STATE OF OREGON

COUNTY OF LAKE

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PORTELLO RANCH COMPANY, INC. 2095 JERROLD AVENUE SAN FRANCISCO, CALIFORNIA 94124

503-947-4514 415-826-9062

to use the waters of TWO WELLS in the QUARTZ CREEK BASIN for SUPPLEMENTAL IRRIGATION OF 71.4 ACRES.

This permit is issued approving Application G-11805. The date of priority is APRIL 11, 1988. The use is limited to not more than 0.89 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

NW 1/4 SE 1/4, SECTION 1; NW 1/4 NE 1/4, SECTION 12, T 40 S, R 18 E, W.M.; WELL 1 - 40 FEET SOUTH AND 650 FEET EAST FROM C 1/4 CORNER, SECTION 1; WELL 2 - 850 FEET SOUTH AND 750 FEET EAST FROM N 1/4 CORNER, SECTION 12.

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. This right shall be limited to any deficiency in the available supply of any prior right existing for the same land.

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:

> SW 1/4 SE 1/4 6.0 ACRES SE 1/4 SE 1/4 34.0 ACRES SECTION 1

NE 1/4 NE 1/4 16.1 ACRES SE 1/4 NE 1/4 15.3 ACRES SECTION 12

TOWNSHIP 40 SOUTH, RANGE 18 EAST, W.M.

*CERTIFICATE NO. 76813 ASSIGNED, See Misa, Rec., Vol. 8 Page 73-77

The well shall be constructed 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 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn. ABSIGNED, See Misc. Rec., Vol. 8 Page 15 + 6

ASSIGNED See Misc. Rec., Vol. 7 Page 3447

INSTITUTE See Misc. Rec., Vol. 7 Page 3090

Application G-11805 Water Resources Department

PERMIT G-11110

Prior to receiving a certificate of water right, the permit holder shall 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 SEPTEMBER 24, 1991, and shall be completed on or before October 1, 1992. Complete application of the water 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.

This permit is for beneficial use of water without waste. The water user is advised that new regulations may require 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, SEPTEMBER 24, 1990.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director

