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SEP 06 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 <u>27-013-90134</u>
County <u>Humboldt</u>
Permit Number <u>1260</u>
FOR DIVISION USE ONLY

GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

Name or Corporate/Business Name

Oro Vaca Inc.

Street Address 5716 S. Bernis St.

City Littleton

State CO

Zip Code 80120

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.)

Nevada Corporation

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: HSR TG3

Lease Name/No: Hot Springs Ranch

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

Location of Well:

Domestic: Street: _____
City: _____ County: _____

Commercial and Industrial:

NE 1/4 of, NW 1/4 in Section 24,
Township 37 N, Range 43E

UTM Northing 4546730 N; UTM Easting 493370 E (Using NAD27 Datum)

Note: Please convert UTM's from NAD83 to NAD27

County Humboldt

(If applicable, give street address below.)

Street: _____
City: _____
State: _____ Zip: _____

Operator's Name: Oro Vaca Inc.
Address: 5716 S. Bemis St.
City, St Zip: Littleton, CO 80120

Drilling Contractor's Name: Hydro Resources
Address: 4975 W. Winnemucca Blvd
City, St Zip: Winnemucca, NV 89445

Rotary Rig Description: Truck mounted Rotary mud

Hole Size: 6.25" Casing Size: 7" Weight/Gauge: 23#/K55

Estimated Well Head Temperature: NA

Size of BOP: 2000 psi 3000 psi 5000 psi

Planned Use of Geothermal Resource:

Temperature Gradient Hole

Planned Disposal of Spent Geothermal Fluid:

NA - observation

Type and Amount of Bond: \$10,000 Cash
(Exempt for Domestic Class)

Bond Issued by: _____ Serial No. _____

The Source of the Proposed Geothermal Resource is:

NA - gradient hole

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

Total Depth to be Drilled: 500

Drilling will Commence On or Before: 6 Sep 2011

Signature of Applicant/Agent: 

Date: 26 Aug 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. Send daily drilling reports to Steve Price

@lprice@sprmail.state.nv.us and Lynda Carson

@lwells@sprmail.state.nv.us.

C. Send Completion Report when well is completed.

PERMIT APPROVAL

Approved 9/6/11 with the conditions noted above.
Date

Permit Number 1260

Alan R. Logan
Administrator
Division of Minerals