STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

SOKOL BLOSSER WINERY PO BOX 399 DUNDEE, OREGON 97115 503-864-2282

is hereby issued a permit to use the waters from ONE WELL, WITHIN YAMHILL RIVER BASIN, for IRRIGATION OF 4.8 ACRES AND INDUSTRIAL USE WITHIN A WINERY. The permit to the use of these waters has been issued under Application G-11878 with a date of priority of DECEMBER 15, 1988. The permit is limited to not more than 0.11 CUBIC FOOT PER SECOND, BEING 0.06 CFS FOR IRRIGATION AND 0.05 CFS FOR INDUSTRIAL USE, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

NW 1/4 SW 1/4, Section 3, T 4 S, R 3 W, WM; 66 FEET SOUTH & 1375 FEET WEST FROM NE CORNER, EDWARD CLUFF DLC.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 3.0 acre-feet per acre for each acre irrigated during the irrigation season of each year.

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:

	ACRES	1/41/4	SECTION	TOWNSHIP	RANGE, WM
irrigation	4.80	NW SW	3	4 S	3 W
industrial		NW SW	3	4 S	3 W

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 for 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Page 2

Actual construction work shall begin on or before April 27, 1990, and shall be completed on or before October 1, 1991. Complete application of the water to the use shall be made on or before October 1, 1992.

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, April 27, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director