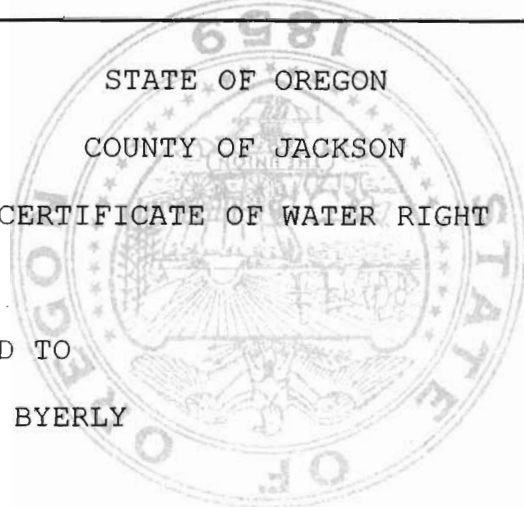


This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial 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.

STATE OF OREGON
COUNTY OF JACKSON
CERTIFICATE OF WATER RIGHT



THIS CERTIFICATE ISSUED TO

GENE HANSON AND/OR RON BYERLY
4501 COAL MINE RD
MEDFORD, OREGON 97501

confirms the right to use the waters of LARSEN CREEK, a tributary of BEAR CREEK, for IRRIGATION OF 10.4 ACRES.

This right was confirmed by decree of the Circuit Court of the State of Oregon for JACKSON County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 4, at Page 1. The date of priority is 1903.

The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.13 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion are located as follows:

DIVERSION 1: NW 1/4 SW 1/4, SECTION 35, T 37 S, R 1 W, W.M.; 60 FEET SOUTH AND 1100 FEET EAST FROM THE W 1/4 CORNER, SECTION 35

DIVERSION 2: ANDERSON DITCH: NW 1/4 SW 1/4, SECTION 35, T 37 S, R 1 W, W.M.; 610 FEET NORTH AND 950 FEET WEST FROM THE SE CORNER, SUTHERLAND DLC 56

The quantity of water diverted at the new point of diversion, together with that diverted at the old diversion, shall not exceed the quantity of water available at the old point of diversion under the subject right, and shall not exceed 0.13 cubic foot per second.

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

DIVERSION 1 DIVERSION 2
NW 1/4 SW 1/4 9.4 ACRES 1.0 ACRE
ALL AS PROJECTED WITHIN SUTHERLAND DLC 56
SECTION 35
TOWNSHIP 37 SOUTH, RANGE 1 WEST, W.M.

When in the judgment of the Watermaster it becomes necessary to install headgates and measuring devices:

the diversion works shall include an in-line flow meter, a weir, or other suitable device for measuring the water to which the wateruser is entitled;

the type and plans of the measuring device be approved by the Watermaster before the beginning of construction work and that the weir or measuring device be installed under the general supervision of said Watermaster.

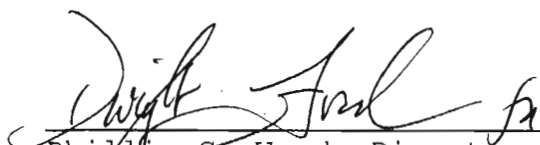
This certificate is issued to confirm a change in PLACE OF USE AND POINT OF DIVERSION approved by an order of the Water Resources Director entered APRIL 30, 1979, approving Transfer Application 4198, and together with Certificate 82376, supersedes Certificate 15918, State Record of Water Right Certificates.

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.

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 and is subject to all other conditions and limitations contained in said decree.

WITNESS the signature of the Water Resources Director, affixed

DEC 15 2006


Phillip C. Ward, Director
Oregon Water Resources Department



Recorded in State Record of Water Right Certificates numbered 82788.

T-4198.JWG