

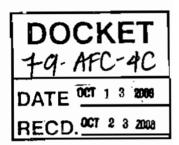
Bottle Rock Power, LLC 7385 High Valley Road P.O. Box 326 Cobb, CA 95426 Phone: (707) 928-4578

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13 October 2008

Fax:

Dale Rundquist Compliance Project Manager Energy Facilities Siting Division 1516 Ninth Street, MS-2000 Sacramento, CA 95814-5512 (916) 651-2072 (916) 654-3882 FAX



RE: Bottle Rock Power Plant Drilling Sump Compliance

Dear Mr. Rundquist:

On Saturday October 4, 2008 the Francisco Drilling Sump reached a free board level of one (1) foot. Immediate corrective action where taken to lower the sump level to four (4) feet of free board with in two hours. It was concluded that the early rains and cooler temperature caused an increase in water generation at the plant and in turn an increase flow to the sump.

An assessment of each sump was conducted on October 10th. The West Coleman sump had a free board of eight (8) to ten (10) feet, Francisco sump four (4) feet and Coleman sump two (2) feet.

Though efforts to minimize the drilling fluid to the sumps were made and others are in the planning stages Bottle Rock Power, LLC (BRP) found it necessary to take a more aggressive approach to lower the sump level at the Coleman well pad in order to meet the compliance level of three (3) feet of free board as soon as possible.

Theses secondary actions taken include:

- 1) Rental of four (4), 18,000 gallon storage to hold drilling fluids temporarily
- 2) Tanker trucks to transport sump material to off site disposal.

Although the above actions will help to give BRP a temporary and interim fix of the sump eompliance, corrective actions to maintain compliance include:

1) The drilling of an additional injection well – Completion date tentative for

October 31, 2008

- 2) The use of a Dewatering unit project to be submitted October 16, 2008
- 3) The use of a sand screw Project to be submitted October 16, 2008
- 4) The conversation over to sumpless drilling.

If you have any comments or other questions, please contact me at 707.928.4578.

Respectfully,

Karon Thomas

Compliance Manager Bottle Rock Power Plant

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Cc: Ron Yoder

Ken Williams

Guy Childs