STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BRUCE L. ENGEL 1215 SW HESSLER DRIVE PORTLAND, OREGON 97201

503-246-3440

to use the waters of ONE WELL in the CHEHALEM CREEK BASIN for IRRIGATION OF 22.1 ACRES AND SUPPLEMENTAL SUPPLY FOR MAINTENANCE OF WALDEN POND constructed under Permit R-10904 for RECREATION.

This Permit is issued approving Application G-11960. The date of priority is SEPTEMBER 15, 1989. The use is limited to not more than 0.045 CUBIC FOOT PER SECOND, being 0.045 CFS for each use, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SW 1/4, SECTION 10, T 3 S, R 3 W, W.M.; 1170 FEET NORTH AND 1945 FEET EAST FROM SW CORNER, SECTION 10.

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 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

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 SW 1/4 7.2 ACRES & RECREATION SE 1/4 SW 1/4 0.5 ACRE NW 1/4 SE 1/4 14.4 ACRES & RECREATION SECTION 10 TOWNSHIP 3 SOUTH, RANGE 3 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.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.

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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.

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