

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89703
(775) 684-7040 ! Fax (775) 684-7052

Date Received: <u>7.21.11</u>
API Number <u>27-001-90460</u>
County <u>Churchill</u>
Permit Number <u>1233</u> FOR DIVISION USE ONLY

GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

Name or Corporate/Business Name

Magma Energy (U.S.) Corp.

Street Address 5355 Kietzke Lane, Suite 100

City Reno State NV Zip Code 89511

hereby makes application for a geothermal development permit, State of Nevada, Division of Minerals.

(If applicant is a corporation, show state and date of incorporation; if a partnership, list names of partners.)

Magma Energy (U.S.) Corp. is a Nevada Corporation which was incorporated on February 26, 2008.

This application is for a Domestic well Commercial well Industrial well
Other, specify: Observation well Thermal Gradient well Re-entry

Note: Re-entry includes workover, deepening, or plugging back operations.

Applicant is: Land Owner Lease Holder

Well Name: 46A-20

Lease Name/No: NVN-086870

Land Type: Federal (BLM, USFS, etc.) Private State

Location of Well:

Domestic: Street: _____

City: _____ County: _____

Commercial and Industrial: S2 $\frac{1}{4}$ of, W2 $\frac{1}{4}$ in Section 20,
Township 20N, Range 28E,

UTM Datum Used: <input checked="" type="checkbox"/> NAD83 Datum <input type="checkbox"/> NAD27 Datum
UTM Northing <u>4383010</u> N; UTM Easting <u>339691</u> E

County Churchill

(If applicable, give street address below.)

Street: _____

City: _____

State: _____ Zip: _____

Operator's Name: Magma Energy (U.S.) Corp.
Address: 5355 Kietzke Lane, Suite 100
City, St Zip: Reno, NV 89511

Drilling Contractor's Name: To be determined
Address: _____
City, St Zip: _____

Rotary Rig Description: Truck-mounted rotary rig

Hole Size: 8 1/2" Casing Size: 7" Weight/Gauge: 23 #/ft.

Estimated Well Head Temperature: n/a

Size of BOP: 2000 psi 3000 psi 5000 psi

Planned Use of Geothermal Resource:

The proposed geothermal observation well is for observing the geothermal resource.

Planned Disposal of Spent Geothermal Fluid:

The proposed geothermal observation well will not be flowed.

Type and Amount of Bond: \$50,000 Statewide
(Exempt for Domestic Class)

Bond Issued by: Wells Fargo Serial No. COID 00825

The Source of the Proposed Geothermal Resource is:

The source of the proposed geothermal resource is the Soda Lake geothermal reservoir.

(List name of hot spring, geologic formation(s) or other source.)

Total Depth to be Drilled: 4000' max.

Drilling will Commence On or Before: June 1, 2011

Signature of Applicant/Agent: *Dick Benoit*

Date: 04/21/2011

CONDITIONS OF PERMIT

1. All permittees must comply with appropriate sections of the Geothermal Rules and Regulations of the Division of Minerals and with applicable rules and regulations of other local, state, and federal agencies.
2. During the drilling of domestic geothermal wells, all water strata above the geothermal horizon being used must be sealed or separated in order to prevent their contents from passing into other strata.
3. All fresh water and water of value or possible value for other beneficial uses must be confined to their respective strata and be adequately protected by methods approved by the Division. Precautions must be taken in drilling and abandoning wells to guard against any loss of fresh water from the strata in which it occurs, and the contamination of any fresh water by objectionable water.
4. The operator of any well must shut off and exclude all water from any geothermal resource-bearing stratum to the satisfaction of the Division.
5. Additional Conditions

A. See attached COA'S

B. Under Project Area Permit 911

C. _____

PERMIT APPROVAL

Approved MAY 19, 2011 with the conditions noted above.
Date

Permit Number 1333

Doug Dueson
Deputy Administrator
Division of Minerals