

STATE OF OREGON

COUNTY OF HARNEY

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

HARNEY COUNTY OPERATIONS INC., COMPOSITE TECHNOLOGIES INC.
12860 SNOW MOUNTAIN PINE LANE (541)995-8214
HINES, OREGON 97738

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

APPLICATION FILE NUMBER: G-14645

SOURCE OF WATER: TWO WELLS IN WEST FORK SILVIES RIVER BASIN

PURPOSE OR USE: IRRIGATION OF 6.7 ACRES, SUPPLEMENTAL IRRIGATION 446.8 ACRES, AND INDUSTRIAL USE (GEOTHERMAL HEATING)

MAXIMUM RATE: NOT TO EXCEED A MAXIMUM CUMULATIVE TOTAL OF 3.56 CUBIC FEET PER SECOND(CFS), BEING 0.08 CFS FOR IRRIGATION, 3.56 CFS FOR SUPPLEMENTAL IRRIGATION, AND 3.56 CFS FOR INDUSTRIAL USE(GEOTHERMAL HEATING). FURTHER LIMITED TO A MAXIMUM OF 0.33 CFS FROM WELL 1 AND 3.23 CFS FROM WELL 2.

PERIOD OF USE: YEAR ROUND FOR INDUSTRIAL USE (GEOTHERMAL HEATING) AND MARCH 1 THROUGH SEPTEMBER 1 FOR IRRIGATION

DATE OF PRIORITY: NOVEMBER 24, 1997

POINT OF DIVERSION LOCATION: SE 1/4 NE 1/4, NE 1/4 SE 1/4, SECTION 26, T23S, R30E, W.M.; WELL 1 - 3012 FEET NORTH & 522 FEET WEST; WELL 2 - 2544 FEET NORTH & 907 FEET WEST BOTH FROM SE CORNER, SECTION 26

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 3.0 acre-feet for each acre irrigated during the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE 1/4 NE 1/4 INDUSTRIAL
NE 1/4 SE 1/4 INDUSTRIAL
SECTION 26

	<u>IRRIGATION</u>	<u>SUPPLEMENTAL IRRIGATION</u>
NE 1/4 NE 1/4		40.0 ACRES
NW 1/4 NE 1/4		38.0 ACRES
SW 1/4 NE 1/4		40.0 ACRES

	<u>IRRIGATION</u>	<u>SUPPLEMENTAL IRRIGATION</u>
SE 1/4 NE 1/4		38.0 ACRES
NE 1/4 NW 1/4	3.7 ACRES	34.8 ACRES
NW 1/4 NW 1/4		33.0 ACRES
SW 1/4 NW 1/4	3.0 ACRES	23.0 ACRES
SE 1/4 NW 1/4		40.0 ACRES
NE 1/4 SW 1/4		40.0 ACRES
NE 1/4 SE 1/4		40.0 ACRES
NW 1/4 SE 1/4		40.0 ACRES
SE 1/4 SE 1/4		40.0 ACRES

SECTION 36

TOWNSHIP 23 SOUTH, RANGE 30 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.

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.

The use of water for geothermal heating is junior in priority to all subsequent rights for beneficial consumptive use and to those rights using standard low-temperature geothermal effluent disposal systems. This condition shall not apply if a standard disposal system is installed and operated as part of this project.

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

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.

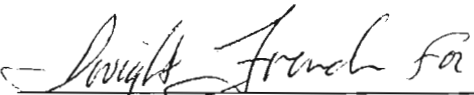
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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 by September 30, 1999. Complete application of water to the use shall be made on or before October 1, 2002. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued September 30, 1998


Martha O. Pagel, Director
Water Resources Department

Application G-14645
Basin 12
RWK

Water Resources Department
Volume 2 SILVIES R MISC
MGMT.CODES 3BW 7BG 7BR

PERMIT G-13485
District 10