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APR 25 2017

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
http://minerals.nv.gov

Date Received	4/25/2017
API Number	27-007-90082
County	ELKO
Permit Number	1418
FOR DIVISION USE ONLY	

GEOHERMAL RESOURCE DEVELOPMENT PERMIT APPLICATION

Name or Corporate/Business Name

City of Wells

Street Address

525 Sixth St., P.O. Box 366

City

Wells

State

NV

Zip Code

89835

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
 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: WGPZ
 Lease Name/No: APN: 008-350-001 Split Estate? Yes No
 Land Type: Federal (BLM, USFS, etc.) Private State

Location of Well:

Domestic: Street: _____
 City: _____ County: _____

Commercial and Industrial:

SE 1/4 of, SE 1/4 in Section 32
 Township 38N, Range 62E MDM

UTM Northing 699030 N; UTM Easting 4555250 E (NAD83 Datum)

County ELKO

(If applicable, give street address below.)

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

Operator's Name: City of Wells
Address: Same as above
City, St Zip: _____

Drilling Contractor's Name: Humboldt Environ. Alternative Tech. Consulting, LLC
Address: 1053 Idaho Street
City, St Zip: Elko, NV

Rotary Rig Description: Direct Push Track Mounted Geoprobe

Hole Size: 2.25" Casing Size: None Weight/Gauge: _____

Estimated Well Head Temperature: 150°F

Size of BOP: 2000 psi 3000 psi 5000 psi None

Planned Use of Geothermal Resource:
Sample water and temperature from Geoprobe hole. Upon completion of hole, it will be plugged with cement from bottom up. Geoprobe will begin next hole only after abandonment of prior hole.

Planned Disposal of Spent Geothermal Fluid:
None: drill doesn't use water; approx 2 liter sample will be taken for geochem analysis - no large pumping.

Type and Amount of Bond: \$10,000.00
(Exempt for Domestic Class)

Bond Issued by: Check from City of Wells Serial No. 5777

The Source of the Proposed Geothermal Resource is:
Threemile and/or Hot Sulphur springs immediately to north.

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

Total Depth to be Drilled: Less than 150 feet.
Drilling will Commence On or Before: 4/27/17

Signature of Applicant/Agent: Richard E. Shum
Date: 4/25/2017

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@minerals.nv.gov
and
Linda Wells.....lwells@minerals.nv.gov
7. Additional Conditions/Comments

A.	
B.	
C.	

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal, and local agencies.

PERMIT APPROVAL

Approved 4/25/2017 with the conditions noted above.
Date

Permit Number 1418



Administrator
Division of Minerals

4-25-17



BRIAN SANDOVAL
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
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RICHARD PERRY
Administrator

Las Vegas Office: 2030 E. Flamingo Rd. #220, Las Vegas, NV 89119
Phone: (702) 486-4343; Fax: (702) 486-4345

Temperature Gradient Wells

CONDITIONS OF APPROVAL FOR DRILLING PERMIT

Submit forms and correspondence to: Nevada Division of Minerals
400 W. King Street, #106
Carson City, NV 89703

Communications with the Division shall be directed to:

Lowell Price, Oil, Gas and Geothermal Program Manager

Office 775-684-7045 Email lprice@minerals.nv.gov
Cell 775-721-1774
Fax 775-684-7052

Rich Perry, Division Administrator

Office 775-684-7047 Email ryperry@minerals.nv.gov
Cell 775-721-0282
Fax 775-684-7052

Voicemail is available on all cell phones and office phones. Please leave a message if you are unable to speak to someone and we will return your call as quickly as possible.

YOUR APPLICATION TO DRILL IS APPROVED
SUBJECT TO THE FOLLOWING PERMIT CONDITIONS

1. **These conditions shall be posted at the well site and read by all company personnel associated with the subject wells.**
2. The operator shall give notification at least **48 hours prior** to spudding. These notifications may be by telephone or email. Please refer to the contacts list on page one of this notice.
3. Operator will monitor temperature of mud returns continuously. If temperature exceeds 150 degrees Fahrenheit, drilling operations must cease and the division contacted to review the drilling program. BOPE may be necessary to continue to TD.
4. Maintain daily drilling records and submit these to the division with completion reports. Completion report shall include the name of the licensed water well driller and license #.
5. The operator in the event of a serious accident, blow out, oil spill or fire, lightning strike, break, leak, or overflow to notify the Division of Minerals immediately. In the event of a spill of hydrocarbons of 25 gallons or more, you must contact NDEP at 1-888-331-NDEP (6337). You will be advised on clean up and disposal procedures.
6. These wells must be plugged and abandoned in accordance with NAC 534A.480. Hole must be backfilled with mud, granulated bentonite, or bentonite/cement mix and 50 lineal feet of cement placed to surface. Surface must be restored and as near as practicable to its original condition.
7. A plugging report must be filed within 30 days of completion.

SUNDRY NOTICES
OIL, GAS AND GEOTHERMAL

Verbal approval for the following work may be given by the Division:

1. Any emergency work necessary to prevent or control blow outs or other situations with significant potential to result in injury to the crew or damage to the environment or resource.
2. Any kick-offs necessary to by pass bad hole or fish left in hole.
3. Changes in casing points due to bad hole.
4. Deepening, attempting to encounter resource.
5. Necessary well work to keep geothermal power plants operating.
6. Drilling equipment failure.
7. Squeeze or plug backs to prevent any injected geothermal or oil field waters from contaminating other water zones.

The operator is required to file a written sundry notice with the division subsequent to verbal approval.

Verbal approvals will not be given for any work that can be planned in advance, such as acidizing, changes in casing points or completion, etc., reentry of a well, remedial work, production or injection testing.