and CHEVRON U.S.A. INC., a corporation, hereinafter called "Lessee,"

W I T N E S S E T H:

1. 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, hereby grants, demises, leases and lets unto Lessee, the land hereinafter described with the sole and exclusive right to Lessee to drill for, produce, extract, take and remove 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. Each of the foregoing is hereinafter sometimes termed "a product" and all thereof are sometimes termed "geothermal resources." For the same consideration, Lessee is hereby granted the right to store, utilize, process, convert, and otherwise use such geothermal resources produced from said land upon said land and to sell the same or any part thereof off said land during the term hereof, with the right of entry thereon during the term hereof for said purposes, and to construct, use, maintain, erect, repair and replace thereon, and to remove therefrom all roads, pipelines, ditches and lanes, telephone and telegraph lines, utility installations, power lines, poles, tanks, evaporation or settling basins, extraction or processing plants, machinery, equipment, buildings, electric power plants, and equipment for generation and transmission of geothermal resources and electric power, and for the handling, treatment or storage of geothermal resources, and all structures and facilities relating thereto, which Lessee may desire to erect, construct or install in carrying on Lessee's business and operations on or from said land during the term hereof; and Lessee shall have the further right to erect,

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maintain, operate and remove a plant or plants, structures and facilities with all necessary appurtenances for the conversion of geothermal resources into heat, power or another form of energy, and for the extraction of products from steam, brine or water produced from said land, including all rights reasonably necessary or convenient thereto, together with rights of way for passage over, upon and across and ingress and egress to and from said land for any or all of the above mentioned purposes. Lessee also shall have the right during the term hereof to dispose of waste brine and other waste products from a well or wells on the leased land into a well or wells drilled or converted for that purpose on the leased land, and the right during the term hereof to inject water, brine, steam and gases from a well or wells on the leased land into a well or wells on said land or such other land for the purpose of maintaining or restoring pressure, increasing or maintaining production, or testing in the productive zones beneath said land. The said land included in this lease is situated in the Counties of Eureka and Lander, State of Nevada, and is described as follows, to wit:

T31N, R48E, MDB & M
Sec. 8: S 1/2 SE 1/4
Sec. 17: NW 1/4
Sec. 18: E 1/2 NE 1/4

containing 320 acres of land, more or less. Lessor excepts and reserves from the grant herein provided the right to occupy and use the surface and subsurface of said land as provided in said Geothermal Resources Lease with no unreasonable interference with the rights and obligations of Lessee.

2. This Lease shall remain in force for a term of 5 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.

Approved:

[Signature]

LESSOR
THE BOARD OF TRUSTEES OF THE
LELAND STANFORD JUNIOR UNIVERSITY

By *[Signature]*
Kent Peterson
Associate Vice President
for Business and Finance
(for the Vice President
for Business and Finance)

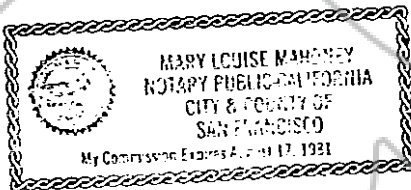
LESSEE
CHEVRON U.S.A., INC.

By *[Signature]*
Its Attorney-in-fact

State of California)
City and County of San Francisco) ss

On Sept 22 1978, before me, the undersigned, a Notary Public in and for said City and County and State, residing therein, duly commissioned and sworn, personally appeared J.G. Turner, known to me to be an Attorney-in-Fact of CHEVRON U.S.A. INC., 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.

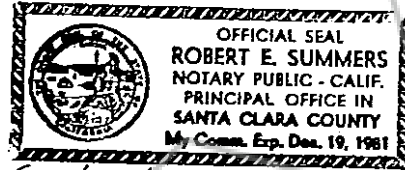


[Signature]
Notary Public in and for said City and
County of San Francisco, State of California

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RES-1 (CO-10-77)
Printed in U.S.A.

STATE OF CALIFORNIA)
)
County of Santa Clara) ss.



On this 19th day of September
before me, Robert E. Summers a Notary Public of the State
of California, duly commissioned and sworn, with my principal
office in the County of Santa Clara, personally appeared
Kent Peterson
known to me to be the Associate V.P.
of the body having corporate powers that executed the within
instrument on behalf of the body having corporate powers therein
named, and acknowledged to me that such body having corporate
powers executed the same pursuant to its by-laws or a reso-
lution of its board of trustees.

Witness my hand and official seal.

(Seal)

Robert E. Summers

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RECORDED AT THE REQUEST OF Title Insurance & Trust Co.
on September 27, 1978, at 45 mins. past 10 A.M. In
Book 66 of OFFICIAL RECORDS, page 149-152, RECORDS OF
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
File No. 66307 Fee \$ 6.00

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