

Permit #: 142
 API #: 36-035-90019
 FORM APPROVED
 OMB NO. 1004-0132
 Expires: September 30, 1990

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

The Department (BLM) requires this form or other BLM approved forms to be prepared and submitted with the authorized officer. The authorized officer must approve any lease operation.

1a. Well Type: Production Injection Heat Exchange Observation Water Supply Other
 Temperature Core Hole

1b. Well Name: N/A

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

3. Address of Lessee/Operator: 601 California Street, 10th Floor
 San Francisco, CA 94108

4. Location of Well
 At surface: 127' East and 962' North from SW Corner,
 At proposed prod. zone: Section 14, T31S, R7½E

5. Distance from Proposed Location to Nearest Property or Lease Line: 961' North from South OR34669 Lease Boundary

6. Distance from Proposed Location to Nearest Well, or Previously Applied for Well Location on this Lease: 3,152' East, 5,402' South from MZI-11A Well

7. Lease Serial No.: OR34669

8. Surface Manager: BLM FS Other

9. Unit Agreement Name: Mazama Unit 1

10. Well No.: MZI-11B

11. Permit No.: See Above

12. Field or Area: Winema National Forest

13. Sec., T., R., B. & M.: Section 14, T31S, R7½E

14. County: Klamath

15. State: Oregon

16. Approx. Starting Date: August 31, 1989

17. Acres Assigned (Well Spacing): N/A

18. Drilling Media and Characteristics: Air Mud Foam Other

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

20. Elevations: Estimated Final 6,110'
 Reference Datum: GR MAT DF KS RT Casinghead Flange Other

21. 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 Top Bottom	QUANTITY OF CEMENT
Set 6-7'	8-5/8"				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.						

22. Proposed Work Summary

*Approximate Kettleman designation 17-14
 See Attached Drilling and Coring Procedure

23. David W. McClain Project Manager July 18, 1989
 Signed David W. McClain Title Date

Approved by Dennis Z. Olmstead Title Petroleum Engineer Date AUGUST 23, 1989

Conditions of Approval, If Any:
 Attached stipulations apply.

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.

(See instructions on reverse side)