

STATE OF OREGON
 COUNTY OF MARION
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

MALLORIES DAIRY INC.
 PO BOX 720
 SILVERTON OR 97381

confirms the right to use the waters of THREE WELLS in the PUDDING RIVER Basin for A DAIRY OPERATION.

This right was perfected under Permit G-11620. The date of priority is OCTOBER 9, 1991. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 281 GALLONS PER MINUTE (GPM), BEING 75 GPM FROM WELL 1, 123 GPM FROM WELL 2, AND 83 GPM FROM WELL 3, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	Measured Distances
2	6 S	1 W	WM	32	NW NE •	1052 FEET SOUTH & 2616 FEET WEST FROM NE CORNER, SECTION 32
3	6 S	1 W	WM	32	NW NE	1050 FEET SOUTH & 2579 FEET WEST FROM NE CORNER, SECTION 32
1	6 S	1 W	WM	32	SW NE	1336 FEET SOUTH & 2530 FEET WEST FROM NE CORNER, SECTION 32

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:

Twp	Rng	Mer	Sec	Q-Q
6 S	1 W	WM	32	NW NE
6 S	1 W	WM	32	SW NE
6 S	1 W	WM	32	SE NW

The wells 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 wells at all times.

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.

Measurement, recording and reporting conditions:

- A. 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.

The Director may require water level or pump tests every ten years.

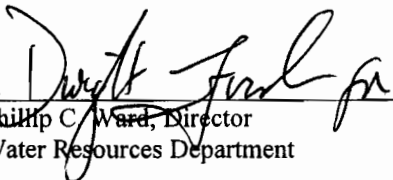
Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right is for the beneficial use of water without waste. 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 of water shall be limited when it interferes with any prior surface or ground water rights.

Issued DEC 12 2008


Phillip C. Ward, Director
Water Resources Department