STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

KMB ENTERPRISES 17204 HIGHWAY 126 SISTERS, OREGON 97759

503-548-3149

to use the waters of WELL #5 in the SQUAW CREEK BASIN for PRIMARY IRRIGATION OF 242.0 ACRES, SUPPLEMENTAL IRRIGATION OF 50.0 ACRES AND MAINTAINING 25.0 ACRES OF PONDS FOR AESTHETICS.

This permit is issued approving Application G-12420. The date of priority is FEBRUARY 20, 1991. The use is limited to not more than 1740 GALLONS PER MINUTE (GPM), BEING 1638 GPM FOR IRRIGATION AND 112 GPM FOR PONDS or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SW 1/4, SECTION 1, T 15 S, R 10 E, W.M.; 100 FEET NORTH AND 2300 FEET EAST FROM SW CORNER, SECTION 1.

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:

| | PRIMARY | SUPPLEMENTAL | | | PONDS | | |
|---|------------|--------------|-------|----|-------|----|------|
| NE 1/4 NE 1/4 NW 1/4 NE 1/4 SW 1/4 NE 1/4 | 9.0 ACRES | | | SW | 1/4 | NE | 1/4 |
| SE 1/4 NE 1/4 | 32.0 ACRES | | | | , | | -, - |
| NW 1/4 NW 1/4 | | 0.6 | ACRE | | | | |
| SW 1/4 NW 1/4 | 2.0 ACRES | 14.0 | ACRES | | | | |
| SE 1/4 NW 1/4 | 33.0 ACRES | | | | | | |
| NE 1/4 SW 1/4 | 18.0 ACRES | 2.0 | ACRES | | | | |
| NW 1/4 SW 1/4 | | 15.0 | | | | | |
| SW 1/4 SW 1/4 | | 13.4 | ACRES | | | | |
| SE 1/4 SW 1/4 | | 5.0 | | | | | |
| NE 1/4 SE 1/4 | 5.0 ACRES | | | | | | |
| NW 1/4 SE 1/4 | 39.0 ACRES | | | NW | 1/4 | SE | 1/4 |
| SW 1/4 SE 1/4 | 8.0 ACRES | | | SW | 1/4 | SE | 1/4 |
| SE 1/4 SE 1/4 | | | | | , - | | -, - |
| | SECTION 35 | | | | | | |
| MOUNICITED 14 | G0117711 | | | | | | |

TOWNSHIP 14 SOUTH, RANGE 10 EAST, W.M.

This development was reviewed and approved by the Water Resources Commission on JULY 17, 1992.

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. 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-12420

Water Resources Department

PERMIT G-11577

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 20, 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.

The LANDOWNER shall develop a plan to monitor and report the impact of water use under this permit on water levels within the aquifer that provides water to the permitted well(s). The plan shall be submitted to the Department within one year of the date the permit is issued and shall be subject to the approval of the Department. At a minimum, the plan shall include a program to periodically measure static water levels within the permitted well(s) or an adequate substitute such as water levels in nearby wells. The plan shall also stipulate a reference water level against which any water-level declines will be compared. well listed on this permit displays a total static water-level decline of 25 or more feet over any period of years, as compared to the reference level, then the LANDOWNER shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s). Such action shall be taken until the water level recovers to above the 25-foot decline level or until the Department determines, based on the LANDOWNER'S or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The LANDOWNER shall in no instance allow excessive decline to occur within the aquifer as a result of use under this permit.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

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.

Issued this date, July 20, 1992.

151 MARTHA O. PAGEL

Water Resources Department Martha O. Pagel Director B ext. to 10-1-95 B+C 10-1-96 Ext. BC97 ext. C15

Application G-12420 Water Resources Department
Basin 5 Volume 1 Squaw Creek & Misc.
G-12420.TES MGMT.CODES 3BW, 4HG, 4IG

PERMIT G-11577 District 11