

STATE OF OREGON

COUNTY OF POLK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

ARGYLE WINERY, INC.
PO BOX 280
DUNDEE OR 97115

confirms the right to use the waters of WELL 1 (POLK 50658) in KING CREEK BASIN for COMMERCIAL USES, IRRIGATION of 119.0 ACRES, SUPPLEMENTAL IRRIGATION of 39.1 ACRES, and POND MAINTENANCE of EOLA RESERVOIR, CONSTRUCTED UNDER PERMIT R-9965.

This right was perfected under Permit G-16455. The date of priority is APRIL 24, 2008. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 0.28 CUBIC FOOT PER SECOND (CFS), being 0.28 CFS for IRRIGATION, 0.06 CFS for COMMERCIAL USES, and 0.2 CFS for POND MAINTENANCE.

The period of allowed use is March 1 through October 31 for IRRIGATION; and year round for COMMERCIAL USES and POND MAINTENANCE.

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
6 S	4 W	WM	13	SW SW	1260 FEET NORTH AND 1230 FEET EAST FROM SW CORNER, SECTION 13

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 of one cubic foot per second and 2.5 acre-feet for each acre irrigated during the irrigation season of each year.

A description of the place of use is as follows:

COMMERCIAL USES					
Twp	Rng	Mer	Sec	Q-Q	GLot
6 S	4 W	WM	13	NE SW	3
6 S	4 W	WM	13	NW SW	
6 S	4 W	WM	13	SW SW	
6 S	4 W	WM	13	NW SE	2
6 S	4 W	WM	23	NE NE	
6 S	4 W	WM	24	NW NW	

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 and ORS 536.075. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 183.484, ORS 536.075 and OAR 137-004-0080, you may petition for judicial review and 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 within three months after issuance of the certificate.

IRRIGATION						
Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
6 S	4 W	WM	13	NE SW	3	9.1
6 S	4 W	WM	13	NW SW		18.3
6 S	4 W	WM	13	SW SW		30.8
6 S	4 W	WM	23	NE NE		35.9
6 S	4 W	WM	24	NW NW		24.9

SUPPLEMENTAL IRRIGATION						
Twp	Rng	Mer	Sec	Q-Q	GLot	Acres
6 S	4 W	WM	13	NE SW	3	13.3
6 S	4 W	WM	13	NW SE	2	7.9
6 S	4 W	WM	23	NE NE		4.8
6 S	4 W	WM	24	NW NW		13.1

POND MAINTENANCE					
Twp	Rng	Mer	Sec	Q-Q	
6 S	4 W	WM	13	SW SW	
6 S	4 W	WM	24	NW NW	

Measurement, recording and reporting conditions:

- A. The water user shall maintain a totalizing flow meter 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; provided however, where the meter is located within a private structure, the watermaster shall request access upon reasonable notice.

The Department requires the water user to obtain, from a qualified individual (see below), and report annual static water levels for each well on the right. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

The water user shall report annual March static water-level measurements whether or not the well is used. The reference level against which future measurements will be compared is 15.0 feet below ground surface. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

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. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least the standards specified in OAR 690-217-0045. The Department requires the individual performing the measurement to:

- (A) Associate each measurement with an owner's well name or number a Department well log ID; and
- (B) Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method of 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(s) if annual water level measurements reveal any of the following events:

- (A) Annual water-level measurements reveal an average water-level decline of three or more feet per year for five consecutive years; or
- (B) Annual water-level measurements reveal a water-level decline of 15 or more feet in fewer than five consecutive years; or
- (C) Annual water-level measurements reveal 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 restricted use shall continue until the water level rises above the decline level which triggered the action or the Department determines, based on the water user's 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 causing substantial interference with senior water rights. The water user shall not allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this right. 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.

The wells shall produce ground water only from the marine sediments ground water reservoir below the basalts of the Columbia River Basalt Group.

Irrigation allowed under this right shall be by drip irrigation or by an equally efficient method.

The OWRD Well Identification Number (Well ID tag) L-22674 shall be permanently attached to the well. L-22674 shall be referenced in any correspondence regarding the well, including any reports of water use, water level, or pump test data.

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.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, 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 interference.

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

The use may be restricted if the quality of downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

The Director may require water-level or pump-test results every ten years.

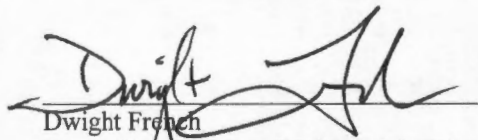
This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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 OCT 08 2015.



Dwight French
Water Right Services Division Administrator, for
Thomas M. Byler, Director
Oregon Water Resources Department