

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
GEOTHERMAL DRILLING PERMIT

FORM APPROVED
OMB NO. 1004-0132
Expires: September 30, 1990

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

Type of Work: Drill New Well Redrill Deepen Plug Back Directionally Drill Other

Well Type: Production Injection Heat Exchange Observation Water Supply Other
Temperature Core Hole

Well Status: N/A

Name of Lessee/Operator: California Energy Company, Inc.

Address of Lessee/Operator: 901 California Street, 10th floor

Location of Well: San Francisco, CA 94108

At surface: 4923' East and 1089' North of SW Corner of

At proposed prod. zone: Section 26, Township 16S, Range 9 E

Distance from Proposed Location to Nearest Property or Lease Line: 1191' North of southern OR17062 lease boundary

Distance from Proposed Location to Nearest Well, or Previously Applied for Well Location on this Lease: None existing

Drilling Media and Characteristics: Air
 Water Mud Foam Other

19. Proposed Depth Measured: 5,500'
True Vertical:

20. Elevations: Estimated Final 5,300'
Reference Datum: GR MAT DF KS RT
 Casinghead Flange Other

Existing and/or Proposed Casing and Cementing Program (List existing program first, followed by proposed program, and separate by a sufficient space to clearly distinguish the two programs)

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	COUPLING (Collars & Threads)	GRADE	SETTING DEPTH		QUANTITY OF CEMENT
					Top	Bottom	
Set 6-7	of 8-5/8"	conductor pipe (Optional)			Surf.	6-7'	To Surface
7-7/8"	4-1/2"	11.5#	8RD ST&C	K55	Surf.	550'	To Surface
Drill out cement plug and resume drilling with 3.782 OD (HQ) wireline coring system.							
Reduce core size to 2.980' OD (NQ), as mandated by drilling conditions.							

2. Proposed Work Summary

*Approximate Kettleman designation 87-26
See attached Drilling and Coring Procedure

3. David W. McClain Project Manager August 21, 1989
Signature: David W. McClain Title: Project Manager Date: August 21, 1989

Approved by: William J. Mustard Title: _____ Date: 9-21-89

Conditions of Approval, if Any:
The June 1986 stipulations approved by the State Geologist are conditions of this permit.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.