



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem Oregon 97301-1271
(503) 986-0900
www.wrd.state.or.us

Application for a Permit to Use
Ground Water

Please type or print in dark ink. If your application is found to be incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "n/a." Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

1. APPLICANT INFORMATION

A. Individuals

Applicant: N/A
Mailing address:
Phone:
*Fax: *E-Mail address:

B. Organizations

(Corporations, associations, firms, partnerships, joint stock companies, cooperatives, public and municipal corporations)

Name of organization: Town of Lakeview
Name and title of person applying: Darryl Anderson, Town Engineer
Mailing address of organization: 525 North 1st Street
Phone: 541-947-4407
*Fax: 541-947-2321 *E-Mail address: darryla@andersonengineering.com

* Optional information

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WATER RESOURCES DEPT
SALEM, OREGON

For Department Use
App. No. Permit No. Date

2. PROPERTY OWNERSHIP

Do you own all the land where you propose to divert, transport, and use water?

- Yes (Skip to section 3 "Ground water Development.")
- No (Please check the appropriate box below.)
 - I have a recorded easement or written authorization permitting access.
 - I do not currently have written authorization or easement permitting access.
 - Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigated and/or domestic use only (ORS 274.040).

You must provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map.

List the names and mailing addresses of all affected landowners.

Favell-Utley Realty Co.	120 North "E" Steet	Lakeview	Oregon	97630
The Green House	95745 Geyser View Ln	Lakeview	Oregon	97630

3. GROUND WATER DEVELOPMENT

A. Well Information

Number of well(s): 2

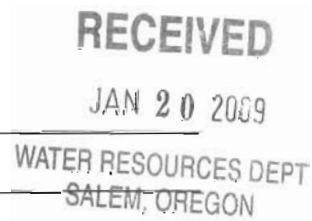
Name of nearest surface water body: Hunters Hot Springs

Distance from well(s) to nearest stream or lake: 1) Warner Creek, 0.70 miles

2) Warner Creek, 0.40 miles 3) _____ 4) _____

If distance from surface water is less than one mile, indicate elevation difference between nearest surface water and well head. 1) 50 Feet

2) 10 Feet 3) _____ 4) _____



B. Well Characteristics

Wells must be constructed according to standards set by the Department for the construction and maintenance of water wells. If the well is already constructed, please enclose a copy of the well constructor's log and the well ID number, if available, for each well with this application. Identify each well with a number corresponding to the wells designated on the map and proceed to section 4 of the form. If the well has not been constructed, or if you do not have a well log, please complete the following:

Well(s) will be constructed by: See Attached Well Logs Well 1 - Lake 2040, & Well 2 - Well Id# 75454

Address: _____

Completion date: _____

Please provide a description of your well development. (Attach additional sheets if needed.)

Well No.	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth

Note: Well numbers in this listing must correspond to well locations(s) shown on accompanying map.

If well log is not available, or well is not yet constructed, you must provide: proposed total depth, depth of casing and seal, and the anticipated perforation and open intervals.

C. Artesian Flows

If your water well is flowing artesian, describe your water control and conservation works:

N/A

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4. WATER USE

Please read the instruction booklet for more details on "type of use" definitions, how to express how much water you need and how to identify the water source you propose to use. You must fill out a supplemental form for some uses as they require specific information for that type of use.

A. Type(s) of Use(s)

See list of beneficial uses provided in the instructions.

- If your proposed use is **domestic**, indicate the number of households to be supplied with water: N/A
- If your proposed use is **irrigation**, please attach **Form I**
- If your proposed use is **mining**, attach **Form R**
- If your proposed use is **municipal or quasi-municipal**, attach **Form M**
- If your proposed use is **commercial/industrial**, attach **Form Q**

B. Amount of Water

Provide the production rate in gallons per minute (gpm) and the total annual amount of water you need from each well, from each source or aquifer, for each use. You do not need to provide source information if you are submitting a well log with your application.

Well No.	Source or aquifer	Type of use	Total rate of water requested (in gpm)	Total annual quantity (in gallons)	Production rate of well (in gpm)
1	Ground Water	Power Generation/Space Heat	500 gpm	216,000,000	1000 +/-
2	Ground Water	Reinjection	N/A	N/A	N/A

C. Maximum Rate of Use Requested

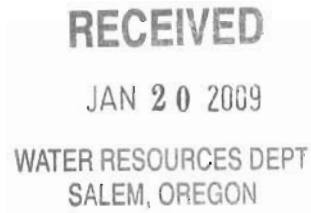
What is the maximum, instantaneous rate of water that will be used? 500 gpm
(The fees for your application will be based on this amount.)

D. Period of Use

Indicate the time of year you propose to use the water: Year-Round
(For seasonal uses like irrigation give dates when water use would begin and end, e.g. March 1–October 31.)

E. Acreage

If you will be applying water to land, please give the total number of acres where water will be applied or used: N/A
(This number should be consistent with your application map.)



5. WATER MANAGEMENT

A. Diversion

What equipment will you use to pump water from your well(s)?

- Pump (give horsepower and pump type): 50 Horsepower Turbine pump
- Other means (describe): _____

B. Transport

How will you transport water to your place of use?

- Ditch or canal (give average width and depth):
 Width _____ Depth _____
 Is the ditch or canal to be lined? Yes No
- Pipe (give diameter and total length):
 Diameter 6" Length 3550 Feet
- Other (describe) _____

C. Application/Distribution Method

What equipment will you use to apply water to your place of use? Water is not applied to land.

Irrigation or land application method (check all that apply):

- Flood
- High-pressure sprinkler
- Low pressure sprinkler
- Drip
- Water cannons
- Center pivot system
- Hand lines
- Wheel lines
- Siphon tubes or gated pipe with furrows
- Other, describe _____

Distribution method

- Direct pipe from source
- In-line storage (tank or pond)
- Open canal

D. Conservation

What methods will you use to conserve water? Why did you choose this distribution or application method? For example, if you are using sprinkler irrigation rather than drip irrigation, explain. If you need additional space, attach a separate sheet.

Water is pumped from a production well transported through 6" pipes through a geothermal power generation plant, then pumped back in to the groundwater through a reinjection well. This application is for a non-consumptive use.

Some space heating of local residences and a greenhouse may be developed.

6. PROJECT SCHEDULE

Indicate the anticipated dates that the following construction tasks should begin. If construction has already begun, or is completed, please indicate that date.

Proposed date construction will begin: April, 2009

Proposed date construction will be completed: December 31, 2010

Proposed date beneficial water use will begin: January, 2011

7. REMARKS

If you would like to clarify any information you have provided in the application, please do so here and reference the specific application question you are addressing.

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8. MAP REQUIREMENTS

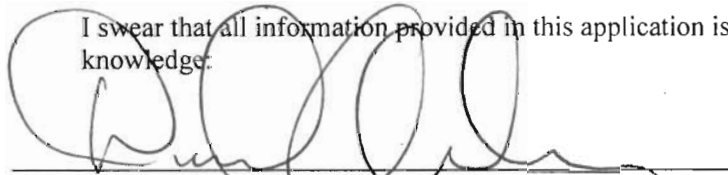
The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed well location and place of use. The map must provide tax lot numbers. See the map guidelines sheet for detailed map specifications.

9. SIGNATURE

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be canceled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit to me, I may have to stop using water to allow senior water right holders to get water they are entitled to, and

I swear that all information provided in this application is true and correct to the best of my knowledge.



Signature of Applicant *(If more than one applicant, all must sign.)*

January 14, 2009

Date

Before you submit your application be sure you have:

- Answered each question completely.
- Attached a legible map which includes township, range, section, quarter/quarter and tax lot number.
- Included a Land Use Information Form or receipt stub signed by a local official.
- Included the legal description of all the property involved with this application. You may supply a copy of the deed, land sales contract, or title insurance policy, to meet this requirement.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount. The Department's fee schedule can be found at www.wrd.state.or.us or call (503) 986-0900.

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Oregon Water Resources Department

FORM Q FOR COMMERCIAL AND INDUSTRIAL WATER USES

1. Describe the goods and services you plan to provide:

Geothermal Power Generation

Space Heating Residences & Greenhouse

2. How will the water be used?

Water is pumped from a well and piped through a geothermal power generation plant, then reinjected

3. What is the maximum amount of water that will be used on any given day:

500 cfs gpm

350 gpm - power generation

150 gpm - space heating

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4. Are there periods of the day, week, month, or year that the water will not be used?
(e.g. no use December-March)

No Yes If so, when? _____

5. Is there a particular time or period of day, week, month, or year when the use of water is absolutely essential for the project to continue? (e.g. vegetable processing, Oct. 15-Nov. 15)

No Yes If so, when? Power Generation, Year Round
Space Heating, Winter Months

6. Are there periods of the day week, month, or year where the amount of water used will be less than at peak times?

No Yes If so, when? Summer will not require space heating

Gr-17165

11179

GRANT

KNOW ALL MEN BY THESE PRESENTS: That Robert C. Utley and Gloria B. Utley, hereinafter called Grantors, in consideration of One Dollar and other good and valuable considerations to them paid by Oregon Desert Farms, Inc., an Oregon corporation hereinafter called Grantee, do hereby give, grant and assign unto said Grantee their right at any time to use the water from, in or around those certain wells hereinafter described, as well as the right to lay down, construct, and maintain sewer drains and water pipes in and upon those certain premises known as "Goldmohr Terrace", which is a sub-division of Section 4, Township 39 South, Range 20 East of the Willamette Meridian, as the same appears on the official plat thereof on file and of record in the office of the County Clerk of Lake County, Oregon, all for the convenience of the land and buildings of said Grantee, provided that no unnecessary or unreasonable damage shall be done to the premises in connection with such construction, maintenance or repair, and that any damage done shall be promptly repaired in a reasonable manner by grantee, and provided further that the Grantors expressly retain and reserve the first right to the use of the waters from or in the hereinafter described wells for use in connection with the residence of Grantors located upon Lot 12 in said Goldmohr Terrace. The wells referred to herein are located as follows:

Well No. 1: 45 feet south of the Northeast corner of Lot 30 in said Goldmohr Terrace, a sub-division of Section 4, Township 39 South, Range 20 East of the Willamette Meridian.

Cold well

Well No. 2: Beginning at a point on the extended East line of the Melton and DeLong sub-division, a sub-division in Section 33, Township 38 South, Range 20 East of the Willamette Meridian, as the same has been located and recorded in the records of the County Clerk of Lake County, Oregon. Said point being South 7°02' East a distance of 192.18 feet from the Southeast corner of said sub-division; thence running South 7°02' East 24.12 feet; thence running North 89°19' East 217 feet; thence running North 0°59' East 24 feet; thence running South 89°19' West 220.4 feet to the point of beginning.

Hot well

WITNESS our hands and seals this 16 day of November, 1970.



Subscribed and sworn to before me this 16th day of November, 1970.
 Notary Public for Oregon: Helen S. Gammum
 My commission expires: July 16, 1972

State of Oregon County of Lake
 I hereby certify that the within document was presented and filed for record on the 18th day of Nov 1970 at 3:15 o'clock P.M. and recorded on Page 522 in Book 156 Record of Deeds of said County.
Jean Steady County Clerk by Judy J. Hennessey Deputy

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CORPORATION DEED

Favell-Utley Corporation, formerly

KNOW ALL MEN BY THESE PRESENTS, That the Favell-Utley Realty Company, a Corporation duly organized and incorporated under the laws of the State of Oregon, in consideration of Two

Thousand Dollars and other valuable considerations, to it in hand paid by Robert C. Utley and Gloria Lee Utley, husband and wife,

has bargained and sold, and by these presents does grant, bargain, sell and convey unto the said Robert C. Utley and Gloria Lee Utley, husband and wife, their heirs and

assigns, all the following bounded and described real property, situated in the County of Lake and State of Oregon, to-wit:

Beginning at the Southeast corner of the Melton & DeLong Subdivision in Section 33, Township 38 South, Range 20 E.W.M., running thence South 7° 02' East along the extended Easterly line of said Melton & DeLong Subdivision a distance of 192.12 feet to a point which is the true point of beginning: thence running North 89° 19' East 220.4 feet; thence South 0° 59' West 24.0 feet, more or less, to a point on the North line of a tract of land described in Book 137 at page 740 of the Record of Deeds; thence South 89° 19' West along the extended North line of said tract described in Book 137 at page 740 of the Record of Deeds, to a point which is South 7° 02' East 24.0 feet from the point of beginning; thence North 7° 02' West 24.00 feet to the point of beginning.

TOGETHER, with an easement described as follows: A strip of land six feet in width, the center line of which being described as follows: Beginning at the Southeast corner of the Melton & DeLong Subdivision in Section 33, Township 38 South, Range 20 E.W.M., running thence South 07° 02' East along the extended Easterly line of said Melton & DeLong Subdivision a distance of 216.34 feet; thence North 89° 19' East, 53.00 feet to the true point of beginning for this description; thence South 27° 26' West 202.0 feet; thence South 01° 17' East, 132.0 feet to a point 24.0 feet Northerly of the South line of said Section 33.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, ~~and the same to be held unto the said Robert C. Utley and Gloria Lee Utley, their heirs and assigns forever.~~

To have and to hold the above described and granted premises unto the said Robert C. Utley and Gloria Lee Utley, their heirs and assigns forever. And the Favell-Utley Corporation, formerly

COMPANY, a Corporation, grantor above named, does covenant to and with Robert C. Utley and Gloria Lee Utley, husband and wife

the above named grantee, their heirs and assigns, that it will, and its successors and assigns shall warrant and defend the above granted premises and every part and parcel thereof, against the acts and deeds of said grantor, and all persons claiming by, through, from or under said grantor, unto the said grantee, their heirs and assigns forever.

IN WITNESS WHEREOF, the Favell-Utley Realty Company, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and its Secretary and its corporate seal to be hereunto affixed this 27th day of June A. D. 1968.

FAVELL-UTLEY CORPORATION, formerly
FAVELL-UTLEY REALTY COMPANY,

Signed, Sealed and Delivered in the presence

of us as Witnesses:

By Robert C. Utley President
FAVELL-UTLEY CORPORATION, formerly
FAVELL-UTLEY REALTY COMPANY

By Edwin H. [Signature] Secretary



6-17-68

CORPORATION DEED

KNOW ALL MEN BY THESE PRESENTS, That the Favell-Utley Realty Company, a Corporation now Favell-Utley Corporation, a corporation duly organized and incorporated under the laws of the State of Oregon, in consideration of ~~Seven Thousand and no/100ths~~ Dollars and other valuable considerations, to it in hand paid by ~~OREGON DESERT FARMS, INC., a corporation~~ Oregon Desert Farms, Inc., a corporation has bargained and sold, and by these presents does grant, bargain, sell and convey unto the said ~~OREGON DESERT FARMS, INC., a corporation~~ its successors and assigns, all the following bounded and described real property, situated in the County of ~~Lake~~ and State of Oregon, to-wit:

Beginning at a point on the east margin of the Fremont Highway, said point being 303.3 feet North and 204.7 feet East from the south quarter corner of Sec. 33, Township 38 South, Range 20 East of the Willamette Meridian, thence running North 89°30' East 170 feet; thence North 7°02' West 244.71 feet; thence North 89°30' East 230.22 feet, more or less to the southeast corner of Melton & DeLong Tracts a subdivision in the SWSE~~1/4~~ of Section 33, Twp. 38 S., R. 20 W., thence S 7°02' East 216.12 feet; thence N 89°19' East, to the northwest corner of a tract of land more fully described in Book 137 at page 740 of the Record of Deeds for Lake County, Oregon, thence S 0°59' West 305 feet to the north margin of the County Road; thence S 89°19' West, 50 feet; more or less to the southeast corner of a tract of land more fully described in Book 97 at page 558 of the Record of Deeds for Lake County, Oregon; thence North 150 feet; thence West 105 feet; thence South 150 feet to the North margin of the County road; thence S 89°19' West to the point of intersection of the north margin of the County road, and the east right of way line of the Fremont Highway; thence northerly along the east margin of the Fremont Highway, 280 feet, more or less, to the point of beginning.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and also all its estate, right, title and interest in and to the same, of all oil, gas, coal and minerals, on, in or under said lands, together with the right to take and mine the same, are reserved by the grantor, its successors and assigns, subject to any existing easements, rights-of-way and restrictions.

To have and to hold the above described and granted premises unto the said ~~OREGON DESERT FARMS, INC., a corporation~~ its successors ~~OREGON DESERT FARMS, INC., a corporation~~ now Favell-Utley Corporation, a corporation, grantor above named, does covenant to and with ~~OREGON DESERT FARMS, INC., a corporation~~ the above named grantee,

its successors and assigns, that it will, and its successors and assigns shall warrant and defend the above granted premises and every part and parcel thereof, against the acts and deeds of said grantor, and all persons claiming by, through, from or under said grantor, unto the said grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Favell-Utley Realty Company, ~~pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and its Secretary and its corporate seal to be hereunto affixed this~~ ~~12th~~ day of ~~July~~ A. D. 19~~68~~69

Signed, Sealed and Delivered in the presence of us as Witnesses:

By  President
 FAVELL-UTLEY REALTY COMPANY Corporation
 By  Secretary



Oregon Water Resources Department Land Use Information Form

THIS FORM IS NOT REQUIRED IF: 1) water is to be diverted, conveyed, and/or used only on federal lands; or 2) the application is for a water-right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and all of the following apply: a) only the place of use is proposed for change, b) there are no structural changes, c) the use of water is for irrigation, and d) the use is located in an irrigation district or exclusive farm-use zone.

Applicant Name: Town of Lakeview
Mailing Address: 525 North 1st Street
City: Lakeview State: OR Zip: 97630 Day Phone: 541-947-4407

This application is related to a Measure 37 claim. Yes No

A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), or used. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	¼ ¼	Tax Lot #	Plan Designation (e.g. Rural Residential/RR-5)	Water to be:	Proposed Land Use:
38 S	20 E	33	sw se	1000	RR - Rural Residential	<input checked="" type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input type="checkbox"/> Used	
39S	20E	4	ne nw	201	C-1 - Central Commercial	<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input checked="" type="checkbox"/> Used	
38S	20E	33	sw sw	1900	A - Agriculture	<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input checked="" type="checkbox"/> Used	
						<input type="checkbox"/> Diverted <input type="checkbox"/> Conveyed <input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, or used. Lake County

B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- Permit to Use or Store Water
- Allocation of Conserved Water
- Permit Amendment or Ground Water Registration Modification
- Water-Right Transfer
- Limited Water Use License
- Exchange of Water

Source of water: Reservoir/Pond Ground Water Surface Water (name) _____

Estimated quantity of water needed: 500 cubic feet per second gallons per minute acre-feet

Intended use of water: Irrigation Commercial Industrial Domestic for _____ household(s)
 Municipal Quasi-municipal Instream Other _____

Briefly describe: 300 GPM of water use is for Geothermal Power Generation, and as a backup source of water for Permit G-15557. 200 GPM of water use is for heat generation.

Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt below and include it with the application filed with the Water Resources Department.

Receipt for Request for Land Use Information

State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

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SALEM, OREGON

For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form.

This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

Please check the appropriate box below and provide the requested information

Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): Art. 2, 6, 9, LCLPD

Land uses to be served by proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.)

If approvals have been obtained but all appeal periods have not ended, check "Being pursued".

Type of Land-Use Approval Needed (e.g. plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

Lake County supports this geothermal project.

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SALEM, OREGON

Name: Jay Collins Title: Planning Specialist
 Signature: [Signature] Phone: 947-6033 Date: 1-14-09
 Government Entity: Lake County Planning Dept.

Note to local government representative: Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

Receipt for Request for Land Use Information

Applicant name: _____

City or County: _____ Staff contact: _____

Signature: _____ Phone: _____ Date: _____

(1) OWNER: Well Number: Inj#1
 Name Town of Lakeview
 Address 525 North 1st Street
 City Lakeview State OR Zip 97630

(2) TYPE OF WORK:
 New Well Deepening Alteration (repair/recondition) Abandonment

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable Auger
 Other

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Livestock Other

(5) BORE HOLE CONSTRUCTION:
 Special Construction approval Yes No Depth of Completed Well 204 ft.
 Explosives used Yes No Type _____ Amount _____

HOLE		SEAL		Amount	
Diameter	From To	Material	From To	sacks or pounds	
16in	0 180	Cement	0 180	132 sacks	
11in	180 194	Cement	0 150	66 sacks	
8.75	194 204				

How was seal placed: Method A B C D E
 Other
 Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from 150 ft. to 204 ft. Size of gravel Pea

(6) CASING/LINER:

Diameter	From To	Gauge	Steel	Plastic	Welded	Threaded
Casing: 12in	+2 180	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8in	+2 181	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liner: 6in	172 182	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:

Perforations Method Pullback
 Screens Type slotted Material Stainless

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
182	204	.040		6in	pipe	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour
 Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
225	6	105	24 hr.

Temperature of Water 194 Depth Artesian Flow found _____
 Was a water analysis done? Yes By whom _____
 Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
 Depth of strata: _____

(9) LOCATION OF WELL by legal description:
 County Crook Latitude _____ Longitude _____
 Township 39S N or S. Range 20E E or W. of WM.
 Section 4(B) Lot SE Block 1/4 Subdivision 1/4
 Tax lot 900 Street Address of Well (or nearest address) Old Mill Rd., Lakeview, OR

(10) STATIC WATER LEVEL:
 _____ ft. below land surface. Date 12/2/04
 Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:

Depth at which water was first found 6

From	To	Estimated Flow Rate	SWL
6	117	200	3
188	203	800+	3

(12) WELL LOG: Ground elevation 5180

Material	From	To	SWL
This well is for injection from production well approximately 3/4 mile away. Lost circulation occurred in the bottom from 193' to 204'. Drilled that portion with odex system and 8" casing. Set 6" screen and pulled back 8" to expose 6" screen.			
Injected well with water from Production well at a rate of 175 gpm with .5' rise in water level of injection well.			
SEE ATTACHED LITHOLOGY			
RECEIVED			
JAN 10 2005			
WATER RESOURCES DEPT WESTERN WATERS DEVELOPMENT			
P.O. Box 1670 Redmond, OR 97756			
RECEIVED JAN 20 2005 WATER RESOURCES DEPT SALEM, OREGON			

Date started 9/20/2004 Completed 12/10/2004

(unbonded) Water Well Constructor Certification:
 I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to my best knowledge and belief.
 Signed _____ WWC Number _____
 Date _____

(bonded) Water Well Constructor Certification:
 I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.
 Signed Robert Buckner WWC Number 1385
 Date 12/31/2004

G-17165

STATE OF OREGON
WATER SUPPLY WELL REPORT
(as required by ORS 537.765)

CROO 52423

AMMENDED - 1/11/05

CROO
52423

WELL ID # 75454

(START CARD) # 162939

Instructions for completing this report are on the last page of this form

(1) OWNER: Well Number: Inj#1
Name Town of Lakeview
Address 525 North 1st Street
City Lakeview State OR Zip 97630

(2) TYPE OF WORK:
 New Well Deepening Alteration (repair/recondition) Abandonment

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable Auger
 Other

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Livestock Other

(5) BORE HOLE CONSTRUCTION:
Special Construction approval Yes No Depth of Completed Well 204 ft.
Explosives used Yes No Type _____ Amount _____

HOLE		SEAL		Amount	
Diameter	From To	Material	From To	sacks or pounds	
16in	0 180	Cement	0 180	132 sacks	
11in	180 194	Cement	0 150	66 sacks	
8.75	194 204				

How was seal placed: Method A B C D E
 Other
Backfill placed from _____ ft. to _____ ft. Material _____
Gravel placed from 150 ft. to 204 ft. Size of gravel Pea

Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
Casing: 12in	+2	180	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8in	+2	181	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liner: 6in	172	182	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:
 Perforations Method Pullback
 Screens Type slotted Material Stainless

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
182	204	.040		6in	pipe	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour
 Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
225	6	105	24 hr.

Temperature of Water 194 Depth Artesian Flow found _____
Was a water analysis done? Yes By whom _____
Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
Depth of strata: _____

(9) LOCATION OF WELL by legal description:
County Crook LAKE Latitude _____ Longitude _____
Township 39S N or S. Range 20E E or W. of WM. _____
Section 4(B) SE 1/4 NW 1/4
Tax lot 900 Lot _____ Block _____ Subdivision _____
Street Address of Well (or nearest address) Old Mill Rd., Lakeview, OR

(10) STATIC WATER LEVEL:
0 ft. below land surface. Date 12/21/04
Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:
Depth at which water was first found 6

From	To	Estimated Flow Rate	SWL
6	117	200	3
188	203	800+	3

(12) WELL LOG: Ground elevation 5180

Material	From	To	SWL
This well is for injection from production well approximately 3/4 mile away. Lost circulation occurred in the bottom from 193' to 204'. Drilled that portion with odex system and 8" casing. Set 6" screen and pulled back 8" to expose 6" screen.			
Injected well with water from Production well at a rate of 175 gpm with .5' rise in water level of injection well.			
RECEIVED			
SEE ATTACHED LITHOLOGY			
JAN 14 2005			
WATER RESOURCES DEPT SALEM, OREGON			
WESTERN WATER DEVELOPMENT P.O. Box 1670 REDMOND, OR 97756			

Date started 9/20/2004 Completed 12/10/2004

(unbonded) Water Well Constructor Certification:
I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to my best knowledge and belief.

WWC Number _____
Signed _____ Date _____

(bonded) Water Well Constructor Certification:
I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.

WWC Number 1385
Signed Robert Buckner Date 12/31/2004
Robert Buckner

ORIGINAL & FIRST COPY - WATER RESOURCES DEPARTMENT SECOND COPY - CONSTRUCTOR THIRD COPY - CUSTOMER

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SALEM, OREGON

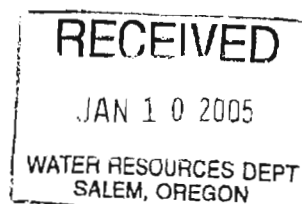
Lakeview Geothermal Injection Well Geologic Log		
Depth Interval (feet bls)		Description of Geology
From	To	
0	20	No sample
20	48	Medium to coarse sand with some fine sand. Subangular, greenish-grey color.
48	52	Clayey, sandy gravel.
52	55	Gravel zone with 2 degree temperature increase.
55	70	Very coarse sand with fine sand and clay. Some gravel at bottom of interval.
70	90	Clayey sand with some gravel.
90	95	Gravel with fine to coarse sand and clay.
95	98	Gravel bed.
98	108	Gravel with sand and clay.
108	112	Gravel bed.
112	117	Clayey gravel with sand.
117	140	Clayey gravel and gravelly clay. Decreasing gravel size and increasing clay content towards bottom of interval.
140	164	Gravelly clay with some sand. Greenish color. Angular to subangular gravel.
164	166	Gravel zone.
166	188	Gravelly clay with sand as above
188	192	Total loss of circulation. Either cobbles or fractured bedrock.
192	203	Volcanic bedrock. Interbedded, consolidated ash tuff and clay-altered ash tuff. Bluish grey color. Limited return of cuttings to 198, with increasing return to 203.
203		End of hole.

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WESTERN WATER DEVELOPMENT
P.O. Box 1670
Redmond, OR 97756

JAN 20 2009

WATER RESOURCES DEPT
SALEM, OREGON



STATE ENGINEER
Salem, Oregon

State Well No. 38/20-33(4)
County Lake cont.
Application No. ~~159~~

G-17165
dc
6-5349

Well Log

Owner: Favell - Utley Realty Owner's No. 1

Driller: Nevada Thermal Power Co. Date Drilled 1959

CHARACTER OF MATERIAL	(Feet below land surface)		Thickness (feet)
	From	To	
Dark gray clay, some angular hard shale.	360	370	10
Hard light gray pebbles, stream worn, well rounded, 4 to 6 M.M. in diameter, quartzite (?)	370	450	80
<i>This well now produces 1850 Gals Per M</i>			
<i>@ 30' with temperature 227° F.</i>			

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SALEM, OREGON

STATE ENGINEER
Salem, Oregon

State Well No. 38/20-33(2)

RECEIVED County _____ Lake _____

Application No. ~~G-3537~~

Green House well

Well Log JAN 20 2009

G-5349

WATER RESOURCES DEPT
SALEM, OREGON

Owner: Favell - Utley Realty Owner's No. 1

Driller: Nevada Thermal Power Co. 119°F Date Drilled 1959

CHARACTER OF MATERIAL	(Feet below land surface)		Thickness (feet)
	From	To	
Tan, silts and clay, organic material, basalt pebbles bearing from 1 to 3 M.M. water worn, well rounded, Surface mantle.	0	40	40
Buff, well graded sands, silts, angular shale disk rounded basalt pebbles from 3 to 5 M.M. in diameter.	40	50	10
Cedarville formation? Buff, sands and silts, a tuffaceous shale, Contact between 50 and 60 ft.	50	100	50
Buff, mud and silts. Basalt pebbles, angular to subangular.	100	130	30
Gray and buff sands and pebbles mixed. Clay, siltstone, fine grained with pyroclastic material.	130	170	40
Buff silts, basalt pebbles, minor amounts of free calcite.	170	200	30
Buff to white, clay and tuff.	200	210	10
Contact between 210 and 220. Light gray silts, tuff and small basalt pebbles.	210	240	30
Light gray tuff, angular particles pyroclastic material, minor amounts of subangular basalt pebbles. Some buff basalt (?) with calcite weathered to clay.	240	250	10
Dark brown silt, angular particles graded from silts to pebbles of 4 M.M.	250	270	20
Light gray silts and mud.	270	330	60
Dark gray silt flakes, some red to buff particles 3 M.M. in diameter.	330	350	20
Dark gray mud, minor amounts of red flakes.	350	360	10

G-17165

STATE ENGINEER
Salem, Oregon

Lake
2040

Well Record

STATE WELL NO. 38/20-330(2)
COUNTY Lake
APPLICATION NO. ~~G-1537~~
G-5349

OWNER: Favell - Utley Realty

MAILING ADDRESS:

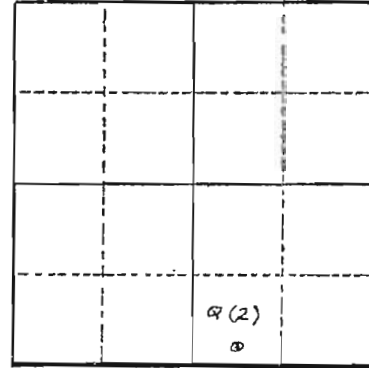
LOCATION OF WELL: Owner's No. 1

CITY AND STATE:

Lakeview, Oregon

SW 1/4 SE 1/4 Sec. 33 T. 38 N. S., R. 20 E. W.M.

Bearing and distance from section or subdivision corner



Section 33

Altitude at well

TYPE OF WELL: drilled Date Constructed 1959

Depth drilled 450 Depth cased

CASING RECORD:

FINISH:

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AQUIFERS:

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SALEM, OREGON

WATER LEVEL:

PUMPING EQUIPMENT: Type _____ H.P. _____
Capacity _____ G.P.M.

WELL TESTS:

Drawdown _____ ft. after _____ hours _____ G.P.M.

Drawdown _____ ft. after _____ hours _____ G.P.M.

USE OF WATER steam power Temp. 119 °F. at 450 ft., 19

SOURCE OF INFORMATION G-1537

DRILLER or DIGGER Nevada Thermal Power Co., Los Angeles, California

ADDITIONAL DATA:

Log _____ Water Level Measurements _____ Chemical Analysis _____ Aquifer Test _____

REMARKS: Temperature at 450 ft. - 119° F. measured in the mud box. The drilling rate from 0 to 450 ft. averaged 1 ft. per minute. At 450 ft. the drilling rate decreased from 1 ft. in 7 minutes, hard drilling. No circulation loss. At any point no appreciable increase in water flow.



Oregon Water Resources Department PUMP TEST COVER SHEET



Well Owner:
 Name Oregon Desert Farms
 Address PO Box 705
 City, State, Zip Lakeview, OR 97630
 County Lake

Well Location:
 Twnshp 32S (N or S), Range 22E (E or W)
 Section 33 1/4, 1/4, 1/4 24, 25, 26
 Well Depth 700+ Date Drilled 1960?
 Owner's Well No. (if any) _____
 POD-ID 17006

Water Right Information:
 Application No. G 5349 Permit No. G-8119 Certificate No. 65564
 Is this well used for more than one water right? N (Y/N) If Yes, fill out numbers below:
 App. No. _____ Permit No. _____ Cert. No. _____
 App. No. _____ Permit No. _____ Cert. No. _____

Pump Test:
 Test conducted by Andy Parker Well Owner? Y (Y/N)
 Company (Same as above)
 Address '' Date of Test 10/5/93
 City, State, Zip ''

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Method of Discharge Measurement None
 Method of Water Level Measurement Tape JAN 20 2009
 Depth of Air Line (if used) 0
 Pump Type (Turbine, Submersible, etc.) Turbine WATER RESOURCES DEPT
 Was pump test conducted during normal use of the well N SALEM, OREGON (Y/N)

Description of point from which water level was measured Base of Turbine
 Is measuring point above or below ground level? above ground level
 Distance between measuring point and ground level (correction factor) 1 ft

Are you aware of any wells, other than domestic or stock wells, pumping within 1000 feet of the tested well during the test or within 24 hours prior to the test? N (Y/N) If yes, give approximate distances to each and approximate pumping rate of each. If, possible, indicate if they were turned on or off during the test _____

Is there a lake, stream or other surface water body within 1/4 mile of the tested well? N (Y/N)
 If yes, give approximate distance from the well and approximate elevation difference between the surface water and the well head: Approximate distance _____
 Approximate elevation difference _____
 Is well elevation above or below the surface water body? _____

Static Water Level Measurements: (Three measurements at least 20 minutes apart are required in the hour before pumping begins):

Time: <u>11:00 AM</u>	Depth to Water: <u>28 ft</u>	(ft/in)
Time: <u>11:30 AM</u>	Depth to Water: <u>28 ft</u>	(ft/in)
Time: <u>12:00 PM</u>	Depth to Water: <u>28 ft</u>	(ft/in)

Discharge Measurements: (A discharge measurement is required at the start of pumping and once an hour during the test): Not possible - water and steam erratic and too hot

Time: _____	Discharge Rate: _____	(gpm)
Time: _____	Discharge Rate: _____	(gpm)
Time: _____	Discharge Rate: _____	(gpm)
Time: _____	Discharge Rate: _____	(gpm)
Time: _____	Discharge Rate: _____	(gpm)

Pump turned on: Date: 10/5 Time: 12:00^m Pump turned off: Date: 10/6 Time: 9:00am
 Total pumping time: 20 hours, 50 minutes.

Note: Well must be idle for at least 16 hours prior to the test.

PUMP TEST DATA SHEET

APPLICATION NO. G 5349 PERMIT NO. 6-8119 P.O.D.-ID 18006

All water level measurements must either be in 1) feet and inches, or 2) feet and decimal fractions. (Circle one)

DRAWDOWN DATA

RECOVERY DATA

DATE	TIME	TIME SINCE PUMP STARTED (minutes)	DEPTH TO WATER FROM MEASURING PT	CORRECTION FACTOR	DEPTH TO WATER FROM GROUND LEVEL	COMMENTS	DATE	TIME	TIME SINCE PUMP STOPPED (minutes)	DEPTH TO WATER FROM MEASURING PT	CORRECTION FACTOR	DEPTH TO WATER FROM GROUND LEVEL	COMMENT
10/5	12:12	2	28	1	27		10/5	4:12	2	25.0	1	24.0	
"	12:14	4	28	1	27			4:14	4	25.0	1	24.0	
"	12:16	6	28	1	27			4:16	6	25.0	1	24.0	
"	12:18	8	28	1	27			4:18	8	25.0	1	24.0	
"	12:20	10	28	1	27			4:20	10	25.0	1	24.0	
	12:25	15	28	1	27			4:25	15	25.0	1	24.0	
	12:30	20	27.0"	1	26.0"			4:30	20	25.0	1	24.0	
	12:35	25	27.0"	1	26.0"			4:35	25	25.0	1	24.0	
	12:40	30	27.0"	1	26.0"			4:40	30	25.0	1	24.0	
	12:55	45	27.8"	1	26.8"			5:05	45	25.0	1	24.0	
	1:10	60	27.3"	1	26.3"			5:20	60	26.0	1	25.0	
	1:25	75	26.0"	1	25.0"			5:35	75	26.5	1	25.5	
	1:40	90	26.0"	1	25.0"			5:50	90	26.0	1	25.0	
	1:55	105	26.8"	1	25.8"			6:05	105	26.5	1	25.5	
	2:10	120	26.6.5"	1	25.6.5"			6:20	120	27.1"	1	26.1"	
	2:25	135	26.6"	1	25.6"			6:35	135	27.1"	1	26.1"	
	2:40	150	26.5"	1	25.5"			6:50	150	27.2.5"	1	26.2.5"	
	2:55	165	26.3"	1	25.3"			7:05	165	27.2"	1	26.2"	
	3:10	180	26.2"	1	25.2"			7:20	180	27.4"	1	26.4"	
	3:25	195	26.1"	1	25.1"			7:35	195	27.4.5"	1	26.4.5"	
	3:40	210	26.5"	1	25.5"			7:50	210	27.5"	1	26.5"	
	3:55	225	26.0"	1	25.0"			8:05	225	27.6"	1	26.6"	
	4:10	240	25.0"	1	24.0"			8:20	240	27.7"	1	26.7"	

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GEOHERMAL WELL LEASE AGREEMENT

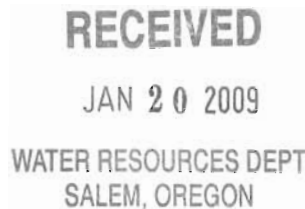
PARTIES:

Larry A. Utley and Gloria B. Utley,
as Co-Trustees of the Utley Family Trust u/a dated May 11, 1994
P.O. Box 1071
Lakeview, Oregon 97630

Landowner,

and

Town of Lakeview,
an Oregon municipal corporation
525 North First Street
Lakeview, Oregon 97630



Lessee,

RECITALS:

- A. Landowner owns Lake County, Oregon real property as described on attached Exhibit "A", said property being hereinafter referred to as "the Property".
- B. Located upon the Property is a "low temperature geothermal production well", the use of which is included within the parameters of this Agreement and which geothermal well is hereinafter referred to as "the Well." Specifically, the Well is located 330 feet North and 2000 feet West from the Southeast corner of Section 33 in Township 38 South, Range 20 East of the Willamette Meridian.
- C. Landowner desires to lease to Lessee certain rights in and to the Property and the Well and Lessee desires to lease certain rights from Landowner upon the terms and conditions as set forth herein.

Accordingly, and for the consideration as herein stated, Landowner and Lessee agree as follows:

1. **Definitions.** For the purposes of this lease, the following terms shall have the meanings as indicated:

(a) Geothermal Resources. The natural heat of the earth, the energy, in whatever form, below the surface of the earth present in, resulting from, or created by, or which may be extracted from, the natural heat, and all minerals in solution or other products obtained from naturally heated fluids, brines, associated gases and steam, in whatever form, found below the surface of the earth, exclusive of oil, hydrocarbon gas or other hydrocarbon substances, but including the following:

- (i) all products of geothermal processes embracing indigenous steam, hot water and hot brines;
- (ii) steam and other gases, hot water and hot brines resulting from water, gas or other fluids artificially introduced into geothermal formations;
- (iii) heat or other associated energy found in geothermal formations; and
- (iv) any byproduct derived therefrom.

(b) Governmental Regulations. All laws, orders, ordinances, regulations and statutes of federal, state and local governmental agencies, authorities, and courts.

(c) Landowner. The Landowner as designated herein as well as any of their successors and assigns.

(d) Lessee. The Town of Lakeview, Oregon, and any of its permitted successors and assigns.

(e) Low-Temperature Geothermal Production Well. Any well as defined under ORS 537.515(9) with the bottom hole temperature of less than 250°F that is constructed or used for the thermal characteristics of the fluid contained therein.

(f) Property. The real property described on attached Exhibit "A".

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SALEM, OREGON

(g) Royalty Payment. The production royalty that may be payable by Lessee to Landowner in accordance with Section 5 of this lease.

(h) Surface of the Property or Surface. The title to the surface and the surface estate of the Property, excluding the Geothermal Resources, mineral estate and all minerals.

2. Grant of Exploration Privilege and Lease. Landowner grants to Lessee the rights and privileges described in this Section.

2.1 Grant of Exploration Privilege. Landowner grants to Lessee the right and privilege to enter on the Property for the purpose of conducting a feasibility study and for the purpose of exploration for Geothermal Resources, including reasonable rights of ingress and egress for personnel, machinery, equipment, supplies and products and the right to use so much of the Surface of the Property and water located on the Property as may be reasonably needed for such purposes. However, Lessee's right to use the Surface and water located on the Property shall not interfere with the following legal rights and water rights:

- (a) Those legal rights granted by Landowner's predecessors in interest to Oregon Desert Farms, Inc., by way of that certain "Grant" dated November 16, 1970 and recorded in Book 156 at Page 592 of the Lake County Record of Deeds; and
- (b) That certain "Certificate of Water Right" issued by the Oregon Department of Water Resources to Oregon Desert Farms, Inc., dated April 16, 1991, identified as Water Right Certificate No. 65564.

2.2 Uses. Lessee is granted the exclusive right, subject to those rights in favor of Oregon Desert Farms, Inc., as set forth in Section 2.1 above, to use the Property including, but not limited to, the right to place and use excavations, ditches and drains, wells, pumps, pipes, pipelines for the exploration, development, production, processing, removal, sale, shipment or use of Geothermal

Resources. All of the activities described in this Section shall be conducted for the primary purpose of exploring for and the development of Geothermal Resources.

2.3 Water Rights. Lessee, in its name, shall have the right and obligation to apply for and obtain any necessary water rights required by the Oregon Department of Water Resources for the exploration of or use of the Geothermal Resource and Landowner shall cooperate with Lessee in the water right application process.

3. Term. The initial term of this Agreement shall commence as of the date hereof and shall continue for 18 months, unless this Agreement is sooner terminated, cancelled or extended. Landowner grants to Lessee and Lessee shall have the option and right to extend the term of this Agreement beyond the initial 18 months, subject to Landowner and Lessee agreeing to the payment by Lessee to Landowner of a Royalty payment pursuant to Section 5 of this Agreement.

4. Consideration. During the initial term of this Agreement, Lessee shall pay no consideration to Landowner for the rights granted under this Agreement. However, if this Agreement is sooner terminated or cancelled prior to the expiration of the 18 month term, or not extended beyond 18 months, then Landowner shall receive from Lessee without consideration the following:

- (a) All improvements to the well and well site undertaken and completed by Lessee in the course of its feasibility studies;
- (b) All data, reports, well logs, pumping studies and related geothermal information generated by Lessee during the course of its feasibility studies; and
- (c) Lessee shall transfer to Landowner any water right permit or water right certificate that it obtained on the well and the water therein from the Oregon Water Resources Department during the term hereof.

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SALEM, OREGON

5. **Lease Extension and Payment.** In the event this Agreement is extended by Lessee beyond the 18 month term, then a lease payment shall be paid by Lessee to Landowner, which lease payment may include a Royalty Payment based upon Lessee's use of the Geothermal Resource for heating or energy purposes based upon a percentage of gross revenues obtained from the sale or use of the Geothermal Resources. In the event of such lease extension, Landowner and Lessee agree to mutually and in good faith negotiate the amount of said lease payment.

6. **Compliance with Law.** Lessee shall, at Lessee's sole cost, comply with all Governmental Regulations relating to the condition, use or occupancy of the Property by Lessee, including but not limited to all exploration and development work performed by Lessee during the term of this Agreement or any extension hereof. Lessee shall, at its sole cost, promptly comply with all applicable Governmental Regulations regarding reclamation of the Property and Lessee shall defend, indemnify and hold harmless Landowner from any all actions, assessments, claims, costs, fines and liability arising from or relating to Lessee's failure to comply with any applicable Governmental Regulations.

7. **Geothermal Development Practices and Information.**

7.1 **Geothermal Practices.** Lessee shall work the Property according to the highest standards and practices of the geothermal industry in the State of Oregon utilizing the best technology available.

7.2 **Information and Data.** During the term of this Agreement, Landowner shall have the right to examine and make copies of all data regarding the Property and the development of Geothermal Resources in Lessee's possession during reasonable business hours and upon prior notice.

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G-17465

JAN 20 2009

WATER RESOURCES DEPT
SALEM, OREGON

8. Taxes.

8.1 Real Property Taxes. Landowner shall pay when due all ad valorem real property taxes assessed against the Property.

8.2 Personal Property Taxes. Each party shall promptly pay when due all personal property taxes assessed against each party's personal property, improvements or structures placed upon or used on the Property.

9. Indemnification.

9.1 Lessee's Indemnification of Landowner. Lessee will forever indemnify, reimburse, and hold Landowner harmless and at Landowner's election, defend Landowner for, from, and against any and all claims, costs, expenses, attorney fees, losses, damages, fines, charges, actions or other liabilities in any manner arising out of or in any way connected with (1) Lessee's possession or use of the Property; (2) Lessee's conduct with respect to the Property; and (3) any condition of the Property to the extent that the same arises from and after the date hereof that is not caused or contributed to by Landowner. In the event of any litigation or proceeding brought against Landowner and arising out of or in any way connected with any of the above events or claims, against which Lessee agrees to defend Landowner, Lessee will, on notice from Landowner, vigorously resist and defend such actions or proceedings in consultation with Landowner through legal council reasonably acceptable to Landowner.

9.2 Indemnification Scope. Whenever this lease obligates Lessee to indemnify, hold harmless, or defend Landowner, the obligation to do so will run to the invitees, agents and employees, officers of Lessee and will survive any termination or satisfaction of this lease.

The scope of this indemnification would include, without limitation, claims submitted by any neighboring landowners, as well as contractors and would cover claims based upon impairment of

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JAN 20 2009

WATER RESOURCES DEPT
SALEM, OREGON

water quality, quantity or temperature.

10. Insurance.

10.1 Property Damage. Lessee shall not be required to obtain property damage insurance on the existing well but will be responsible to Landowner and any third parties for damage to the well or impairment of water quality, quantity or temperature of the water emanating from the well. Such responsibility shall be on a self insured basis.

10.2 Liability Insurance. During the term of this lease, Lessee will maintain public liability insurance in an amount sufficient to satisfy any claims that may be made against Lessee in accordance with the Oregon Tort Claims Act.

11. Relationship of Parties. This Agreement shall not be deemed to constitute any party, in its capacity as such, as the partner, agent or legal representative of the other or to create any joint venture, partnership or other fiduciary relationship between the parties.

12. Inspection. Landowner or Landowner's duly authorized representative shall be permitted to enter on the Property at reasonable times for the purpose of inspection, but they shall enter on the Property at their own risk and in such a manner as not to unreasonably delay or interfere with the operations of Lessee.

13. Termination by Landowner. In the event of any default or failure by Lessee to comply with any of the covenants, terms or conditions of this Agreement, Landowner shall be entitled to give Lessee written notice of such default which notice shall specify the details of the default. If such default is not remedied within 30 days after receipt of the notice, provided the default can reasonably be remedied within that time, or, if not, if Lessee has not within that time commenced action to cure the same, then Landowner may terminate this Agreement by delivering notice to Lessee of Landowner's termination of this Agreement. In the event Landowner elects to terminate this

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Agreement as set forth above, then such termination shall preclude Landowner from pursuing any and all other available legal remedies against Lessee except for any property damage claim that may exist as a result of any damage to the well.

14. Termination by Lessee. Lessee may at any time terminate this Agreement by giving 30 days advance written notice to Landowner. In such case, Lessee shall simultaneously with the termination make available and transfer to Landlord those items specified in Section 4(a) through (c) above. Upon Lessee's termination, Lessee shall immediately commence and conclude its reclamation responsibilities with respect to the Property, which reclamation shall be accomplished in compliance with all applicable Governmental Regulations and the Property returned to Lessee in the same condition as the same existed as of the date hereof.

15. Confidentiality. The data and information, including the terms of this Agreement, coming into possession of Landowner or Lessee, shall be deemed confidential and shall not be disclosed to outside third parties except as maybe required to disclose information under the laws and regulations of any federal, state or local governmental authority.

16. Assignment. Landowner may assign all or any portion of this Agreement, or any of the rights hereunder, to any third party. Lessee may only assign its rights hereunder with the consent of Landowner, which consent not to be unreasonably withheld. However, in the event of such assignment, then the terms of this Agreement in all respect shall be binding upon such third party assignee.

17. Time of Essence. Time is of the essence in the performance of all obligations of the parties under this Agreement.

18. Entire Agreement. The parties understand that this Agreement constitutes the sole Agreement between them and there are no other terms or conditions, expressed or implied, other than

as set forth herein. This Agreement may only be amended or modified by an instrument in writing, signed by the parties and attached hereto.

19. **Governing Law and Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon. Any action or proceeding concerning the construction, or interpretation of the terms of this Agreement or any claim or dispute between the parties shall be commenced and heard in the Lake County Circuit Court.

20. **Severability.** If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any law, then the validity of the remaining portions or provisions of this Agreement shall not be affected in any way.

Dated this 29th of December, 2008.

LANDOWNER:

Utley Family Trust u/a May 11, 1994

By: [Signature]
Larry A. Utley, Co-Trustee

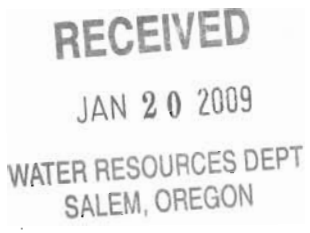
By: [Signature]
Gloria B. Utley, Co-Trustee

LESSEE:

Town of Lakeview

By: [Signature]
Mike Patrick, Mayor

Attest: [Signature]
Christy Sarina, Town Recorder





FAVELL-UTLEY CORP
120 NORTH "E" STREET
LAKEVIEW, OR 97630

Attn: RANDY UTLEY

Date: June 14, 2007

Title Number: 0008900
Title Examiner: JUNE LIGHTLE

**PRELIMINARY TITLE REPORT FOR:
ROBERT C. UTLEY
GLORIA B. UTLEY**

REPORT NO. 1

**Policy or Policies to be issued:
PRELIMINARY TITLE REPORT**

Liability

Premium
\$ 200.00

We are prepared to issue ALTA (10-17-92), title insurance policy(ies) of Chicago Title Insurance Company of Oregon in the form and amounts above, insuring the title to the land described as follows:

PLEASE SEE ATTACHED EXHIBIT "A"

And dated as of June 12, 2007 at 8:00 A.M., title is vested in:

**ROBERT C. UTLEY AND GLORIA B. UTLEY, TRUSTEES OF THE
UTLEY FAMILY TRUST, DATED MAY 11, 1994**

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The estate or interest in the land described or referred to in this Commitment and covered herein is:

FEE SIMPLE

This report is preliminary to the issuance of title insurance and shall become null and void unless a policy is issued and the full premium therefore paid.

Schedule B of the policy(ies) to be issued will contain the following general and special exceptions unless removed prior to issuance:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Unpatented mining claims whether or not shown by the public records.

SPECIAL EXCEPTIONS:

7. Reservations or exceptions in patents or in Acts authorizing the issuance thereof.
8. Rights incident to the use of any existing power, telephone lines that may cross the property and the rights of the public in public roads that may cross and/or border said property.
9. Agreement for Well Use for water, as well as the right to lay down, construct and maintain sewer drains and water pipes in and upon those certain premises described herein, under that certain instrument, including the terms and provisions thereof, wherein Robert C. Utley and Gloria B. Utley, were Grantors and Oregon Desert Farms, Inc., an Oregon corporation, Grantee, recorded in Book 156 at Page 592, Lake County Deed Records, Oregon.
10. We are unable to ascertain from the records if the premises herein described have a means of ingress and egress to and from a legally dedicated road or highway, therefore, Notwithstanding Paragraph 4 of the insuring clauses of the policy, the policy will not insure against loss arising by reason of any lack of a right of access to and from the land.
11. Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company(ies) assume no liability for any loss occurring by reason of reliance thereon.

End of Exceptions

NOTE A: Taxes for fiscal year 2006-2007, paid.

Account No.: 11045
Amount: \$6.58

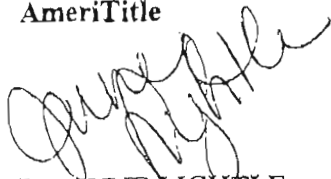
Map No.: 382033DC-700
Code No.: 706

NOTE B: We find no judgments, state and/or federal tax liens on Robert C. Utley, Trustee and Gloria B. Utley, Trustee.

NOTE C: We find the last deed of record activity is:

Document Type: Bargain and Sale Deed
Recorded: October 13, 2000
Book 248 at Page 792, Lake County Deed Records, Oregon.
Grantor: Robert C. Utley, aka Robert Curtis Utley and Gloria B. Utley, aka Gloria Lee Utley, husband and wife
Grantee: Robert C. Utley and Gloria B. Utley, Trustees of the Utley Family Trust, dated May 11, 1994

AmeriTitle



By: JUNE LIGHTLE
Title Examiner

END

MISSION STATEMENT

"Superior Service with Commitment and Respect for Customers and Employees"

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EXHIBIT "A"
LEGAL DESCRIPTION

In the County of Lake, State of Oregon, as follows:

Beginning at a point on the extended East line of the Melton and DeLong subdivision, a subdivision in Section 33, Township 38 South, Range 20 East of the Willamette Meridian, as the same has been located and recorded in the records of the County Clerk of Lake County, Oregon, said point being South 07°02' East a distance of 192.18 feet from the Southeast corner of said subdivision;

Thence running South 07°01' East 24.12 feet, more or less;

Thence running North 89°19' East 217 feet;

Thence running North 00°59' East 24 feet;

Thence running South 89°19' West 220.4 feet to the point of beginning.

Together with an Easement described as follows:

A strip of land 6 feet in width, the centerline of which being described as follows:

Beginning at the Southeast corner of the Melton & DeLong Subdivision in Section 33, Township 38 South, Range 20 East of the Willamette Meridian, running thence South 07°02' East along the extended Easterly line of said Melton & DeLong subdivision a distance of 216.34 feet;

Thence North 89°19' East 53.00 feet to the true point of beginning for this description;

Thence South 27°26' West 202.0 feet;

Thence South 01°47' East 132.0 feet to a point 24.0 feet Northerly of the South line of said Section 33.

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GRANT

KNOW ALL MEN BY THESE PRESENTS; That Robert C. Utley and Gloria B. Utley, hereinafter called Grantors, in consideration of One Dollar and other good and valuable considerations to them paid by Oregon Desert Farms, Inc., an Oregon corporation hereinafter called Grantee, do hereby give, grant and assign unto said Grantee their right at any time to use the water from, in or around those certain wells hereinafter described, as well as the right to lay down, construct, and maintain sewer drains and water pipes in and upon those certain premises known as "Goldmohr Terrace", which is a sub-division of Section 4, Township 39 South, Range 20 East of the Willamette Meridian, as the same appears on the official plat thereof on file and of record in the office of the County Clerk of Lake County, Oregon, all for the convenience of the land and buildings of said Grantee, provided that no unnecessary or unreasonable damage shall be done to the premises in connection with such construction, maintenance or repair, and that any damage done shall be promptly repaired in a reasonable manner by grantee, and provided further that the Grantors expressly retain and reserve the first right to the use of the waters from or in the hereinafter described wells for use in connection with the residence of Grantors located upon Lot 12 in said Goldmohr Terrace, The wells referred to herein are located as follows:

Well No. 1: 45 feet south of the Northeast corner of Lot 10 in said Goldmohr Terrace, a sub-division of Section 4, Township 39 South, Range 20 East of the Willamette Meridian. *COLD*

Well No. 2: Beginning at a point on the extended East line of the Melton and DeLong sub-division, a sub-division in Section 33, Township 38 South, Range 20 East of the Willamette Meridian, as the same has been located and recorded in the records of the County Clerk of Lake County, Oregon. Said point being South 7°02' East a distance of 192.18 feet from the Southeast corner of said sub-division; thence running South 7°02' East 24.12 feet; thence running North 85°19' East 217 feet; thence running North 8°59' East 24 feet; thence running South 85°19' West 220.4 feet to the point of beginning. *HO*

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WITNESS our hands and seals this 16 day of November, 1970.

R. Utley *Gloria B. Utley*
Subscribed and sworn to before me this 16 day of November, 1970.
Notary Public for Oregon

594

11181

GRANT

KNOW ALL MEN BY THESE PRESENTS: That Pavell-Utley Corporation, formerly the Pavell-Utley Realty Company, hereinafter called grantors in consideration of \$1.00 and other good and valuable consideration to them paid by Robert C. Utley and Gloria B. Utley, husband and wife, hereinafter called grantees, does hereby give, grant and assign unto said grantees the right at any time to lay down, construct and maintain sewers, drains, and water pipes in and upon those certain premises known as Goldmohr Terraces, a subdivision of Section 4, Township 29 South, Range 20 EWN, as the same appears on the official plat thereon on file and of record in the office of the County Clerk of Lake County, Oregon, all for the convenience of the land and buildings of said grantees, provided that no unnecessary and unreasonable damage shall be done to the premises in connection with such construction, maintenance, or repair and that any damage done shall be promptly repaired in a reasonable manner by grantees.

WITNESS our hands and seals this 1st day of January

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PAVELL-UTLEY CORPORATION

By: Robert C. Utley President

By: Edwin L. DeGraffenroid Secretary

STATE OF OREGON ;
) ss
 County of Lake)

Personally appeared Robert C. Utley and Edwin L. DeGraffenroid who, being duly sworn, each for himself and not one for the other, did say that the former is the President and that the latter is the secretary of Pavell-Utley Corporation, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: Helene [Signature]
 Notary Public for Oregon
 My commission expires: July 16, 1972



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GRANT

KNOW ALL MEN BY THESE PRESENTS: That FAVELL-UTLEY CORPORATION, hereinafter called Grantor, in consideration of One Dollar and other good and valuable considerations to it paid by OREGON DESERT FARMS, INC., an Oregon corporation hereinafter called Grantee, does hereby give, grant and assign unto said Grantee its right at any time to use the water from, in or around that certain well hereinafter described, as well as the right to lay down, construct, and maintain sewer drains and water pipes in and upon those certain premises known as "Goldmohr Terrace", which is a sub-division of Section 4, Township 37 South, Range 20 East of the Willamette Meridian, as the same appears on the official plat thereof on file and of record in the office of the County Clerk of Lake County, Oregon, all for the convenience of the land and buildings of said Grantee, provided that no unnecessary or unreasonable damage shall be done to the premises in connection with such construction, maintenance or repair and that any damage done shall be promptly repaired in a reasonable manner by Grantee, and provided further that the Grantor expressly retains and reserves the first right to the use of the waters from or in the hereinafter described well for use in connection with the residence of Grantor located upon Lot 12 in said Goldmohr Terrace. The well referred to herein is located as follows:

Well located 240 feet North and 1,000 feet West of the Southeast corner of Section 33, Township 38 South, Range 20 East of the Willamette Meridian.

sec 33?
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WITNESS our hands and seals this 16 day of November, 1976

FAVELL-UTLEY CORPORATION

By: Robert C. Utley President

By: Edwin L. DeGraffenreid Secretary

STATE OF OREGON
ss.
County of Lake

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Personally appeared Robert C. Utley and Edwin L. DeGraffenreid who, being duly sworn, each for himself and not one for the other, did say that the former is the President and that the latter is the secretary of Favell-Utley Corporation, a corporation, and that the seal attached to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me: Robert L. [Signature]
Notary Public for Oregon,