

STATE OF OREGON

COUNTY OF YAMHILL

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

KNUDSEN VINEYARDS
PO BOX 280
DUNDEE OR 97115

confirms the right to use the waters of WELLS 5 & 6 in the HESS CREEK Basin for SUPPLEMENTAL IRRIGATION of 126.18 ACRES.

This right was perfected under Permit G-11701. The date of priority is MAY 28, 1992. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 70.0 GALLONS PER MINUTE (GPM), BEING 35.0 GPM FROM WELL 5 AND 35.0 GPM FROM WELL 6 or its equivalent in case of rotation, measured at the wells.

The period of allowed use is March 1 through October 31.

The wells are located as follows:

WELL	Twp	Rng	Mer	Sec	Q-Q	DLC	Measured Distances
5	3 S	3 W	WM	28	SW SE	55	905 FEET NORTH & 1535 FEET WEST FROM SE CORNER, SECTION 28
6	3 S	3 W	WM	28	SW SE	55	480 FEET NORTH & 2200 FEET WEST FROM SE CORNER, SECTION 28

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second, or its equivalent for each acre irrigated, and shall be further limited to a diversion of not to exceed 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

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

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.

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

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
3 S	3 W	WM	28	SW NE			28.76
3 S	3 W	WM	28	SW NW			5.25
3 S	3 W	WM	28	SE NW			29.57
3 S	3 W	WM	28	NE SW			19.14
3 S	3 W	WM	28	SE SW	3		1.37
3 S	3 W	WM	28	SE SW		55	0.56
3 S	3 W	WM	28	NE SE			0.15
3 S	3 W	WM	28	NW SE			20.23
3 S	3 W	WM	28	SW SE	2		1.59
3 S	3 W	WM	28	SW SE		55	19.44
3 S	3 W	WM	33	NW NE		55	0.12

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.
- 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 water user shall obtain a static water-level measurement for each well during April of each year and report the measurement to the Department within thirty days. The measurement shall be made by a certified water rights examiner, registered professional geologist, certified engineering geologist, professional engineer, and licensed well constructor or pump installer licensed by the Construction Contractors Board. Water levels shall be reported as depth-to-water below ground level and shall be accompanied by supporting calculations. 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 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, 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 reference level for water-level declines shall be the second annual measurement taken after water use begins under the terms of this right. The water user shall in no instance allow excessive decline to occur within the aquifer as a result of use under this right.

The reference level against which any future measurements will be compared for Well 5 is 85.3 feet and for Well 6 is 99.6 feet below land surface.

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.

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.

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.

Issued DEC 14 2010



Dwight W. French
Administrator Water Rights and Adjudications, for
Phillip C. Ward, Director
Oregon Water Resources Department