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MAY 01 2014

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	22-031-9028 7
County	Washoe
Permit Number	1367
FOR DIVISION USE ONLY	

GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

Name or Corporate/Business Name

USG Nevada LLC

Street Address P.O. Box 135

City Gerlach

State NV

Zip Code 89412

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.)

Limited Liability Corporation in the State of Delaware, March 5, 2008

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: ~~OW15~~ (83-21)

Lease Name/No: N-42707 Split Estate? Yes No

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

Location of Well:

Domestic: Street: _____

City: _____ County: _____

Commercial and Industrial:

SE _____ ¼ of, NE _____ ¼ in Section 21

Township 29N _____, Range 23E _____

UTM Northing 4471337 N; UTM Easting 296566 E (Using NAD27 Datum)

Note: Please convert UTM's from NAD83 to NAD27

County Washoe

(If applicable, give street address below.)

Street: _____

City: _____

State: _____ Zip: _____

Operator's Name: USG Nevada LLC

Address: P. O. Box 135

City, St Zip: Gerlach, NV 89412

Drilling Contractor's Name: Welsco Corporation

Address: P.O. Box 888

City, St Zip: Fallon, NV 89406

Rotary Rig Description: TXD Schramm 130 Rotary

Hole Size: 8-1/2" Casing Size: 7" Weight/Gauge: J-55

Estimated Well Head Temperature: Maximum Return Temperature of 180°F

Size of BOP: 2000 psi 3000 psi 5000 psi

Planned Use of Geothermal Resource:

Power Generation

Planned Disposal of Spent Geothermal Fluid:

N/A

Type and Amount of Bond: \$50,000

(Exempt for Domestic Class)

Bond Issued by: Travelers Serial No. 105029232

The Source of the Proposed Geothermal Resource is:

San Emidio Desert

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

Total Depth to be Drilled: Not to exceed 3500'

Drilling will Commence On or Before: June 1, 2014

Signature of Applicant/Agent: 

Date: 4/30/2014

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 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. See attached Conditions of Approval.
6. Please send daily drilling reports to : Lowell Price.....lprice@govmail.state.nv.us
and
Lindalwells@govmail.state.nv.us
7. Additional Conditions/Comments

A.	
B.	
C.	

PERMIT APPROVAL

Approved 5-12-14 with the conditions noted above.
Date

Permit Number 1367



Administrator
Division of Minerals

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AUG 08 2014

**OIL, GAS, AND GEOTHERMAL
 SUNDRY NOTICE AND REPORT ON WELLS**

Division of Minerals

- | | |
|--|---|
| <input type="checkbox"/> Notice of Intention of Change in Drilling Plans | <input type="checkbox"/> Subsequent Report of Fracture Treatment |
| <input type="checkbox"/> Notice of Intention to Reopen or Repair Well | <input type="checkbox"/> Subsequent Report of Reopening or Repair |
| <input type="checkbox"/> Notice of Intention to Stimulate Well | <input type="checkbox"/> Subsequent Report of Stimulation |
| <input type="checkbox"/> Notice of Intention to Pull or Alter Casing | <input type="checkbox"/> Subsequent Report of Altering Casing |
| <input type="checkbox"/> Notice of Intention to Abandon Well | <input type="checkbox"/> Supplementary Well History |
| <input type="checkbox"/> Notice of Exception to Sample Water | <input type="checkbox"/> Notice of Intention to Fracture Treat Formation(s) |
| | <input checked="" type="checkbox"/> Other (state) |

(Indicate above by check mark, nature of report, notice or other data.)

Permit Number	1367
Well No.	83-21
County	Washoe
Company Name	USG Nevada LLC
Field or Area	San Emidio
Farm or Lease	N-42707
Date	7/21/2014

SUMMARY OF WORK

(State names of and expected depths to objective zones or formations: show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and ALL other pertinent data.) Attachments permitted if necessary.
 Request to change well location from 83-21 to 53A-21. Site remains in the same NE quarter of Section 21.

I understand that this plan of work must receive approval in writing of the Division of Minerals before operations may be commenced.

Company USG Nevada LLC
 Address P.O. Box 135
Gerlach, NV 89412
 Name Donna Stammers
 Position Environmental Coordinator
 Signature *Donna Stammers*

REMARKS: A SEPARATE SUNDRY NOTICE WILL BE REQUIRED IF THERE ARE ANY CHANGES TO THE DRILLING PROGRAM.

DO NOT WRITE IN THE SPACE BELOW
 Approved by *AW Kern*
 Position ADMINISTRATOR
 Date 8-11-2014

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
GEOTHERMAL SUNDRY NOTICE**

FORM APPROVED
OMB NO 1004-0132
Expires December 31, 2013

The Bureau of Land Management (BLM) requires this form or other BLM approved forms to be prepared and filed in triplicate with requisite attachments. The BLM must approve this permit prior to any lease operations.

6. Lease Serial No. N-42707	
7. Surface Manager <input checked="" type="checkbox"/> BLM <input type="checkbox"/> FS <input type="checkbox"/> Other	
8. Unit Agreement Name San Emidio Unit N-8582DX	
9. Well No. 53A-21 (OW-15)	10. Permit No.
11. Field or Area San Emidio	
12. Sec 1 R B & M Sec 21, T29N R23E MDM	
13. County Washoe	
14. State NV	

1a. Well Type Production Injection Heat Exchange Observation Other

1b. Well Status
GDP Approved

2. Name of Lessee/Operator
USG Nevada LLC

3. Address of Lessee/Operator
390 E Parkcenter Blvd Suite 259 Reno ID 83706

4. Location of Well or Facility
295954mE 4471726mN

5. Type of Work:
- | | | |
|---|---|---|
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Site and Road Construction | <input type="checkbox"/> Fracture Test | <input type="checkbox"/> Multiple Complete |
| <input type="checkbox"/> Construct New Production Facilities | <input type="checkbox"/> Shoot or Acidize | <input type="checkbox"/> Abandon |
| <input type="checkbox"/> Alter Existing Production Facilities | <input type="checkbox"/> Repair Well | <input checked="" type="checkbox"/> Other |

15. Describe Proposed Operations (Use this space for well activities only. See instructions for current well conditions on page 2.)
Move observation well 15 to new location within the existing AMOR II well field on already disturbed ground near injection well 53-21. See Attached map, photos and previously approved drill plan

Bureau of Land Management
Received

JUL 22 2014

District Office
Winnemucca Nevada

16. Describe Proposed Operations (Use this space for activities other than well work.)

17. I hereby certify that the foregoing is true and correct.

Signed: *Dan M. Ste...* Title: Environmental Coordinator Date: 07/21/2014

(This space for Federal use)
Approved by: *[Signature]* Title: 8/5/2014 Date: _____
Conditions of Approval, if any: COA's ATTACHED (9 PGS)