STATE OF OREGON

COUNTY OF GRANT

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BARBARA R. MORGAN RT 2, BOX 641 PRAIRIE CITY OR 97869

ELMWOOD RANCH, INC RUSSELL RICCO PRAIRIE CITY OR 97869

confirms the right to use the waters of REYNOLDS CREEK, a tributary of JOHN DAY RIVER, for IRRIGATION of 50.0 ACRES.

This right was perfected under Permit S-49972. The date of priority is DECEMBER 29, 1986. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1.25 CUBIC FEET PER SECOND or its equivalent in case of rotation, measured at the point of diversion.

The points of diversion (POD) are located as follows:

POD	Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates		
1	13 S	35 E	WM	30	NE NW	100 FEET SOUTH & 300 FEET WEST FROM		
						THE N1/4 CORNER, SECTION 30		
2	13 S	34 E	WM	25	SW NE	2100 FEET SOUTH & 700 FEET EAST FROM		
						THE N1/4 CORNER, SECTION 25		
3	13 S	34 E	WM	25	SE NW	2450 FEET SOUTH & 200 FEET WEST FROM		
					,	THE N1/4 CORNER, SECTION 25		
4	13 S	34E	WM	25	SE NW	2450 FEET SOUTH & 1100 FEET WEST FROM		
						THE N1/4 CORNER, SECTION 25		

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-FORTIETH 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 4.0 acre-feet per acre for each acre irrigated during the irrigation season of each year. 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.

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an 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. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

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

IRRIGATION											
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres				
13 S	34 E	WM	25	NE NE			9.0				
13 S	34 E	WM	25	SW NE			1.0				
13 S	34 E	WM	25	SW NW			13.0				
13 S	34 E	WM	25	SE NW			14.0				
13 S.	35 E	WM	19	SW SW			5.5				
13 S	35 E	WM	19	SE SW			4.0				
13 S	35 E	WM	30	NW NW			3.5				

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.

WITNESS the signature of the Water Resources Director, affixed May ________, 2006.

Phillip (Ward, Director

Water Resources Department