STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

URBACH FARMS, INC. PO BOX 12 DAIRY, OREGON 97625

503-545-6565

to use the waters of ONE WELL in the BUCK CREEK BASIN for IRRIGATION OF 1.5 ACRES AND SUPPLEMENTAL IRRIGATION OF 112.3 ACRES.

This permit is issued approving Application G-12210. The date of priority is AUGUST 22, 1990. The use is limited to not more than 1.42 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SW 1/4, SECTION 34, T 38 S, R 11 1/2 E, W.M.; 25 FEET NORTH AND 120 FEET WEST FROM S 1/4 CORNER, SECTION 34.

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:

SUPPLEMENTAL PRIMARY

SW 1/4 NW 1/4 16.0 ACRES SE 1/4 NW 1/4 17.5 ACRES NE 1/4 SW 1/4 39.2 ACRES NW 1/4 SW 1/4 39.6 ACRES

SECTION 35 TOWNSHIP 38 SOUTH, RANGE 11 1/2 EAST, 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Application G-12210 Water Resources Department

PERMIT G-11312

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 July 29, 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 granted herein may be made only at times when sufficient water is available to satisfy all prior rights.

Issued this date, JULY 29, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director