STATE OF OREGON

COUNTY OF DOUGLAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RICE HILL OWNERS ASSOCIATION PO BOX 489 YONCALLA, OREGON 97499

503-849-2133

to use the waters of TWO WELLS in the YONCALLA CREEK BASIN for COMMERCIAL USE.

This Permit is issued approving Application G-11949. The date of priority is AUGUST 1, 1989. The use is limited to not more than 0.29 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

NW 1/4 SW 1/4, SECTION 27, T 23 S, R 5 W, W.M.; WELL 1 - 1850 FEET NORTH AND 320 FEET EAST; WELL 2 - 1570 FEET NORTH AND 310 FEET EAST, BOTH FROM SW CORNER, SECTION 27.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the proposed place of use under the permit is as follows:

NE 1/4 SE 1/4 SECTION 28 TOWNSHIP 23 SOUTH, RANGE 5 WEST, W.M.

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 a measuring line, adequate to determine water level elevation in the well at all times. When required by the department, 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Prior to receiving a certificate of water right, the permit holder will submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

Actual construction work shall begin on or before APRIL 5, 1991, and shall be completed on or before October 1, 1992. Complete application of the water to the use shall be made on or before October 1, 1993.

Failure to comply with any of the provisions of this permit may result in action including, but not limited to restrictions on the use, civil penalties, or cancellation of the permit.

"CERTIFICATE NO. 66872 "

Application G-11949 Water Resources Department

PERMIT G-11011

This permit 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 granted herein may be made only at times when sufficient water is available to satisfy all prior rights.

Issued this date, APRIL 5, 1990.

/s/ WILLIAM H. YOUNG Water Resources Department William H. Young Director

