

STATE OF OREGON

COUNTY OF CROOK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

RED ROCK LLC  
 385 1ST ST SUITE 215  
 LAKE OSWEGO OR 97034

confirms the right to use the waters of TWO WELLS in the DRY RIVER BASIN for IRRIGATION of 194.6 ACRES.

This right was perfected under Permit G-13237. The date of priority is AUGUST 9, 1996. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 2.43 CUBIC FEET PER SECOND (cfs), being 2.13 cfs from well 2E, and 0.30 cfs from Well 4E, or its equivalent in case of rotation, measured at the wells. The period of use shall be from March 1 to October 31 of each year.

The wells are located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
14 S	14 E	WM	34	SE NW	Well 2E - 2140 FEET SOUTH AND 1900 FEET EAST FROM NW CORNER OF SECTION 34
14 S	14 E	WM	34	SW SE	Well 4E - 620 FEET NORTH AND 2810 FEET EAST FROM SW CORNER OF SECTION 34

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH one cubic foot per second (or its equivalent) and 3.0 acre-feet for each acre irrigated during the irrigation season of each year. The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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

IRRIGATION					
WELL 2E					
Twp	Rng	Mer	Sec	Q-Q	Acres
14 S	14 E	WM	33	NE NE	35.30
14 S	14 E	WM	33	NW NE	1.50
14 S	14 E	WM	33	SW NE	1.60
14 S	14 E	WM	33	SE NE	35.80
14 S	14 E	WM	33	NE SE	1.40
14 S	14 E	WM	34	SW NE	32.00
14 S	14 E	WM	34	SE NE	8.50
14 S	14 E	WM	34	NE NW	0.20
14 S	14 E	WM	34	NW NW	33.00
14 S	14 E	WM	34	SW NW	4.60
14 S	14 E	WM	34	SE NW	2.10
14 S	14 E	WM	34	NW SW	1.20
14 S	14 E	WM	34	NE SE	2.30
14 S	14 E	WM	34	NW SE	11.20
Well 4E					
14 S	14 E	WM	34	SW SE	22.20
14 S	14 E	WM	34	SE SE	1.70

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 reference level against which future annual measurement will be compared is 266 feet below ground surface (bgs) for Well 2E and 265 bgs for Well 4E.

The Director may require the water user to obtain additional measurements. The additional measurements may be required in a different month. If the measurement requirement is stopped, the director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well if annual water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The period of non or restricted use shall continue until the annual water level rises above the decline level which triggered the action or until the Department determines, based on the water users and/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, as defined in Commission rules, to occur within the aquifer as a result of use under this certificate. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

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 substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this certificate, 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 wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon and 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 Director may require water level or 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 of water shall be limited when it interferes with any prior surface or ground water rights.

This certificate describes that portion of the water right confirmed by Certificate 82659, State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered ~~DEC 24 2009~~, approving Transfer Application T-10457.

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.

WITNESS the signature of the Water Resources Director, affixed December 24, 2009



Phillip C. Ward, Director