STATE OF OREGON

COUNTY OF MARION

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DAN SANDAU 677 78TH AVENUE NE SALEM, OREGON 97301

503-364-5211

to use the waters of TWO WELLS in the LITTLE PUDDING RIVER BASIN for IRRIGATION OF 137.2 ACRES.

This permit is issued approving Application G-12261. The date of priority is OCTOBER 16, 1990. The use is limited to not more than 1.72 CUBIC FEET PER SECOND, BEING 0.40 CFS FROM WELL 1 AND 1.32 CFS FROM WELL 2 or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

NE 1/4 NW 1/4, SECTION 26, T 7 S, R 2 W, W.M.; WELL 1 - 336 FEET NORTH AND 200 FEET WEST, WELL 2 - 58 FEET EAST, BOTH FROM THE NW CORNER, DLC 65.

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:

WELLS 1 & 2 SW 1/4 SE 1/4 12.7 ACRES SE 1/4 SW 1/4 10.4 ACRES SECTION 22 NW 1/4 NE 1/4 21.8 ACRES SW 1/4 NE 1/4 5.1 ACRES NE 1/4 NW 1/4 36.7 ACRES NW 1/4 NW 1/4 20.0 ACRES SE 1/4 NW 1/4 25.3 ACRES SECTION 26 NE 1/4 NE 1/4 5.2 ACRES SECTION 27

TOWNSHIP 7 SOUTH, RANGE 2 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 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

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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.

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 24, 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 24, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young

Director