

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
COLORADO RIVER BASIN REGION**

ORDER NO. R7-2010-0008

WASTE DISCHARGE REQUIREMENTS
FOR
RAM POWER, INC. OWNER/OPERATOR
ORITA GEOTHERMAL EXPLORATION PROJECT
WELLFIELD MUD SUMPS/CONTAINMENT BASINS

East Brawley Known Geothermal Resource Area (East Brawley KGRA) - Imperial County

The California Regional Water Quality Control Board, Colorado River Basin Region (Regional Water Board), finds that:

1. Ram Power, Inc. (the Discharger) proposes to drill six geothermal exploration wells with associated mud sump/containment basins on private land located within the East Brawley Known Geothermal Resource Area (East Brawley KGRA). The Project is located approximately 11 miles east of the city of Brawley in Sections 16, 17, 20, 21, 28, and 29 of Township 13 South, Range 16 East, San Bernardino Base and Meridian (SBB&M) in Imperial County. The address for Ram Power, Inc. is 6880 South McCarran Boulevard, Suite 1, Reno, NV 89509.
2. This Board Order regulates the handling and disposal of drilling wastes generated by the Discharger during geothermal exploration well drilling, testing, and maintenance in the vicinity of the East Brawley KGRA. The boundaries of the Orita Geothermal Exploration Project are shown on Attachment A, as incorporated herein and made a part of this order.
3. The Discharger reports that the exploration program will initially consist of six (6) geothermal wells with associated mud sumps/containment basins. Locations proposed for exploration wells are shown on Attachment A. The Discharger reports that if the geothermal exploration project is successful, more wells may be added to the project. All geothermal well drilling performed by the Discharger will be regulated under this Order.
4. The Discharger submitted a Report of Waste Discharge, dated October 22, 2009, for the Orita Geothermal Exploration Project.
5. The project will consist of well pad construction, geothermal exploration drilling, and waste handling and disposal. Each exploration well pad will be approximately 400 feet by 350 feet. A typical well pad configuration is shown on Attachment B, as incorporated herein and made a part of this order.
6. Exploration wells will be drilled to determine the power generation potential of the area and to gather scientific information about the geothermal resource.
7. Definition of terms used in this Board Order:
 - a. **Facility** – The entire parcel of property where Ram Power, Inc., or related geothermal industrial and drilling activities are conducted.

- b. **Waste Management Units (WMUs)** – Mud sumps/containment basins are WMUs.
- c. **Discharger** – The term “discharger” means any person who discharges waste that could affect the quality of the waters of the State, and includes any person who owns the land or waste management unit, or who is responsible for the operation of a waste management unit.

Geothermal Drilling Wastes

- 8. The following wastes are generated during construction, operation, and maintenance of geothermal exploration wells:
 - a. **Geothermal brine** – Data from other drill sites in the area of the East Brawley KGRA indicate that geothermal brines are hot saline solutions that contain Total Dissolved Solids (TDS) ranging from 70,000 to 100,000 mg/L. Based on nearby geothermal projects, major constituents of the brine are predicted to be the following:
 - 1. Sodium (Na)
 - 2. Chloride (Cl)
 - 3. Calcium (Ca)
 - 4. Potassium (K)
 - 5. Sulfate (SO₄)
 - 6. Lithium (Li)
 - 7. Lead (Pb)
 - 8. Arsenic (As)
 - b. **Drilling muds with additives** – Drilling mud is inert mineral clay such as bentonite clay. Drilling mud additives may include sodium bicarbonate, soda ash, drilling soap, organic polymers, wood fibers, graphite, cottonseed hulls, walnut shells and cement. Drilling mud additives do not render the drilling mud hazardous when used according to manufacturer’s specifications.
 - c. **Drill cuttings (rock)** – small rock fragments pulverized during drilling and forced to the surface by drilling mud, aerated mud, and/or air.

Drilling Waste Containment WMUs

- 9. The Discharger proposes to contain geothermal brine generated during drilling, testing, or maintenance by discharging into large portable tanks. Geothermal brine will be returned to the geothermal resource via injection, or discharged offsite into permanent Class II surface impoundments constructed pursuant to construction standards specified in Title 27 of the California Code of Regulations (Title 27).
- 10. Drilling muds and rock cuttings generated during well drilling, testing, or maintenance will be discharged to mud sumps/containment basins designed to temporarily (less than one (1) year) contain the material while drying. Mud sumps/containment basins will be built with synthetic liner(s). Each mud sump/containment basin will be approximately 80 feet

by 300 feet by 7 feet deep and is designed to contain approximately 653,648 gallons of material with a minimum of two (2) feet of freeboard.

Drilling Waste Disposal

11. Solids discharged to mud sumps/containment basins will be removed offsite, and disposed of at an appropriate facility.

Surface Water

12. Surface water in the area of the East Brawley KGRA consists of canals and agricultural drains operated and maintained by Imperial Irrigation District.
13. The Discharger reports that the Facility is not located in a 100-year flood plain.

Regional Groundwater

14. The regional groundwater flow direction within the Imperial Valley is toward the Salton Sea, a closed basin with a surface elevation of approximately 225 feet below sea level.

Local Groundwater

15. Well data from other sites within the East Brawley KGRA indicate that shallow groundwater occurs approximately twenty feet below ground surface, flows generally to the northwest, and has 10,000 to 20,000 mg/L Total Dissolved Solids (TDS).
16. Groundwater depth, gradient, and quality in the area of the East Brawley KGRA may be influenced, at times, by irrigation of adjacent agricultural fields, and by recharge from nearby canals.

Regional Geology

17. The Orita Geothermal Exploration site is located within the Salton Trough area of southeast California. The Salton Trough is a tectonically active zone containing numerous faults associated with the San Andreas Fault Zone. The site is located on the north central portion of the trough, and is underlain by deltaic and lacustrine formations associated with the Colorado River delta. Bedrock in this part of the Salton Trough is approximately three (3) miles below ground surface.

Climate

18. Climate in the region is arid. Climatological data obtained from 1951 to 1980 indicate an average seasonal precipitation of 2.5 inches, and an average annual pan evaporation rate greater than 100 inches.
19. The wind direction follows two general patterns:
 - a. Seasonally from fall through spring, prevailing winds are from the west and northwest. Most of these winds originate in the Los Angeles basin, and tend to decrease the humidity in the East Brawley area.

- b. Summer weather patterns are dominated by intense heat-induced low-pressure areas that form over the interior desert, drawing air south of the Facility, which typically increases the humidity in the East Brawley area.

Basin Plan

20. The Water Quality Control Plan (Basin Plan) for the Colorado River Basin Region, designates the beneficial uses of ground and surface waters in this region.

21. The beneficial uses of groundwater in the Imperial Hydrological Unit are:

- a. Municipal Supply (MUN)*
- b. Industrial Supply (IND)

*With respect to the MUN designation, the Basin Plan states: "At such time as the need arises to know whether a particular aquifer which has no known existing MUN use should be considered as a source of drinking water, the Regional Board will make such a determination based on the criteria listed in the 'Sources of Drinking Water Policy' in Chapter 2 of the Basin Plan. An indication of MUN for a particular hydrologic unit indicates only that at least one of the aquifers in that unit currently supports a MUN beneficial use. For example, the actual MUN usage of the Imperial Hydrologic Unit is limited only to a small portion of that ground water unit."

22. The beneficial uses of surface waters in the area of the East Brawley Geothermal Exploration Project are as follows:

- a. Imperial Valley Drains
 - i. Freshwater Replenishment (FRSH)
 - ii. Water Contact Recreation (RECI)
 - iii. Non-contact Water Recreation (RECII)
 - iv. Warm Freshwater Habitat (WARM)
 - v. Wildlife Habitat (WILD)
 - vi. Preservation of Rare, Threatened, or Endangered Species (RARE)
- b. All American Canal System
 - vii. Municipal (MUN)
 - viii. Agricultural (AGR)
 - ix. Aquaculture Supply (AQUA)
 - x. Freshwater Replenishment (FRSH)
 - xi. Industrial (IND)
 - xii. Groundwater Recharge (GWR)
 - xiii. Water Contact Recreation (RECI)
 - xiv. Non-Contact Water Recreation (RECII)

- xv. Warm Freshwater Habitat (WARM)
- xvi. Wildlife Habitat (WILD)
- xvii. Hydropower Generation (POW)
- xviii. Preservation of Rare, Threatened, or Endangered Species (RARE)

Storm Water

23. Federal regulations for storm water discharges were promulgated by the United States Environmental Protection Agency (USEPA) on November 16, 1990 (40 CFR Parts 122, 123, and 124). These regulations required discharges of storm water to surface waters associated with construction activity, including clearing, grading, and excavation activities (except operations that result in disturbance of less than five (5) acres of total land area and which are not part of a larger common plan of development or sale) to obtain a National Pollutant Discharge Elimination System (NPDES) permit and to implement Best Conventional Pollutant Control Technology and Best Available Technology Economically Achievable to reduce or eliminate storm water pollution. (40 CFR 122.26(b)(14)(x).) On December 8, 1999, federal regulations promulgated by USEPA (40 CFR Parts 9, 122, 123, and 124) expanded the NPDES storm water program to include, in pertinent part, storm water discharges from construction sites that disturb a land area equal to or greater than one acre and less than five acres, or is part of a larger common plan of development or sale (small construction activity). (40 CFR 122.26(b)(15).)

To comply with these federal requirements, the State Water Resources Control Board (State Water Board) adopted in 1999 Water Quality Order No. 99-08-DWQ (NPDES) General Permit No. CAS000002, "Waste Discharge Requirements (WDRs) for Discharges of Storm Water Runoff Associated with Construction Activity" (General Permit). The General Permit specifies WDRs for discharges of storm water associated with construction activity that results in a land disturbance of one acre or more or is part of a larger common plan of development or sale. The General Permit specifies certain construction activities that are exempted from coverage. Because these exemptions do not apply to the Discharger's proposed construction activity and because this activity will result in a land disturbance of more than 1 acre, the Discharger is subject to the General Permit requirements.

On September 2, 2009, the State Water Board adopted a new construction general permit (CGP) to replace Order No. 99-08-DWQ. The new CGP, Order No. 2009-0009-DWQ (NPDES No. CAS000002), will become effective on July 1, 2010. Until then, SWRCB Order No. 99-08-DWQ remains in effect. On and after July 1, 2010, however, Order No. 99-08-DWQ is superseded, except for enforcement purposes, by Order No. 2009-0009-DWQ. The website link to this new CGP is as follows: http://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2009/wqo/wqo2009_0009_dwq.pdf.

If the Discharger's construction activity continues after July 1, 2010, when the new CGP takes effect, the Discharger is required, pursuant to the new CGP, to obtain coverage under that new permit. (CGP, Section II.B.4.b, p. 68 of 285.) To obtain coverage, the Discharger must electronically file Permit Registration Documents (PRDs), which includes a Notice of Intent (NOI), Storm Water Pollution Prevention Plan (SWPPP), and other compliance-related documents required by the CGP and mail the appropriate permit fee to the State Water Board.

Anti-Degradation Policy

24. State Water Resources Control Board (State Water Board) Resolution No. 68-16 ("Policy with Respect to Maintaining High Quality Waters of the State"; hereafter Resolution No. 68-16) requires a Regional Board in regulating the discharge of waste to maintain high quality waters of the state (i.e., background water quality) until it is demonstrated that any change in quality will be consistent with maximum benefit to the people of the State, will not unreasonably affect beneficial uses, and will not result in water quality less than that described in plans and policies (e.g. violation of any water quality objective). The discharge is required to meet waste discharge requirements that result in the best practicable treatment or control of the discharge necessary to assure pollution or nuisance will not occur, and the highest water quality consistent with maximum benefit to the people will be maintained.

CEQA

25. The Imperial County Planning Department prepared a Mitigated Negative Declaration for the Orita Geothermal Exploration Project. The Imperial County Environmental Evaluation Committee certified the Negative Declaration during a meeting on November 12, 2009, and the County Planning Commission approved the Negative Declaration in a meeting on December 9, 2009. The Board has considered the Negative Declaration. Compliance with these WDRs shall prevent and mitigate any water quality impacts.

Notification

26. The Regional Board has notified the Discharger and all known interested agencies and persons of its intent to adopt (WDRs) for said discharge, and has provided them with an opportunity for a public meeting, and to submit comments.
27. The Regional Water Board, in a public meeting, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED, that in order to meet the provisions contained in Division 7 of the California Water Code and regulations adopted there under, and the provisions of the federal Clean Water Act (CWA) and regulations and guidelines adopted there under, the Dischargers shall comply with the following:

A. Specifications

1. The treatment or disposal of wastes at this facility shall not cause pollution or nuisance as defined in Section 13050 of Division 7 of the California Water Code.
2. Waste material at this facility must be contained at all times.
3. Containment of waste shall be limited to the areas designated for such activity. Any revision or modification of the waste containment area, or change in operation that alters the nature and constituents of the waste produced, must be submitted in writing to the Regional Water Board Executive Officer for review and approval before the change in operation or modification of the designated area is implemented.

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4. Prior to drilling a new well at the facility other than those shown on Attachment A, the Discharger shall notify, in writing, the Regional Water Board Executive Officer of the proposed change.
5. Any substantial increase or change in volume of material to be discharged under this Order must be submitted in writing to the Regional Water Board Executive Officer for review and approval.
6. Liquid or solid geothermal waste discharged to tanks shall be contained at all times.
7. A minimum freeboard of two (2) feet shall be maintained in mud sumps/containment basins at all times.
8. Following well completion, residual solids and semisolids contained in tanks shall be tested for constituents listed in Monitoring and Reporting Program No. R7-2010-0008, and for additional constituents requested by Regional Water Board Executive Officer (if any). Disposal of this material shall be in accordance with applicable laws and regulations based on analytical results of sampling and analysis.
9. Prior to removing solid material discharged to mud sumps/containment basins, the material shall be tested for constituents listed in Monitoring and Reporting Program No. R7-2010-0008, and for additional constituents requested by the Regional Water Board Executive Officer (if any). Disposal of this material shall be in accordance with applicable laws and regulations based on analytical results of sampling and analysis.
10. Public contact with material containing geothermal wastes shall be precluded through fences, signs, or other appropriate alternatives.
11. Mud sumps/containment basins shall be constructed, operated and maintained to ensure their effectiveness, in particular:
 - a. Erosion control measures shall be implemented;
 - b. Liners in mud sumps/containment basins shall be maintained to ensure proper function, and
 - c. Solid material shall be removed from mud sumps/containment basins in a manner that minimizes the likelihood of damage to the liner.

Upon ceasing operation at the facility, all waste, natural geologic material contaminated by waste, and surplus or unprocessed material, shall be removed from the site and disposed of in accordance with applicable laws and regulations.

Surface drainage from tributary areas or subsurface sources, shall not contact or percolate through waste discharged at this site.

The Discharger shall use the constituents listed in Monitoring and Reporting Program No. R7-2010-0008 and revisions thereto, as "Monitoring Parameters".

The Discharger shall implement the attached Monitoring and Reporting Program No. R7-2010-0008 and revisions thereto, to detect at the earliest opportunity, any unauthorized discharge of

waste constituents from the facility, or any impairment of beneficial uses associated with (caused by) discharges of waste to the mud sumps/containment basins.

Water used for the process and site maintenance, shall be limited to the amount necessary for the process, dust control, and for cleanup and maintenance.

The Discharger shall not cause or permit the release of pollutants, or waste constituents in a manner that could cause or contribute to a condition of contamination, nuisance, or pollution.

B. Prohibitions

1. Geothermal wells shall be drilled to minimize mixing of drilling mud and cuttings with geothermal brine. Only a small amount of brine may commingle with drilling mud, primarily brines in that part of the formation displaced by the drill bit. Geothermal brine will not be discharged into mud sumps/containment basins. Standing fluid observed in mud sumps/containment basins (if any) will be removed immediately, stored in portable tanks, and returned to the geothermal resource, or discharged offsite into Class II surface impoundments constructed pursuant to Title 27.
2. The discharge of solid geothermal waste to mud sumps/containment basins as a final means of disposal is prohibited without authorization by the Regional Water Board Executive Officer.
3. The Discharger shall not cause degradation of any groundwater aquifer or supply water.
4. The discharge of waste to land not owned or controlled by the Discharger is prohibited.
5. Use of geothermal brine or drilling muds for dust control on access roads or well pads is prohibited.
6. The discharge of hazardous or designated wastes to areas other than a waste management unit authorized to receive such waste is prohibited.
7. Permanent (longer than one (1) year) disposal or storage of drilling waste to mud sumps/containment basins is prohibited, unless authorized by the Regional Water Board Executive Officer.
8. All mud sumps/containment basins must be lined. Drilling waste shall not penetrate the lining during the containment period.
9. Direct or indirect discharge of geothermal drilling wastes in mud sumps/containment basins or tanks, to surface water or surface drainage courses (including canals, drains, or subsurface drainage systems), is prohibited except as allowed under an appropriate NPDES permit.
10. The Discharger shall neither cause nor contribute to the contamination or pollution of groundwater via the release of waste constituents.

C. Provisions

1. The Discharger shall comply with Monitoring and Reporting Program No. R7-2010-0008 and future revisions thereto, as specified by the Regional Water Board Executive Officer.
2. Unless otherwise approved by the Regional Water Board Executive Officer, all analyses shall be conducted at a laboratory certified for such analyses by the California Department of Public Health. All analyses shall be conducted in accordance with the latest edition of "Guidelines Establishing Test Procedures for Analysis of Pollutants", promulgated by the U.S. Environmental Protection Agency.
3. Prior to any change in ownership of this operation, the Discharger shall transmit a copy of this Board Order to the succeeding owner/operator, and forward a copy of the transmittal letter to the Regional Water Board.
4. Prior to any modification that would result in a material change in the quality or quantity of discharge, or material change in the location of the discharge, the Discharger shall report all pertinent information in writing to the Regional Water Board Executive Officer, and obtain revised requirements before implementing the modification.
5. Synthetic liner placement and welding must be certified by the installer to verify factory requirements were satisfied, and no damage occurred during placement. Certification signed by a California Registered Engineer or Geologist must be submitted, in writing, to the Regional Water Board prior to use of the temporary mud sump/containment basin, or equivalent system approved by the Regional Water Board's Executive Officer.
6. The Discharger shall ensure that all site-operating personnel are familiar with the content of this Board Order, and shall maintain a copy of this Board Order at the site.
7. This Board Order does not authorize violation of any federal, state, or local laws or regulations.
8. The Discharger shall allow the Regional Water Board, or an authorized representative, upon presentation of credentials and other documents, as may be required by law, to:
 - a. Enter upon the premises regulated by this Board Order, or the place where records must be kept under the conditions of this Board Order;
 - b. Have access to and copy, at reasonable times, any records that shall be kept under the condition of this Board Order;
 - c. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Board Order; and
 - d. Sample or monitor at reasonable times, for the purpose of assuring compliance with this Board Order or as otherwise authorized by the California Water Code, any substances or parameters at this location.
9. The Discharger shall at all times properly operate and maintain all facilities and systems of treatment and control, and related appurtenances, that are installed or used by the Discharger to achieve compliance with this Board Order. Proper operation and

maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures.

10. The Discharger shall comply with the following:
 - a. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity;
 - b. The Discharger shall retain records of all monitoring information, copies of all reports required by the Board Order, and records of all data used to complete the application of the Board Order, for a period of at least five (5) years from the date of the sample, measurement, report or application. This period may be extended by the Regional Water Board Executive Officer at any time;
 - c. Records of monitoring information shall include:
 - i. The date, exact place(s), and time of sampling or measurement(s);
 - ii. The individual(s) who performed the sampling or measurement(s);
 - iii. The date(s) analyses were performed;
 - iv. The individual(s) responsible for reviewing the analyses;
 - v. The results of such analyses; and
 - d. Monitoring must be conducted according to test procedures described in the Monitoring and Reporting Program, unless other test procedures have been approved by the Regional Water Board Executive Officer.
11. The Discharger is the responsible party for the WDRs, and the Monitoring and Reporting Program for the Facility. Ram Power, Inc., shall comply with all conditions of these WDRs. Violations may result in enforcement action, including Regional Water Board Orders or court orders that require corrective action or impose civil monetary liability, or modification or revocation of these WDRs by the Regional Water Board.
12. The Discharger shall furnish, under penalty of perjury, technical monitoring program reports submitted pursuant to the specifications provided by the Regional Water Board Executive Officer. Specifications are subject to periodic revision as may be warranted.
13. Monitoring reports and the letter transmitting the monitoring reports shall be signed by a principal executive officer, at the level of vice-president or above, or by his/her duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates. The letter shall contain a statement by the official, under penalty of perjury, that to the best of the signer's knowledge the report is true, complete, and correct. Hydrogeological and or technical reports and or plans shall be prepared or directly supervised by, and signed and stamped by a California Professional Geologist, Certified Engineering Geologist, or Civil Engineer.
14. The Discharger shall apply for coverage under the applicable Construction General Permit (CGP) for Discharges of Storm Water Runoff Associated with Construction Activity. For construction activities commencing before July 1, 2010, the applicable CGP is State Water Board Order No. 99-08-DWQ. For construction activities commencing or continuing on or after July 1, 2010, the applicable CGP is State Water Board Order No. 2009-0009-DWQ

(NPDES No. CAS000002). Accordingly, the Discharger must submit a Notice of Intent and the other documents specified under the applicable CGP, and the appropriate fee to the State Water Board prior to commencement of construction activities.

15. This Board Order does not convey property rights of any sort, or any exclusive privileges; nor does it authorize injury to private property, invasion of personal rights, or infringement of federal, state, or local laws and regulations.
16. This Board Order may be modified, rescinded, or reissued for cause. The filing of a request by the Discharger to modify, or rescind or reissue a Board Order does not stay any Board Order condition. Likewise, notification of planned changes or anticipated noncompliance does not stay any Board Order condition. Causes for modification include: changes in land application plans, sludge use, or disposal practices; or promulgation of new regulations by the State or Regional Water Boards, including revisions to the Basin Plan.
17. Within thirty (30) days of the adoption of this Board Order, the Discharger shall submit a list of surface landowners (including responsible contact's name, address and phone number) for all land containing existing or proposed facilities and/or appurtenances related to the operation of this geothermal exploration project. This list will be used to contact responsible parties if corrective action measures become necessary due to a release of pollutants to the environment.

I, Robert Perdue, Executive Officer, do hereby certify the foregoing is a full, true and correct copy of an Order adopted by the California Regional Water Quality Control Board, Colorado River Basin Region, on March 18, 2010.

Ordered by: original signed by
ROBERT PERDUE
Executive Officer