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MAY 13 2011

Division of Minerals

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         |              |
| API Number            | 27-011-90461 |
| County                | Churchill    |
| Permit Number         | 1234         |
| FOR DIVISION USE ONLY |              |

**GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION**

Name or Corporate/Business Name  
Nevada Geothermal Power Company

Street Address 1140 West Pender Street, Suite 840

City Vancouver State BC, CANADA Zip Code V6E 4G1

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.)

|     |
|-----|
| N/A |
|-----|

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: 25-31

Lease Name/No: NLRC 189099

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

Location of Well:

Domestic: Street: N/A

City: \_\_\_\_\_ County: \_\_\_\_\_

Commercial and Industrial: NW ¼ of, SW ¼ in Section 31

Township 24N, Range 25E MDB&M

UTM Datum Used:  NAD83 Datum  NAD27 Datum

UTM Northing 4419516 N; UTM Easting 310012 E

County Churchill

(If applicable, give street address below.)

Street: N/A

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Operator's Name: NGP North Valley Inc  
Address: 595 Double-Eagle Court, Suite 2001  
City, St Zip: Reno, NV 89521

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

Rotary Rig Description: Top drive mud rotary/reverse circulation air/ flooded reverse  
17-1/2", 12-1/4", 6-1/4" 13-3/8", 8-5/8", 2-3/8" 54.5#, 22.36#/.25W, 3.65#/.154W  
Hole Size: \_\_\_\_\_ Casing Size: \_\_\_\_\_ Weight/Gauge: \_\_\_\_\_

Estimated Well Head Temperature: 200F

Size of BOP:  2000 psi  3000 psi  5000 psi

**Planned Use of Geothermal Resource:**

To map the aerial distribution of the thermal anomaly.

**Planned Disposal of Spent Geothermal Fluid:**

Any fluid will be contained in a reserve pit adjacent to the drill hole.

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

Bond Issued by: Nevada Geothermal Power Company Serial No. cheque # 101567

**The Source of the Proposed Geothermal Resource is:**

Within volcanic, metasedimentary, and igneous intrusive rocks of variable ages.

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

Total Depth to be Drilled: 3000'

Drilling will Commence On or Before: May 30, 2011

Signature of Applicant/Agent: 

Date: May 12, 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 CDA's.
- B. \_\_\_\_\_
- C. \_\_\_\_\_

**PERMIT APPROVAL**

Approved MAY 19 2011 with the conditions noted above.  
Date

Permit Number 1234

Doug Daresin  
Deputy Administrator  
Division of Minerals