STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BALIN RANCH 13600 HOMEDALE ROAD KLAMATH FALLS, OREGON 97603

503-884-2452

to use the waters of A WELL in the EAST BRANCH LOST RIVER BASIN for SUPPLEMENTAL IRRIGATION OF 219.7 ACRES.

This permit is issued approving Application G-12558. The date of priority is JUNE 7, 1991. The use is limited to not more than 2.75 CUBIC FEET 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 6, T 41 S, R 14 E, W.M.; 164 FEET SOUTH AND 25 FEET EAST FROM NW CORNER, SECTION 6.

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 3.0 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:

NE 1/4 NW 1/4 18.5 ACRES NW 1/4 NW 1/4 32.7 ACRES SW 1/4 NW 1/4 36.7 ACRES SE 1/4 NW 1/4 21.4 ACRES NE 1/4 SW 1/4 19.4 ACRES NW 1/4 SW 1/4 36.5 ACRES SW 1/4 SW 1/4 36.2 ACRES SE 1/4 SW 1/4 18.3 ACRES SECTION 6

TOWNSHIP 41 SOUTH, RANGE 14 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a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

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.

"CERTIFICATENO. 76624

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Actual construction work shall begin on or before February 18, 1993, and shall be completed on or before October 1, 1994. Complete application of the water shall be made on or before October 1, 1995.

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, FEBRUARY 18, 1992.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director