

STATE OF OREGON

COUNTY OF JOSEPHINE

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DUTCH MINING LLC
37040 EDGEHILL RD
SPRINGFIELD, OREGON 97478

(541) 746-7866

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

APPLICATION FILE NUMBER: G-13684

SOURCE OF WATER: A WELL IN ROGUE RIVER BASIN

PURPOSE OR USE: MINING AND INDUSTRIAL

MAXIMUM RATE: 0.22 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: MAY 6, 1994

POINT OF DIVERSION LOCATION: SE 1/4 SW 1/4, SECTION 22, T33S, R8W, W.M.; 710 FEET NORTH & 3720 FEET WEST FROM THE SE CORNER OF SECTION 22

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE 1/4 SW 1/4
SE 1/4 SE 1/4
SECTION 22

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.

Rights to use of water for industrial or mining purposes granted by any state agency shall be issued only on condition that any effluents or return flows from such uses shall not significantly interfere with recreational, fish life, or other beneficial uses of water.

STANDARD CONDITIONS

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 well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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.

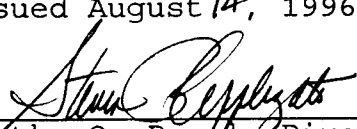
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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.

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 August 14, 1996


for Martha O. Pagel, Director
Water Resources Department

Application G-13684 Water Resources Department
Basin Rogue Volume 1 ROGUE RIVER AND MISC.

PERMIT G-12684
District 14