STATE OF OREGON

COUNTY OF GRANT

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

R. R. MCHALEY P.O. BOX 51 PRAIRIE CITY, OREGON 97869

confirms the right to use the waters of JOHN DAY RIVER, a tributary of COLUMBIA RIVER, for the purpose of IRRIGATING 2.3 ACRES.

The right has been confirmed by decree of the Circuit Court of the State of Oregon for GRANT County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 15, at page 461. The date of priority is 1870.

The right is limited to not more than 0.06 CUBIC FOOT PER SECOND.

The point of diversion is located as follows:

NW 1/4 SW 1/4, SECTION 7, T 13 S, R 34 E, W.M.: 3050 FEET SOUTH & 370 FEET EAST FROM NW CORNER, SECTION 7.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to ONE-FORTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated FROM APRIL 1 TO SEPTEMBER 30; FURTHER LIMITED TO 1 ACRE FOOT PER ACRE PER CALENDAR MONTH TO JULY 1 AND 3/4 ACRE FOOT PER ACRE PER CALENDAR MONTH THEREAFTER, and shall be further limited to a diversion of not to exceed 5.0 acre-feet per acre for each acre irrigated during the irrigation season of each year.

A description of the place of use under the right, and to which such right is appurtenant, is as follows:

SE 1/4 SE 1/4 2.3 ACRES SECTION 2

TOWNSHIP 13 SOUTH, RANGE 33 EAST, W.M.

(This land has a supplemental supply from Slaughter House Gulch under numerous unnamed ditches with priority of 1872)

This certificate describes that portion of the water right confirmed by certificate 38303, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered JUNE 2, 1989, approving transfer application 6164.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described and shall be subject to all other conditions and limitations contained in said decree.

WITNESS the signature of the Water Resources Director, affixed this date JUNE 12, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 61648

T-6164.BE