STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

MELVIN KING 9604 KAUFMAN ROAD NE SILVERTON, OREGON 97381

503-873-7128

to use the waters of WELL #3 in the PUDDING RIVER BASIN for SUPPLEMENTAL IRRIGATION OF 144.5 ACRES.

This permit is issued approving Application G-12260. The date of priority is OCTOBER 16, 1990. The use is limited to not more than 0.89 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

NW 1/4 NW 1/4, SECTION 18, T 7 S, R 1 W, W.M.; 530 FEET SOUTH AND 490 FEET EAST FROM NW CORNER, SECTION 18.

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. 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 the permit is as follows:

SE 1/4 SW 1/4 10.7 ACRES

SW 1/4 SW 1/4 14.2 ACRES

SECTION 7

NE 1/4 NW 1/4

36.3 ACRES NW 1/4 NW 1/4

SW 1/4 NW 1/4 18.2 ACRES

SE 1/4 NW 1/4 16.4 ACRES

SECTION 18

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

SE 1/4 SE 1/4 1.0 ACRE

SECTION 12

NE 1/4 NE 1/4 2.6 ACRES

SE 1/4 NE 1/4 1.1 ACRES

SECTION 13

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

The water user shall report a March static water level in the wells 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 shall not be allowed under this permit if the well 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 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 wells 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 June 10, 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, JUNE 10, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director