

GEOTHERMAL DRILLING PERMIT

The U.S. Geological Survey requires this form or other Supervisor approved form to be prepared and filed in triplicate with requisite attachments with the Supervisor. The Supervisor must approve this permit prior to any lease operation.

1a. TYPE OF WORK: DRILL NEW WELL () REDRILL () DEEPEN () PLUG BACK () DIRECTIONALLY DRILL () OTHER **Drill/Core Temperature Gradient Core Hole**

1b. WELL TYPE: PRODUCTION () INJECTION () HEAT EXCHANGE () OBSERVATION () WATER SUPPLY () OTHER ()

1c. WELL STATUS:

2. NAME OF LESSEE/OPERATOR
California Energy Company, Inc. (707) 526-1000

3. ADDRESS OF LESSEE/OPERATOR
3333 Mendocino Ave., Ste. 100, Santa Rosa, CA 95401

15. LOCATION OF WELL
At surface **500'E and 2050'S of NW corner of Sec. 16.**
At proposed prod. zone

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE
Approx. 500'

17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE
Unknown

4. LEASE SERIAL NO.
OR 12668

5. SURFACE MANAGER: BLN () FS () Other ()
Deschutes NF

6. UNIT AGREEMENT NAME
N/A

7. WELL NO. **CE-NB 3 (14-16)** 8. PERMIT NO.

9. FIELD OR AREA

10. SEC. T., R., S. & M.
Sec. 16, T22S, R13E

11. COUNTY
Deschutes

12. STATE
Oregon

13. APPROX. STARTING DATE
August 11, 1986

14. ACRES ASSIGNED (WELL SPACING)
N/A

18. DRILLING MEDIA AND CHARACTERISTICS: AIR WATER () MUD FOAM () Other ()

19. PROPOSED DEPTH MEASURED: **5500'**
TRUE VERTICAL:

20. ELEVATIONS: ESTIMATED FINAL ()
6420'
REFERENCE DATUM: GR MAT () DP () KB () RT ()
CASINGHEAD FLANGE () OTHER ()

21. EXISTING AND/OR PROPOSED CASING AND CEMENTING PROGRAM (List existing program first, followed by proposed program, and separate by a sufficient space to clearly distinguish the two programs)

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	COUPLING (Collars & Threads)	GRADE	SETTING DEPTH		QUANTITY OF CEMENT
					Top	Bottom	
Set 6-7' of	8-5/8" conductor pipe (optional).				Surf.	6-7'	To Surface
7-7/8"	4-1/2"	11.5#	8RD ST&C	K55	Surf.	550'	To Surface
Drill out cement plug and resume drilling with 3.782 OD (HQ) wireline coring system.							
Reduce core size to 2.980 OD (NQ), as mandated by drilling conditions.							

22. PROPOSED WORK SUMMARY

See attached Proposed Drilling and Coring Procedure.

(Use additional space on reverse side of form)

23. **James L. Moore** Senior Vice President Exploration, July 31, 1986

SIGNED **James L. Moore** TITLE DATE

(This space for Federal use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

This permit is required by law (30 U.S.C. 1023); regulations: 30 CFR 270.71; Federal Geothermal Lease Terms and Stipulations and other regulatory requirements. The United States Criminal Code (18 U.S.C. 1001) makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.