STATE OF OREGON

COUNTY OF MARION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

BLUE LINE FARMS INC. 4741 BRUSH CREEK RD NE SILVERTON, OR 97381

confirms the right to use the waters of TWO WELLS in the PUDDING RIVER BASIN for IRRIGATION of 16.7 ACRES and SUPPLEMENTAL IRRIGATION of 116.3 ACRES.

This right was perfected under Permit G-11259. The date of priority is DECEMBER 26, 1990. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1.08 CUBIC FEET PER SECOND (CFS), BEING 0.21 CFS FROM WELL 1 FOR IRRIGATION AND 0.87 CFS FROM WELL 2 FOR BOTH IRRIGATION AND SUPPLEMENTAL IRRIGATION, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

Well	Twp	Rng	Mer	Sec	Q-Q	DLC	Measured Distances
1	7 S	1 W	WM	7	SW NW	53	1070 FEET NORTH AND 1120 FEET WEST FROM THE SW CORNER OF DLC 51
2	7 S	1 W	WM	7	NW SW	50	610 FEET SOUTH AND 270 FEET WEST FROM THE SW CORNER OF DLC 51

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 acrefeet 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 from the same land. The right to the use of the water for the above purpose is restricted to beneficially use on the lands or place of use described.

A description of the place of use is as follows:

IRRIGATION WELLS 1 & 2							
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
7 S	1 W	WM	7	SW SW		50	16.7

SUPPLEMENTAL IRRIGATION - WELL 2							
Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Acres
7 S	1 W	WM	7	SW NW		53	32.0
7 S	1 W	WM	7	SW NW		50	0.7
7 S	1 W	WM	7	SE NW		53	1.7
7 S	1 W	WM	7	NE SW		50	0.6
7 S	1 W	WM	7	NW SW		50	45.8
7 S	1 W	WM	7	SW SW		50	11.9
7 S	2 W	WM	12	SE NE		56	3.1
7 S	2 W	WM	12	SE NE		89	0.9
7 S	2 W	WM	12	NE SE		89	19.6

The water user shall report a March static water level in the well(s) to the Groundwater/Hydrology Section of the Water Resources Department by April 15 of each year. The measurement shall be made and calculations detailed by a certified water rights examiner, registered professional geologist, certified engineer geologist, professional engineer, licensed land surveyor, licensed water well constructor, licensed pump installer, or the water user.

Use of water from the well(s) shall not be allowed if the well(s) display (A) an average water level decline of 3 or more feet per year for 5 consecutive years, or (B) a water level decline of 15 or more feet in fewer than 5 consecutive years, or (C) a water level decline of 25 or more feet, or (D) a hydraulic interference decline of 25 or more feet in any neighboring well within senior priority which provides water for an authorized use.

The Water Resources Department has determined that the initial water level in the well(s) are those of the initial March report. That is the level from which the cited declines in (A), (B) and (C) above will be referenced.

The well(s) 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 well at all times. When required by the Department, the water user shall install and maintain a weir, meter, or other suitable measuring device and shall keep a complete record of the amount of ground water withdrawn.

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.

This right is for beneficial use of water without waste. The water user is advised that new regulations may require 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.

T-11942.rr.89107.lfb Page 2 of 3 Certificate 90703

This certificate describes that portion of the water right confirmed by Water Right Certificates, NOT modified by the provisions of an order entered	er of the Water Resources Director
The issuance of this superseding certificate does not confirm the state provisions of ORS 540.610 pertaining to forfeiture or abandonment.	us of the water right in regard to the
Dwight French, Water Right Services Administrator, for Thomas M. Byler, Director Oregon Water Resources Department	NOV 1 7 2015