

STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

THE NEW EARTH CO
1410 S 6TH ST
KLAMATH FALLS, OREGON 97601

(541) 884-1261

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-14388

SOURCE OF WATER: A WELL IN LOST RIVER BASIN

PURPOSE OR USE: COMMERCIAL USE

MAXIMUM RATE: 0.44 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: SEPTEMBER 30, 1996

POINT OF DIVERSION LOCATION: SW 1/4 NE 1/4, SECTION 19, T39S, R10E,
W.M.; SOUTH 44 DEGREES 30 MINUTES WEST, 2750 FEET FROM THE NE CORNER
OF SECTION 19

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW 1/4 NE 1/4

SW 1/4 NE 1/4

SECTION 19

TOWNSHIP 39 SOUTH, RANGE 10 EAST, W.M.

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.

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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. 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 measure static water levels in May and October of each year within the permitted well and in five nearby domestic wells located within the Rolling Hills Subdivision and described below. The monitoring of the five domestic wells shall continue for a period of a least 10 consecutive years. If after 10 years, the Department's analysis of the data collected indicates that the aquifer can support the permitted use and the monitored domestic wells, monitoring may be reduced or discontinued. The frequency and duration of monitoring after the 10 year period shall be determined by the Department. If monitoring of the domestic wells is reduced or discontinued, the Director may, at any time, require monitoring to restart or increase in frequency.

The five domestic wells to be monitored are described on a map located in water right file G-14388 at the Water Resources Department. and further identified as follows: Well #1 - Water Well Report KLAM 13216 (Lyle Swearingen), Well #2 - located in Lot 37, Block 2, Tract 1099 T39S, R10E, Section 19, Well #3 - Water Well Report KLAM 13202 (Jim R. Mearilees), Well #4 - Water Well Report KLAM 13159 (Bob Blair), Well #5 - Water Well Report KLAM 13198 (Duane Moon). In the event any of the above described domestic wells become unavailable for monitoring, the permittee shall work with the President of the Rolling Hills Subdivision to find a suitable replacement and notify the Water Resources Department.

The plan shall also stipulate May and October reference water levels against which any water-level declines will be compared. May reference levels for the five domestic wells are established by the measurements made in 1997 and located in water right file G-14388. If the well listed on this permit or any of the five domestic wells being monitored display 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 permitted 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 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 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.

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.

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.

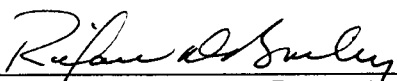
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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.

Actual construction of the well shall begin within one year from permit issuance. Complete application of the water to the use shall be made on or before October 1, 2001

Issued November 12, 1997



Water Resources Department
Director

Basin 14

Volume 2 Lost River
MGMT CODES 7BG, 7BR

District 17

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