STATE OF OREGON

COUNTY OF WASCO

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

D. PAUL SCHANNO, JR. 4010 EMERSON LOOP ROAD THE DALLES, OREGON 97058

503-298-1931

to use the waters of A WELL in the FIFTEENMILE CREEK BASIN for IRRIGATION OF 59.41 ACRES.

This permit is issued approving Application G-12273. The date of priority is OCTOBER 25, 1990. The use is limited to not more than 0.74 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE 1/4 SE 1/4, SECTION 32, T 1 S, R 13 E, W.M.; 2880 FEET SOUTH AND 430 FEET WEST FROM THE N 1/16 CORNER OF THE NE 1/4 OF SECTION 32.

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. The period of allowed use is March 1 through October 31.

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:

SW 1/4 NW 1/4 38.26 ACRES SE 1/4 NW 1/4 18.00 ACRES NW 1/4 SW 1/4 3.15 ACRES SECTION 33 TOWNSHIP 1 SOUTH, RANGE 13 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.

Measurement, recording and reporting conditions:

A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water use information, including the place and nature of use of water under the permit.

B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

The PERMIT HOLDER shall obtain a static water-level measurement for each well during MARCH of each year and report the measurement to the Department within thirty days. The measurement shall be made by a certified water-rights examiner, registered professional geologist, or professional engineer. Water levels shall be reported as depth-to-water below ground level and shall be accompanied by supporting calculations. If a 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 PERMIT HOLDER shall discontinue use of, or reduce the rate or volume of withdrawal from, the well. 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 PERMIT HOLDER'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 reference level for water-level declines shall be the second annual measurement taken after water use begins under the terms of this permit. The PERMIT HOLDER shall in no instance allow excessive decline to occur within the aquifer as a result of use under this permit.

In the event of a request for a change in point of appropriation, an additional point of appropriation or alteration of the appropriation facility associated with this authorized diversion, the quantity of water allowed herein, together with any other right, shall not exceed the capacity of the facility at the time of perfection of this right.

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 April 15, 1995 and shall be completed on or before October 1, 1995. Complete application of the water shall be made on or before October 1, 1996.

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.

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The Director of the Water Resources Department has found that the proposed use of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Issued this date, April 15, 1994.

/s/ A.REED MARBUT

Water Resources Department Martha O. Pagel Director

ext. C97