

STATE OF OREGON
 COUNTY OF DESCHUTES
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BLACK BUTTE RANCH CORPORATION and,
 BLACK BUTTE RANCH ASSOCIATION
 PO BOX 8000
 BLACK BUTTE RANCH OR 97759

confirms the right to use the waters of TWO WELLS in the SQUAW CREEK Basin for QUASI-MUNICIPAL USE.

This right was perfected under Permit G-11710. The date of priority is NOVEMBER 18, 1991. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 4.8 CUBIC FEET PER SECOND (CFS), BEING 2.7 CFS FROM WELL #4 AND 2.1 CFS FROM WELL 2 or its equivalent in case of rotation, measured at the well.

The source of water allowed under this right is limited to the water bearing zone approximately 300 feet below land surface at the well locations.

The well is located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	Measured Distances
#4	14 S	9 E	WM	9	SW SW	4943 FEET SOUTH & 412 FEET EAST FROM NW CORNER, SECTION 9
#2	14 S	9 E	WM	16	SE NE	1530 FEET SOUTH & 1236 FEET WEST FROM NE CORNER, SECTION 16

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

QUASI-MUNICIPAL USE						
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
14 S	9 E	WM	9	ALL		
14 S	9 E	WM	10	W 1/2 NE 1/4		
14 S	9 E	WM	10	NW 1/4		
14 S	9 E	WM	10	N 1/2 SW 1/4		

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.

QUASI-MUNICIPAL USE						
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
14 S	9 E	WM	10	SW 1/4 SW 1/4		
14 S	9 E	WM	15	W 1/2		
14 S	9 E	WM	16	E 1/2 NE 1/4		
14 S	9 E	WM	21	NE 1/4		
14 S	9 E	WM	21	E 1/2 NW 1/4		
14 S	9 E	WM	21	NE 1/4 SW 1/4		
14 S	9 E	WM	21	N 1/2 SE 1/4		
14 S	9 E	WM	22	N 1/2 N 1/2		
14 S	9 E	WM	23	NW 1/4 NW 1/4		

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 to determine the water level elevation in the well at all times.

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water-use information, including the place and nature of use of water under the right.
- 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.

The water user shall monitor and report the impact of water use under this right on water levels within the aquifer that provides water to the well(s) in accordance with the plan on file with the Department. If a well listed on this right displays a total static water-level decline of 25 or more feet over any period of years, as compared to the reference level, then the water user shall discontinue use of, or reduce the rate or volume of withdraw from, the well(s). Such action shall be taken until the water level recovers to above the 25 foot decline level or until the Department determines, based on the water user or the Department's data and 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 to occur within the aquifer as a result of use under this right.

In the event of a request for a change in point of appropriation, an additional point of appropriation or alteration of the facility associated with this authorized diversion, the quantity of water allowed herein, together with any other right, shall not exceed the capacity of the facility at the time of perfection of this right.

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

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.

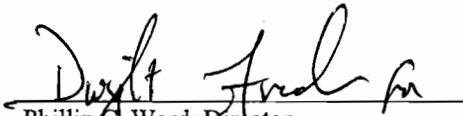
This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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.

Water may be applied to lands which are not specifically described above, provided the holder of this right complies with ORS 540.510(3).

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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Phillip C. Ward, Director
Water Resources Department