

STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

KNUDSEN VINEYARDS
17000 N.E. KNUDSEN LANE
DUNDEE, OREGON 97115

503-538-3318

to use the waters of WELLS 5 & 6 in the HESS CREEK BASIN for SUPPLEMENTAL IRRIGATION OF 136.6 ACRES.

This permit is issued approving Application G-12941. The date of priority is MAY 28, 1992. The use is limited to not more than 75.0 GALLONS PER MINUTE (GPM), BEING 50.0 GPM FROM WELL 5 AND 25.0 GPM FROM WELL 6, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

SW 1/4 SE 1/4, SECTION 28, T 3 S, R 3 W, W.M.; WELL 5 - 870 FEET NORTH AND 1535 FEET WEST, WELL 6 - 600 FEET NORTH AND 2230 FEET WEST, BOTH FROM THE SE CORNER OF SECTION 28.

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 2.5 acre-feet for each acre irrigated during the irrigation season of each year. The period of allowed use is March 1 through October 31.

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:

SW 1/4 NE 1/4	30.9 ACRES
SW 1/4 NW 1/4	3.4 ACRES
SE 1/4 NW 1/4	31.7 ACRES
NE 1/4 SW 1/4	18.8 ACRES
SE 1/4 SW 1/4	1.6 ACRES
NW 1/4 SE 1/4	21.5 ACRES
SW 1/4 NE 1/4	25.0 ACRES
SECTION 28	
NW 1/4 NE 1/4	2.3 ACRES
SECTION 33	
TOWNSHIP 3 SOUTH, RANGE 3 WEST, W.M.	

The wells 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 wells 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.

- 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.
- C. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

The Permittee shall obtain a static water-level measurement for each well during April 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 Permittee 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 Permittee'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 Permittee 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.

Best to 10-1-96, EXT. C97
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.

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