

STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BLUE LINE FARMS, INC.
4741 BRUSH CREEK ROAD NE
SILVERTON, OREGON 97381

503-873-5876

to use the waters of TWO WELLS in the PUDDING RIVER BASIN for IRRIGATION OF 40.7 ACRES AND SUPPLEMENTAL IRRIGATION OF 116.3 ACRES.

This permit is issued approving Application G-12365. The date of priority is DECEMBER 26, 1990. The use is limited to not more than 1.96 CUBIC FEET PER SECOND, BEING 0.51 CFS FROM WELLS 1 & 2 FOR PRIMARY IRRIGATION AND 1.45 CFS FROM WELL 2 FOR SUPPLEMENTAL IRRIGATION, or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

WELL 1 - SW 1/4 NW 1/4, WELL 2 - NW 1/4 SW 1/4, SECTION 7, T 7 S, R 1 W, W.M.; WELL 1 - 920 FEET NORTH AND 1110 FEET WEST, WELL 2 - 760 FEET SOUTH AND 280 FEET WEST, BOTH FROM SE CORNER, DLC 53.

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second (or its equivalent) and 2.5 acre-feet for each acre irrigated during the irrigation season of each year. This right is 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 this permit is as follows:

PRIMARY

SW 1/4 NE 1/4 5.2 ACRES
SE 1/4 NW 1/4 15.5 ACRES
NE 1/4 SW 1/4 2.5 ACRES
SW 1/4 SW 1/4 16.7 ACRES
NW 1/4 SE 1/4 0.8 ACRE

SECTION 7

SUPPLEMENTAL

SW 1/4 NW 1/4 32.7 ACRES
SE 1/4 NW 1/4 1.7 ACRES
NE 1/4 SW 1/4 0.6 ACRE
NW 1/4 SW 1/4 45.8 ACRES
SW 1/4 SW 1/4 11.9 ACRES

SECTION 7

TOWNSHIP 7 SOUTH, RANGE 1 WEST, W.M.

SE 1/4 NE 1/4 4.0 ACRES
NE 1/4 SE 1/4 19.6 ACRES

SECTION 12

TOWNSHIP 7 SOUTH, RANGE 2 WEST, W.M.

The water user shall report a March static water level in the well(s) to the Groundwater/Hydrology Section of the Water Resources Department by April 15 of each year. The measurement shall be made and calculations detailed by a certified water rights examiner, registered professional geologist, certified engineering geologist, or professional engineer.

Use of water from the well(s) shall not be allowed if the well(s) displays an (A) average water level decline of 3 or more feet per year for 5 consecutive years, or (B) a water level decline of 15 or more feet in fewer than 5 consecutive years, or (C) a water level decline of 25 or more feet, or (D) a hydraulic interference decline of 25 or more feet in any neighboring well with senior priority which provides water for an authorized use.

The Water Resources Department has determined that the initial water level in the well(s) are those of the initial March report. That is the level from which the cited declines in (A), (B) and (C) above will be referenced.

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.

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 May 28, 1992, and shall be completed on or before October 1, 1993. Complete application of the water shall be made on or before October 1, 1994.

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 of water shall be limited when it interferes with any prior surface or ground water rights.

Issued this date, MAY 28, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department
William H. Young
Director