



KENNY C. GUINN
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
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ALAN R. COYNER
Administrator

March 30, 2005



GEOHERMAL PERMIT NOTICE

Geothermal Resources Development Permit Applications have been issued by the Commission on Mineral Resources, Division of Minerals to Steamboat Hills, LLC, 980 Greg Street, Sparks, NV 89431 for the following:

Permit #574 has been assigned to Geothermal Project Area Permit Application in T17N, R20E, Section 5, NW4, NW4NE4, and N2SW4; T18N, R20E Section 32 in Washoe County. This project area permit will included 3 production wells and 1 injection well. The planned use of the geothermal resource is for production of electrical power via flash and binary turbine/generator units for sale to Sierra Pacific Power Company

Permit #575, API Number 27-031-90230 has been assigned to Industrial Injection Well 42-32 located in the NE/4 NW/4 of Section 32, T18N, R20E. The proposed depth is 1500'.

Permit #576, API Number 27-031-90231 has been assigned to Industrial Production Well 66-32 located in the NW/4 SW/4 of Section 32, T18N, R20E. The proposed depth is 1500'.

Permit #577, API Number 27-031-90232 has been assigned to Industrial Production Well 44-32 located in the SE/4 NW/4 of Section 32, T18N, R20E. The proposed depth is 1500'.

Permit 578, API Number 27-0312-90233 has been assigned to Industrial Production Well 34-32 located in the SE/4 NW/4 of Section 32, T18N, R20E. The proposed depth is 1500'.

All the above wells were permitted March 28, 2005 and will expire on March 28, 2007 in the event that the wells have not been drilled.

RECEIVED

FEB 18 2005

Division of Minerals

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Date Received	_____
API Number	<u>27-031-90233</u>
County	<u>Washoe</u>
Permit Number	<u>578</u>
FOR DIVISION USE ONLY	

GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

The applicant Steamboat Hills LP, of _____, of
 Last Name First Name (or Corporate/Business Name)
980 Greg St., Sparks NV 89431
 Street Address City State Zip Code

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.)

This application is for a Domestic well Commercial well Industrial well production
 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 34-32

Location of Well:

Domestic: Show street address, city, county _____

Commercial and Industrial: SE 1/4 NW 1/4, Section 32

Township 18N, Range 20E, County Washoe

Give street address if applicable: 20590 Wedge Parkway Reno, NV 89521

Name of Operator: Ormat Nevada, Inc.

Address: 980 Greg St. Sparks, NV 89431

Name of Drilling Contractor: Taylor Drilling Inc. (probable, will notify when contracted)

Address: Washington State (will supply when contracted)

**GEOTHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION
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Rotary Rig Description: ROTARY DRILL RIG

Hole Size: 36", 26", 17.5, Casing Size: 30", 20", 13.375" Weight/Gauge: PEBFW w. 0.375 wall,

Estimated Well Head Temperature: 12.25 >300 degree F 94#K-55 BT&C,
68# K-55 BT&C,

Size of BOP: 2000 psi 3000 psi 5000 psi open hole

Planned Use of Geothermal Resource: _____

Generation of electricity for sale to Sierra Pacific Power.

Planned Disposal of Spent Geothermal Fluid: _____

All fluids will be reinjected with the exception of evaporative loss from cooling tower.

Type and Amount of Bond: Statewide Drilling NDOM for \$75,000 and statewide BLM Bond \$50,000
(Exempt for Domestic Class)

Bond Issued by: Bank of America CDs Serial No. BLM Bond 284
DOM Bond
un-numbered

The Source of the Proposed Geothermal Resource is: Steamboat Hot Springs KGRA
(List name of hot spring, geologic formation(s) or other source.)

Total Depth to be Drilled: 1500'

Drilling will Commence On or Before: May 1, 2005

Signature of Applicant/Agent: 

Date: 2/14/05

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. **Notify the Division of Minerals of name and address of drilling contractor when confirmed.**
 - B. **Testing of BOPE will be in accordance with NAC 534A.270 and**
 - a. **Ram type preventers will be tested to 70% of the internal yield pressure of the casing.**
 - b. **Annular type preventers will be tested to 50% of the working pressure of the preventer.**
 - c. **On thirty day testing intervals.**
 - C. **File completion reports in accordance with NAC 534A.550.**

PERMIT APPROVAL

Approved: March 28, 2005 with the conditions noted above.
Date

Permit Number: 578



Administrator
Division of Minerals