STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RUNNING Y, INC. 803 MAIN ST, 3RD FLOOR KLAMATH FALLS, OREGON 97601

(503) 882-2224

The specific limits for the use are listed below along with conditions of use.

APPLICATION FILE NUMBER: G-13980

SOURCE OF WATER: THREE WELLS IN KLAMATH RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL

RATE OF USE: 3.0 CUBIC FEET PER SECOND

PERIOD OF ALLOWED USE: YEAR ROUND

DATE OF PRIORITY: FEBRUARY 9, 1995

POINT OF DIVERSION LOCATION: NE 1/4 SW 1/4, SE 1/4 SW 1/4, SECTION 9, NE 1/4 NE 1/4, SECTION 16, T38S, R8E, W.M.; 2050 FEET NORTH AND 1980 FEET EAST FROM THE SW CORNER OF SECTION 9; 790 FEET NORTH AND 2340 FEET EAST FROM THE SW CORNER OF SECTION 9; 130 FEET SOUTH AND 4490 FEET EAST FROM THE NW CORNER OF SECTION 16

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE 1/4 SE 1/4 SE 1/4 SE 1/4 Section 29

NW 1/4 SW 1/4 SW 1/4 SW 1/4 SE 1/4 SW 1/4 Section 28

NE 1/4 NW 1/4 NW 1/4 NW 1/4 SW 1/4 NW 1/4 SE 1/4 NW 1/4 NE 1/4 SW 1/4 SE 1/4 SW 1/4 NW 1/4 SE 1/4 SW 1/4 SE 1/4

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SE 1/4 SE 1/4 Section 33

TOWNSHIP 37 SOUTH, RANGE 8 EAST, W.M.

SE 1/4 NE 1/4 SE 1/4 Section 5

NE 1/4 SW 1/4 NW 1/4 SW 1/4 SE 1/4 Section 4

SW 1/4 SW 1/4 SE 1/4 SW 1/4 Section 3

NE 1/4 NE 1/4 NE 1/4 SW 1/4 NE 1/4 SE 1/4 NW 1/4 SE 1/4 Section 8

> NE 1/4 NW 1/4 SW 1/4 SE 1/4 Section 9

SW 1/4 NE 1/4 SE 1/4 NE 1/4 NW 1/4 SW 1/4 Section 10

NW 1/4 SW 1/4 NW 1/4 SE 1/4 SW 1/4 SE 1/4 SE 1/4 SE 1/4 Section 15

NE 1/4 NE 1/4 NW 1/4 NE 1/4 SE 1/4 NE 1/4 NE 1/4 SE 1/4 SE 1/4 SE 1/4 Section 16

NE 1/4
NE 1/4 NW 1/4
Section 22

TOWNSHIP 38 SOUTH, RANGE 8 EAST, W.M.

Application G-13980 Water Resources Department

PERMIT G-12296

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. Use of water under authority of this (permit or certificate) may be regulated if analysis of data available after the (permit or certificate) is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The water user 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 (or replacement well) 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 water user 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 water user's and/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 water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit.

If the number, location, or construction of any well deviates from that proposed in the permit application or permit conditions, the conclusions of the Technical Review, Initial Review or Proposed Final Order under which this permit was granted may be revised, conditions may be appropriately revised, or this permit may not be valid.

All wells shall be cased and sealed to a depth of 50 feet or to elevation of 4150 feet above sea level, which ever is greater, if shallower water bearing zones are encountered during well construction.

Within TWO YEARS of permit issuance, the permittee shall submit a water management and conservation plan consistent with OAR Chapter 690, Division 86.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. 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 use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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.

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 the beneficial use of water without waste. The water user is advised that new regulations may require the 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 finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

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Actual construction of the well shall begin within one year from permit issuance and shall be completed on or before October 1, 1998. Complete application of the water to the use shall be made on or before October 1, 1999.

Issued February 23, 1996

Water Resources Department

- Martha O. Pagel

Director