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.

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.

STATE OF OREGON

COUNTY OF DESCHUTES

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

TOLLGATE WATER COMPANY 15004 SADDLE SISTERS, OREGON 97759

confirms the right to use the waters of WELL NO. 1 AND WELL NO. 2 in the DESCHUTES RIVER BASIN for QUASI-MUNICIPAL USE.

This right was perfected under Permit G-12339. The date of priority is APRIL 15, 1992. This right is limited to 0.76 CUBIC FOOT PER SECOND (CFS) or its equivalent in case of rotation, measured at the wells. The use of water under this right, and the right perfected under Permit No. G-6798 shall not exceed 2.06 cfs.

The wells are located as follows:

WELL NO. 1 - NE 1/4 SW 1/4, SECTION 31, TOWNSHIP 14 SOUTH, RANGE 10 EAST, W.M.; 2327 FEET NORTH AND 2560 FEET EAST FROM THE SW CORNER OF SECTION 31; AND

WELL NO. 2 - NW 1/4 NW 1/4, SECTION 5, TOWNSHIP 15 SOUTH, RANGE 10 EAST, W.M.; 150 FEET SOUTH AND 150 FEET EAST FROM THE NW CORNER OF SECTION 5.

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

W 1/2 NW 1/4 SE 1/4 S 1/2 SE 1/4 SECTION 31

TOWNSHIP 14 SOUTH, RANGE 10 EAST, W.M.

NW 1/4 NW 1/4 SECTION 5 TOWNSHIP 15 SOUTH, RANGE 10 EAST, W.M.

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

Measurement, recording and reporting conditions:

- A. The water user shall install a meter or other suitable measuring device as approved by the Director. The water user shall maintain the meter or measuring device in good working order.
- B. The water user shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

Use of water under authority of this right 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 the right or as those quantities may be subsequently reduced.

If a well listed on this right (or replacement well) displays a total static water-level decline of 25 or more feet over any period of years, as compared to the referenced level, then the water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the wells. Such action shall be taken until the water level recovers to above the 25-foot decline level or until the Department determines,

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based on the water user's and/or Department's data analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

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 may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The Department may require 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.

The right to the use of the water for the above purpose is restricted to beneficial use without waste on the lands or place of use described. 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 use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

WITNESS the signature of the Water Resources Director, affixed

July_2/_,2006

Phildip C. Ward, Director Water Resources Department

Recorded in State Record of Water Right Certificates numbered 82121

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