

STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PINE MEADOWS RANCH INC.; PMR DEVELOPMENT CO. L.L.C.
PO BOX 1779
SISTERS, OREGON 97759

(541) 549-2002

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

APPLICATION FILE NUMBER: G-14486

SOURCE OF WATER: A WELL IN SQUAW CREEK BASIN

PURPOSE OR USE: QUASI-MUNICIPAL

MAXIMUM RATE: 2.15 CUBIC FEET PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: MARCH 27, 1997

POINT OF DIVERSION LOCATION: SW 1/4 NE 1/4, SECTION 8, T15S, R10E, W.M.;
390 FEET NORTH AND 1509 FEET WEST FROM THE EAST 1/4 CORNER SECTION 8.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE 1/4 NE 1/4
SE 1/4 NE 1/4
SECTION 8

TOWNSHIP 15 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.

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. If a 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 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.

Use of water under authority of this permit may be regulated if analysis of data available after permit issuance 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 be responsible for updating the City of Sisters Water Management and Conservation Plan within one year of annexation into the City of Sisters. If annexation does not occur within one year of permit issuance, the water user shall submit a water management and conservation plan consistent with OAR Chapter 690, Division 86 within 2 years of permit issuance.

According to the well report, the well may not conform with the current construction standards. However, it appears that the well was constructed in accordance with the standards in effect at that time. If at any time, however, the well or its use:

- a. acts as a conduit for groundwater contamination;
- b. allows loss of artesian pressure;
- c. allows waste of groundwater;
- d. interferes with senior groundwater users; or

e. interferes with nearby surface water sources,

the Department may require that the well be repaired in accordance with the current well construction standards.

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.

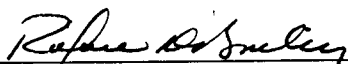
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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, 2002.

Issued February 10, 1998



Martha O. Pagel, Director
Water Resources Department

Application G-14486 Water Resources Department
Basin 05 Volume 1A SQUAW CR MISC
RWK- WEEK 119 MGMT.CODE 7AG, 7AR, 7BG, 7BR, 7JG, 7JR

PERMIT G-13316
District 11