STATE OF OREGON

COUNTY OF BAKER

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DAVID AND CAROL PHILLIPS PO BOX 493 BAKER CITY, OREGON 97814

confirms the right to use the waters of A WELL in the PINE CREEK BASIN for SUPPLEMENTAL IRRIGATION OF 137.4 ACRES.

This right was perfected under Permit G-11521. The date of priority is JANUARY 6, 1992. This right is limited to 1.72 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 NW 1/4, SECTION 22, T 8 S, R 39 E, W.M.; 123 FEET NORTH AND 532 FEET WEST FROM THE CENTER 1/4 CORNER OF SECTION 22.

The amount of water used for irrigation together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 3.0 acre-feet for each acre irrigated during the irrigation season of each year. This right is limited to any deficiency in the available supply of any prior right existing for the same land.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use to which this right is appurtenant is as follows:

NE 1/4 NW 1/4 24.4 ACRES NW 1/4 NW 1/4 40.0 ACRES SW 1/4 NW 1/4 39.1 ACRES SE 1/4 NW 1/4 33.9 ACRES

SECTION 22

TOWNSHIP 8 SOUTH, RANGE 39 EAST, W.M.

When required by the department, the user shall install and maintain a weir, meter or other suitable measuring device and shall keep a complete record of the amount of ground water withdrawn.

The Director may require water level or pump test results every ten years.

Failure to comply with any of the provisions of this right may result in action including, but not limited to restrictions on the use, civil penalties, or cancellation of the right.

This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described.

WITNESS the signature of the Water Resources Director, affixed March 29, 2002.

Recorded in State Record of Water Right Certificates Number 79417.