

Recording Request By
and When Recorded Mail To:

Philip H. Essner
CE Geothermal, Inc.
10831 Old Mill Road
Omaha, NE 68154

139766

RIGHT-OF-WAY AGREEMENT

This Right-of-Way Agreement (this "Agreement") is made and entered into as of this 5th day of December, 1991 between CE Geothermal, Inc. (CE), a subsidiary of California Energy Company, Inc., and Teresa Sansinena, an individual (hereinafter called "Owner").

WITNESSETH

WHEREAS, OWNER owns certain lands in the vicinity of Beowawe, Nevada in Eureka County across which traverses a private road approximately so shown on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, said road was constructed and is used by the OWNER in conjunction with her ranching and mining operations in the vicinity; and

WHEREAS, CE is the designated unit operator which owns the geothermal leasehold interest with the right to further develop the geothermal field in the vicinity of Beowawe (the "Beowawe Unit"); and

WHEREAS, it is necessary for CE to have access to the Beowawe Unit for the purpose of any day to day operations and maintenance and for the drilling, completion and maintenance of geothermal production and injection wells and pipelines;

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the parties hereby agree as follows:

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AGREEMENT

1. OWNER does hereby grant to CE, its successors, assigns, licensees and permittees a non-exclusive right of way for road purposes over, through and upon said road for daily facilities operations, drilling, construction, maintenance and all other activities necessary or desirable in connection with CE's operation of facilities and CE's development of the Beowawe Unit, including but not limited to access and egress for facilities employees, visitors, agents and contractors. CE's rights hereunder also shall include, without limitation, the right to bring heavy equipment, including drilling rigs, over said road. CE shall repair any damage caused by CE's use of said road.

2. CE will pay the Owner One Hundred Dollars (\$100.00) per month for the right to so utilize said road during the months of actual use. CE will cost share any mutually agreed upon road maintenance with other road users during CE's periods of utilization of said road. CE will be allowed to utilize said road under the terms and conditions stated herein after delivering written notice to Owner. CE will provide written notice to Owner whenever CE elects to so utilize or cease to utilize said road during the term of this Agreement.

3. The term of this Agreement will commence as of the date set forth above and will extend uninterrupted so long as CE retains an interest in the Beowawe Unit unless terminated by CE by written notice to Owner.

4. CE agrees to use its best reasonable efforts to coordinate the use of said road so as to not unduly disrupt OWNER'S use of the road. CE will cooperate with the Owner and any other users designated by Owner to utilize said road for the mutual benefit of all such parties.

5. CE acquired rights to that certain Grazing Lease dated April 8, 1983 (the "Grazing Lease") between Paul and Teresa Sansinena and Chevron Geothermal Company of California ("Chevron Geothermal"), as assignee of Chevron U.S.A. Inc. ("Chevron U.S.A."). CE agrees that it will continue the Grazing Lease for the balance of the term of this Agreement so long as the underlying Stanford University Lease remains in full force and effect and unless and to the extent CE finds it necessary to reduce the acreage under such Grazing Lease to accommodate CE's development of the Beowawe Unit.

6. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

7. Whenever in this Option Agreement it shall be required, permitted or desired that notice or demand be given to either party to or on the other, including notice of change of address of either party, such notice or demand shall be in writing and may be either personally served or sent by United States mail and shall be deemed to have been given when personally served or when deposited in the United States mail, certified or registered, with postage prepaid and properly addressed. For the purpose hereof, the addresses of the parties hereto (until notice of change thereof is given as provided in the paragraph) shall be as follows:

Sansinena

Ms. Teresa Sansinena
P.O. Box 58
Beowawe, Nevada 89621

CE Geothermal, Inc.

CE Geothermal, Inc.
Attn: Philip H. Essner
10831 Old Mill Road
Omaha, Nebraska 68154

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

CE GEOTHERMAL, INC.

By: [Signature]

Title: VICE PRESIDENT

OWNER

Teresa Sansinena

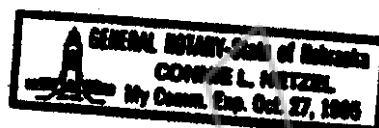
Teresa Sansinena

STATE OF NEBRASKA)
)
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this day of 2 Dec., 19 91
by PHILIP H. ESSNER, VICE PRESIDENT, LAND of CE GEOTHERMAL, INC., a Delaware corporation.

Connie L. Metzger
Notary Public

My commission expires: 10/27/95



STATE OF NEVADA)
)
COUNTY OF Lander)

On December 5, 19 91, before a notary public, personally appeared Ms. Teresa Sansinera
who acknowledged to me that she executed the above instrument.

Grace Powrie
Notary Public



My commission expires: Feb 23, 1995

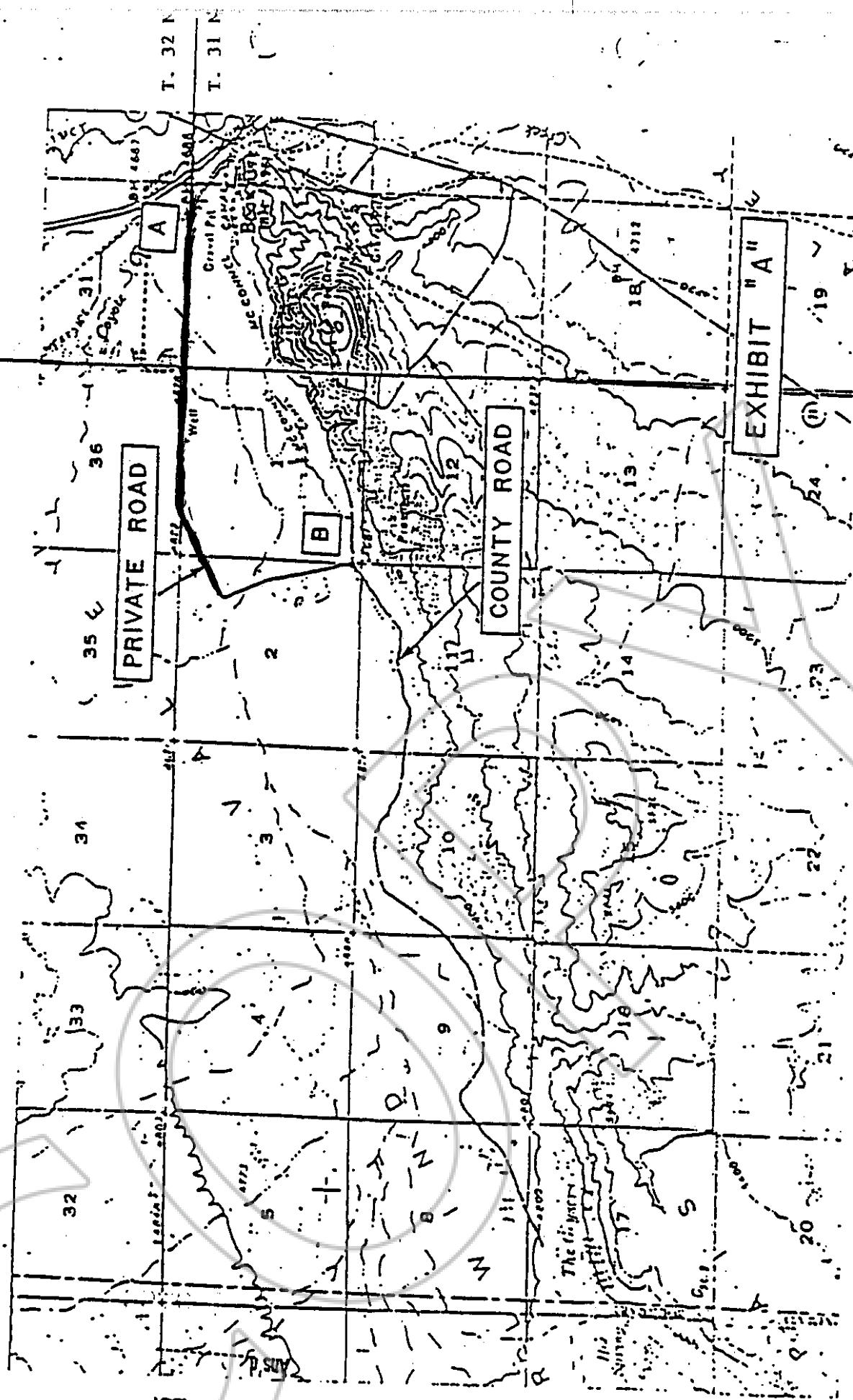
EXHIBIT "A"

R. 48 E.

R. 49 E.

RECEIVED
NOV - 5 1991

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Garzina Ranch
Beowawe, NV

COPY

BOOK 231 PAGE 491
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
California Energy
92 FEB -7 AM 11:41

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$ 11.00
139766

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