

STATE OF OREGON
COUNTY OF CROOK
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

STATE OF OREGON
WATER RESOURCES DEPARTMENT

confirms the right to use the waters of the Crooked River, a tributary of the Deschutes River, for instream use for fish and wildlife habitat, recreation and pollution abatement.

This right was confirmed by decree of the Circuit Court of the State of Oregon for Crook County. The decree is of record at Salem, in the Order Record of the Water Resources Director in Volume 1, at Page 449. The date of priority is 1898 and 1904/1910. The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 0.431 CFS within reach #1 under the 1904/1910 priority date and shall not exceed 1.296 CFS within reach #2, being 0.856 CFS under the 1898 priority date and 0.431 CFS under the 1904/1910 priority date, or its equivalent in case of rotation, measured at the point of diversion, from May 23 through October 31.

The description of the stream reach in which flows are to be maintained is as follows:

Reach #1: from the location of the diversion authorized previously under Certificate 75556, located at:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
15 S	16 E	WM	8	NW SW	1920 feet North and 340 feet East from the SW Corner, Section 8

To the beginning point of Reach #2.

Reach #2: from the location of the diversion authorized previously under Certificate 75556, located at:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
14 S	14 E	WM	20	SE SE	325 feet North and 120 feet West from the SE Corner, Section 20

To Lake Billy Chinook.

Within the specified stream reach, the amount of water to which this right is entitled shall not exceed the quantity of water legally available at the original point of diversion. Stream channel losses and gains calculated based on available data and the use of water by senior appropriators will determine the amount of water to which this right is entitled downstream from the original point of diversion within the specified stream reach.

The instream right established by this transfer shall replace a portion of instream water rights established pursuant to ORS 537.341 or 537.346 and shall be in addition to instream water rights established pursuant to ORS 537.348 or 537.470, unless otherwise specified by a subsequent order establishing a new instream water right.

The right is subject to all other terms and conditions of Certificate 75556, and any related decree.

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

Mitigation Credit Award

Mitigation Project: MP-25
Mitigation Credits Awarded: 187.4 credits for Certificate 81584
Zone of Impact: These mitigation credits may be used beginning January 1, 2006,
to satisfy a mitigation obligation in the Crooked River
and/or General Zones of Impact

Each mitigation credit equals 1.0 AF of mitigation water, as determined by the Department.

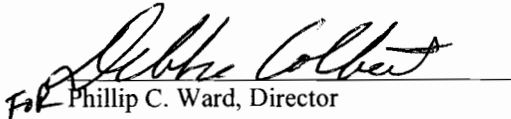
The number of mitigation credits awarded is a portion of the total volume of water dedicated to instream use, being 416.4 Acre-Feet (AF). The remaining balance of water dedicated to instream use, and not used to satisfy the mitigation obligation of a ground water permit (and subsequent certificate), will benefit instream flows.

The mitigation credits or mitigation water established by this instream water right may be used to satisfy a mitigation obligation of a ground water permit application(s) and/or a ground water permit(s)/certificate(s) within the Deschutes Ground Water Study Area pursuant to the Deschutes Ground Water Mitigation Rules.

Mitigation Credits are valid beginning January 1, 2006, and are then valid until used to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder.

This certificate is issued to confirm a change in use and place of use approved by an order of the Water Resources Director approving Transfer 9687, and along with Certificate 81601 supersedes Certificate 75556, State Record of Water Right Certificates.

WITNESS the signature of the Water Resources Director, affixed December 5, 2005


Phillip C. Ward, Director