

STATE OF OREGON
COUNTY OF HARNEY
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

U.S. BUREAU OF LAND MANAGEMENT
28910 HIGHWAY 20 WEST
HINES, OREGON 97738

BLM No. 02-465

confirms the right to store the waters from NORTH FAY CANYON CREEK, LOCATED IN THE MALHEUR LAKE BASIN in MIDDLE FAY CANYON RESERVOIR FOR LIVESTOCK.

The right to store these waters was perfected under Reservoir Permit R-2885. The date of priority is JULY 26, 1961. The amount of water entitled to be stored each year under this right is not more than 1.60 ACRE-FEET.

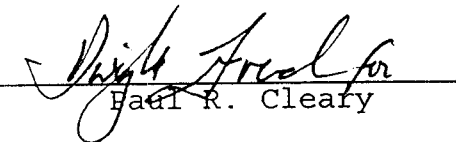
The reservoir is located as follows:

SW 1/4 NE 1/4
SECTION 35
TOWNSHIP 24 SOUTH, RANGE 28 EAST, W.M.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

The right to store and use the water for the above purpose is restricted to beneficial use at the place of use described.

WITNESS the signature of the Water Resources Director, affixed December 10, 2001.


Paul R. Cleary

Recorded in State Record of Water Right Certificates numbered 78799.

R-35542.GB