



THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant: U. S. GEOTHERMAL, INC
Source: UNDERGROUND
Basin: SAN EMIDIO DESERT
Manner of Use: INDUSTRIAL
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 09/08/1972

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 to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 74724 is issued subject to the terms and conditions imposed in said Permit 74724 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and 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 the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

The Permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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 79899 and 79900 shall not exceed the total combined consumptive use duty of 575.2 acre-feet annually.

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

This permit is approved for the entire 588.00 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 470.40 acre-feet, can be diverted annually. Additional diversion up to the total 588.00 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 470.40 acre-feet to be exceeded.

(Continued on Page 2)

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 0.812 cubic feet per second or 588.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

June 2, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

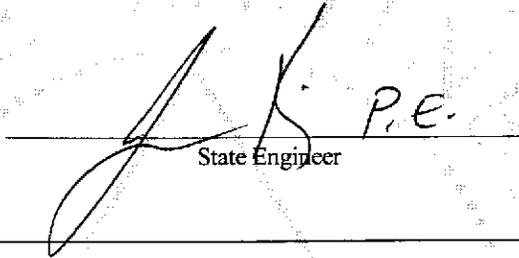
June 2, 2016

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 22nd day of April, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office JUN 09 2010
Returned to applicant for correction _____
Corrected application filed _____ Map filed MAR 28 1988 under 5 1 8 9 0

The applicant U.S. Geothermal, Inc.
1505 Tyrell Lane of Boise
Street Address or PO Box City or Town
Idaho 83706 hereby make(s) application for permission to change the
State and ZIP Code

Point of diversion Place of use Manner of use of a portion
of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)
Permit 74724

1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.812 cfs, not to exceed 588 acre-feet annually
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Industrial (power plant cooling water)
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Irrigation
If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
SE 1/4 NE 1/4, Section 36, T.30N., R.22E., M.D.B. & M., or at a point from which the NE Corner of Section 4, T.29N., R.23E., M.D.B. & M., bears S. 77° 01' 57" E., a distance of 17,380 feet. Refer to map filed under Permit 51890 for proposed Point of Diversion.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
Lot 10 of Section 1, T.30N., R.22E., M.D.B. & M., or at a point from which the W 1/4 Corner of said Section 1 bears S. 81° 34' 36" W., a distance of 3,921.32 feet. Refer to map filed under Permit 74724 for existing Point of Diversion

22-MD

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

All of Section 16, E 1/2 of Section 17, Lot 1 (NE 1/4 NE 1/4) of Section 20, N 1/2 Section of Section 21, all in T.29N., R.23E., M.D.B. & M. Refer to map filed with this application

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

Lot 7, 8 & a portion of Lot 9 & Lot 10, E 1/2 Section 1, T.30N., R.22E., M.D.B. & M. Refer to map filed under Permit 74724 for existing Place of Use

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Existing drilled and cased well (Sweetwater Well) equipped with a motor, pump, meter and pipeline to the proposed place of use.

12. Estimated cost of works Completed - See Permit 51890

13. Estimated time required to construct works Completed - See Permit 51890

If well completed, describe well.

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

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

US Geothermal has acquired this water right and it is transferring it to an existing well to provide additional cooling water in support of their upgrade and expansion of the Empire Geothermal Power Plant. The annual consumptive use under this permit will be 588 acre-feet.

16. Miscellaneous remarks:

Application 78932 was filed in September 2009 to change a portion of Permit 74724. This application is being withdrawn by separate correspondence.

RECEIVED

JUN 09 2010

gregb@tecreno.com STATE ENGINEER'S OFFICE

E-mail Address

(775) 352-7800 ext 227

Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Gregory M. Bilyeu

Type or print name clearly



Signature, applicant or agent

TEC Civil Engineering Consultants

Company Name

9480 Double Diamond Parkway, Suite 200

Street Address or PO Box

Reno, NV 89511

City, State, ZIP Code