

STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

James and Nancy Cowan
PO Box 628
Sisters OR 97759

confirms the right to use the waters of a WELL in the Deschutes BASIN for IRRIGATION of 67.1 acres.

This right was perfected under Permit G-12879. The date of priority is October 18, 1994. The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 0.84 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the well.

The well is located as follows:

NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T 16 S, R 10 E, W.M., 1143 FEET SOUTH
and 474 FEET WEST of the NE corner of Section 2.

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 for each acre irrigated and shall be further limited to a diversion of not to exceed 3 acre-feet per acre for each acre irrigated during the irrigation season of each year.

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

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.

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

Lot 1	1.00 ACRE
NE SE	36.89 ACRES
NW SE	2.10 ACRES
SW SE	4.74 ACRES
SE SE	22.37 ACRES

SECTION 2
TOWNSHIP 16 SOUTH, RANGE 10 EAST, W.M.

This use may be regulated if analysis of data available discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of this right, or as those quantities may be subsequently reduced.

The groundwater right evidenced by this Certificate is issued as the primary water right serving appurtenant property. As an interim measure to clear the record of existing surface water rights, the water user is temporarily leasing to instream purposes the surface water rights evidenced by the portions of Certificates 74524 and 74525 appurtenant to the water user's property (hereinafter "surface water rights").

The water user shall make permanent disposition of the surface water rights by filing a permanent transfer application no later than six months following adoption by the Water Resources Commission of administrative rules governing the process for satisfying mitigation requirements and establishing mitigation credits relating to the protection of State Scenic Waterways in the Deschutes Basin. Such permanent disposition may take the form of a permanent instream transfer related to mitigation under the Scenic Waterways mitigation rules, or other permanent transfer to change the type of use or place of use of the surface water rights. The determination of whether all or any portion of Certificates 75254 or 74525 may qualify as mitigation or mitigation credits shall be subject to the rules adopted by the Water Resources Commission, and review of any application submitted thereunder. Nothing in this Certificate shall constitute a determination as to whether or not a proposal to transfer the surface water rights will qualify as mitigation under the rules.

If the water user fails to make permanent disposition of the surface water rights as provided above, or if the water user's permanent transfer application is denied by the Water Resources Department, the surface water rights shall be diminished from primary irrigation to supplemental irrigation, and this ground water shall continue to be the primary right for the appurtenant property.

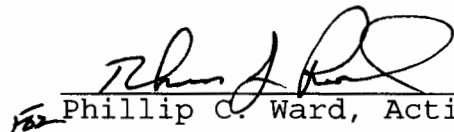
The water user shall install and maintain a meter or other suitable measuring device, and shall keep a complete record of the amount of groundwater used each month, and shall submit a report of those recorded measurements to the Department annually or more frequently if required by the Director. The Director may also require the water user to report general water-use information, including the place and nature of use of water under the right.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and include an air line and pressure gauge adequate to determine water level in the well at all times.

This certificate is issued to correctly describe that portion of the water right originally evidenced by Certificate 79171 NOT modified by the provisions of an order of the Water Resources Director entered June 7, 2004 approving Transfer 9418. This certificate corrects a scrivener's error and supersedes Certificate 80667.

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.

WITNESS the signature of the Water Resources Director,
affixed July 6, 2004.


Phillip C. Ward, Acting Director

Recorded in State Record of Water Right Certificates numbered 80799.