Permit No. 76266

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant:	**REESE RIVER GEOTHERMAL POWER, LLC**
Source:	**UNDERGROUND**
Basin:	**UPPER REESE RIVER VALLEY**
Manner of Use:	**INDUSTRIAL**
Period of Use:	**January 1st to December 31st**
Priority Date:	**09/11/2007**

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

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

The total combined duty of water under Permits 76260, 76261, 76262, 76263, 76264, 76265, 76266 and 76267 shall not exceed 2,056 acre-feet per year.

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

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

This project is a renewable energy generation project as defined in NRS 701.080. An annual report that documents the amount of water diverted and beneficially used under Permits 76260, 76261, 76262, 76263, 76264, 76265, 76266 and 76267 shall be filed not later than January 31, of the year following the reporting year. A groundwater monitoring plan shall be submitted for approval by the State Engineer and shall be implemented prior to development of water under these permits. The groundwater monitoring plan shall be sufficient to establish the magnitude and areal extent of water level impacts that may result from pumpage under these permits. If ground water monitoring data indicate an unreasonable effect upon prior water rights to the extent those rights cannot be satisfied, diversion of water under these permits may be curtailed or mitigation measures may be required.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 3.5 cubic feet per second or 2056.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**May 12, 2010**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**May 12, 2013**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 12th day of **May**, A.D. **2008**

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Serial No. 76266

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR. OFFICE USE ONLY

Date of filing in State Engineer's Office SEP 1 1 2007

Returned to applicant for correction .....

Corrected application filed ..... Map filed SEP 1 8 2007 under 76260

The applicant Reese River Geothermal Power, LLC

1068 Fir Street SE (Street and No. Or P.O. Box No) of Olympia, Washington (City and Town)

98501-1859 (State and Zip code No.) hereby make.s.. application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members a limited liability company formed in Delaware on February 28, 2007

Is applicant a U.S. citizen? Yes ■ No ☐

Is applicant 21 years of age or older? Yes ■ No ☐

NRS 533.325 requires that applicant be a citizen of the United State or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is Underground (W-7 Well) (Name of stream, lake, spring, underground or other source)

2. The amount of water applied for is 3.5 cfs (One second foot equals 448.83 gallons per minute.) second feet.

   (a) If stored in reservoir give number of acre-feet

3. The water to be used for Industrial Purposes (Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.)

4. If use is for:

   (a) Irrigation, state number of acres to be irrigated .....

   (b) Stockwater, state number and kind of animals .....

   (c) Other use (describe fully "No. 12. Remarks") See Remarks

   (d) Power:

      (1) Horse Power developed .....

      (2) Point of return of water to stream .....

56-LD

5. The water is to be diverted from its source at the following point NW ¼ SW ¼, Section 9, T. 23N., R43E.,
Describe as being within a 40-acre subdivision of public survey, and by course and distance to section corner. If on unsurveyed land, it should be so stated.

M.D.B. & M. (partially surveyed), or at a point from which the NW Corner of Section 2, said township and range bears N. 46° 33' 34" E., a distance of 13,896.80 feet

6. Place of use All of Sections 32 and 33, West ½, SW ¼ SE ¼, NE ¼ NE ¼, Section 34, All of Section
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

35, all in T.24N., R.43E., M.D.B. & M. (partially surveyed). All of Sections 3, 4, 5, 6, 8 and 9, all in T.23N., R.43E., M.D.B. & M., (partially surveyed)

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day) of each year.

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) drilled and cased well equipped with a motor, pump, meter,
State manner in which water is to be diverted, i.e. diversion structure,

and pipeline distribution system to power plant
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works $150,000,000.00

10. Estimated time required to construct works Five (5) years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten (10) years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Please refer to attachment "A"

TELEPHONE NUMBER

(775) 352-7800

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

By Gregory M. Bilyeu
Signature, applicant or agent

9480 Double Diamond Parkway, Suite 200
Street and No., or P.O. Box No.

Reno, NV 89521
City, State, Zip code No

$250 FILING FEE MUST ACCOMPANY APPLICATION

ATTACHMENT "A"

Item 12. Remarks

Reese River Geothermal Power, LLC is developing a 30 MW geothermal power generating facility on public land approximately 53 miles south of Battle Mountain, Nevada within the Reese River Hydrographic Basin (Basin 56). Reese River Geothermal Power, LLC has geothermal leases with the Bureau of Land Management to develop this resource (Leases N76676, N77247, N78687 & N78688) and is in the process of obtaining all additional permits and authorizations through the appropriate state and federal entities. This is a renewable energy generation project as defined in NRS 701.080.

The plans for this power plant contemplate the use of water cooling for condensation of the working fluid and to enhance plant production efficiencies during peak operating periods. Integrated Energy Management, LLC prepared estimated annual evaporative consumptive rate and cooling water requirements for the project.

The assumptions used to develop this estimate included determination of the average annual dry bulb temperature data for the Reese River area and calculation of drift loss in the cooling tower.

Based on the assumptions and the estimated preliminary cooling requirements, the evaporation rate for the cooling tower is estimated to be approximately 1,000 GPM. While not a true consumptive use, the cooling tower blow-down rate based on five cycles of concentration requirement is approximately 300 GPM, resulting in a total average annual water make up rate of 1,300 GPM.

This estimate will vary as temperatures vary and during the month of July, the hottest period of the year, the evaporation rate will increase significantly. Preliminary estimates place the increase in evaporation during this period at 25%, resulting in a total average monthly makeup water rate of 1,550 GPM, inclusive of the blow-down rate.

Based on a plant availability of 98%, total annual water consumption would be 670,000,000 gallons or 2,056 acre feet per year.

Due to the varying productivity of groundwater resources within the area, a total of eight applications to appropriate, each requesting 3.5 cfs are being filed by Reese River Geothermal Power, LLC are being filed. The total project demand may be pumped from one well or any combination of wells dependent upon the production capabilities of each well, generating demand, or other plant operating requirements. The individual and total combined duty of all eight applications is not to exceed 2,056 acre-feet annually.