STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

KLAMATH COUNTY 305 MAIN STREET KLAMATH FALLS, OREGON 97601 503-883-5100

is hereby issued a permit to use the waters from ONE GEOTHERMAL PRODUCTION WELL, WITHIN THE KLAMATH RIVER BASIN for GEOTHERMAL HEATING. The permit to the use of these waters has been issued under Application G-11853 with a date of priority of SEPTEMBER 19, 1988. The permit is limited to not more than 750.0 GALLONS PER MINUTE or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 NW 1/4, Section 34, T 38 S, R 9 E, WM; 812 FEET NORTH & 38 FEET WEST FROM CENTER CORNER, SECTION 34.

The permit shall be limited to appropriation of water only to the extent that it does not impair or substantially interfere with prior surface water rights as well as prior ground water rights of others.

The use of water allowed under this permit shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The place of use is as follows:

1/4 1/4 SECTION TOWNSHIP RANGE, WM

GEOTHERMAL HEATING	SE NW	34	38 S	9 E
GEOTHERMAL HEATING	NE SW	34	38 S	9 E

Provided further that unless a standard low-temperature effluent disposal system is developed and used as defined in Oregon Administrative Rules, Chapter 690, the right to appropriate water as allowed herein shall be inferior in priority to all subsequent rights for beneficial consumptive uses and/or to rights of those appropriators who make use of a standard low-temperature geothermal effluent disposal system.

Page 2

The well shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works constructed shall include an air line and pressure gauge or an access port measuring line, adequate to determine water level elevation in the well at all times. The permittee 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Actual construction work shall begin on or before December 21, 1989, and shall be completed on or before October 1, 1990. Complete application of the water to the use shall be made on or before October 1, 1991.

This permit is for the beneficial use of water. 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. It is possible that the land use you propose may not be allowed if it is not in keeping with the goals and the acknowledged plan. Your city or county planning agency can advise you about the land-use plan in your area.

Issued this date, December 21, 1988.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young **Director**