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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>27-013-90117</u> |
| County | <u>Humboldt</u> |
| Permit Number | <u>1158</u> |
| FOR DIVISION USE ONLY | |

GEOHERMAL INJECTION WELL PERMIT APPLICATION

The applicant

NGP Blue Mountain I LLC

Name (or Corporate/Business Name)

of

Street Address 2001-595 Double Eagle Court

City Reno State NV Zip Code 89521

Telephone 775-786-3399

Email kniggemann@nevadageothermal.com

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.)

Organizational chart on file with DOM

Applicant is: Land Owner Lease Holder

Well Name: 86-22

Lease Name/No: N-77668

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

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

Bond Issued by: Nevada Geothermal Power Co

Serial No. N-58196 NVB000504

Well Location: NE $\frac{1}{4}$, SE $\frac{1}{4}$, Section 22

Township 36N, Range 34E, County Humboldt

UTM Northing 4536655.478 N; UTM Easting 404027.183 E (Using NAD27 Datum)

Operator's:

Name: NGP Blue Mountain I LLC

Address: 2001-595 Double Eagle Court

City, St Zip: Reno, NV 89521

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Drilling Contractor's:

Name: Ensign United States Drilling (CA) Inc
Address: 7001 Charity Avenue
City, St Zip: Bakersfield, CA, 93309
Telephone: 661-589-0111

Hole Size: 30", 17 1/5", 12 1/4", 8 3/4" Casing Size: 20", 13 3/8", 9 5/8", 7" Weight/Gauge: 94#, 54.5#, 36#, 23#

Size of BOP: 2000 psi 3000 psi 5000 psi

Rotary Description:

Ensign 587

Identify or locate the sources of the fluids which will be injected:

Source of fluid will be from producing geothermal wells in the same field.

Estimated average daily volume of fluids injected 16,000,000 gallons.

Maximum daily volume of fluids injected 18,000,000 gallons.

Estimated maximum injected pressure 300 psi, temperature 150 °F

List proposed metering equipment, pipelines and safety devices that will be used to prevent accidental pollution:

Accidental pollution will be prevented through the use of blow out prevention equipment (BOPE) and casing design as outlined in the Shallow Injection Well Drilling Program.

Total Depth to be Drilled: ~6,000 feet

Drilling will Commence On: ~ 30 June 2010

Is this well location under an Underground Injection Permit?
If so, provide NDEP Permit number UNEV No

I certify this information to be true, correct, and complete and that no pertinent matter inquired about in this application has been omitted.

Signature of Applicant/Agent: *Sharon DeFazio*
Date: 7 June 2010

Please attach a detailed drilling program including the following information:

1. Well design schematic; casing and mud programs; potential water supply; drilling rig to be used and pad layout; blow out prevention equipment diagram and testing program; directional drilling information if applicable; map of location and access roads. Additional information may be required upon review.
2. The required fee per NAC 534A 210 or 534A.212.

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 geothermal injection 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 Permit 605
- C. _____

PERMIT APPROVAL

Approved 8/17/10 with the conditions noted above.
Date

Permit Number 1158

Alan R. Lynam
Administrator
Division of Minerals