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JUL 29 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	27-019-90045
County	Lyon
Permit Number	1250
FOR DIVISION USE ONLY	

GEOTHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

Name or Corporate/Business Name

Gradient Resources Inc

Street Address 9670 Gateway Drive

City Reno State NV Zip Code 89521

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.)

State of Colorado, July 31, 1991

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: 36-5

Lease Name/No: Patua Phase II (APN# 021-461-02)

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

Location of Well:

Domestic: Street: _____

City: _____ County: _____

Commercial and Industrial: NE 1/4 of, SW 1/4 in Section 5 _____,

Township 19N _____, Range 26E _____,

UTM Datum Used: <input checked="" type="checkbox"/> NAD83 Datum <input type="checkbox"/> NAD27 Datum
UTM Northing 4378609. N; UTM Easting 320004. E

County Lyon

(If applicable, give street address below.)

Street: _____

City: _____

State: _____ Zip: _____

Operator's Name: Patua Project LLC
Address: 9670 Gateway Drive
City, St Zip: Reno, NV 89521

Drilling Contractor's Name: Welsco Drilling
Address: 7988 Wollery Way
City, St Zip: Fallon, NV 89406

Rotary Rig Description: Schramm 230

Hole Size: 6.25" Casing Size: 2 3/8" Weight/Gauge: 4# J-55

Estimated Well Head Temperature: 150 degrees F

Size of BOP: 2000 psi 3000 psi 5000 psi

Planned Use of Geothermal Resource:

Development of geothermal power generation project for commercial sale of electricity

Planned Disposal of Spent Geothermal Fluid:

Store in drilling sump and inject back into formation

Type and Amount of Bond: Cash deposit in the sum of \$50,000.00
(Exempt for Domestic Class)

Bond Issued by: NDOM Serial No. 0655205153

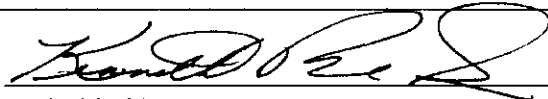
The Source of the Proposed Geothermal Resource is:

Fractured Granitic Formations

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

Total Depth to be Drilled: 1,000'

Drilling will Commence On or Before: August 30, 2011

Signature of Applicant/Agent: 
Date: July 29, 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.

B. Under Project Area Permits 1222.

C. _____

PERMIT APPROVAL

Approved 8/1/11 with the conditions noted above.
Date

Permit Number 1250



Administrator
Division of Minerals