

STATE OF OREGON

COUNTY OF LAKE

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

GASCHLER-HILL INVESTMENTS LLC
ALBERT GASCHLER
PO BOX 412
ONTARIO, OREGON 97914 -0412

(541)889-2101

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

APPLICATION FILE NUMBER: G-14796

SOURCE OF WATER: TWO WELLS IN THOMAS CREEK BASIN

PURPOSE OR USE: INDUSTRIAL USE FOR HEATING AND COOLING

MAXIMUM RATE: 0.446 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: JUNE 29, 1998

POINT OF DIVERSION LOCATION: NW 1/4 SE 1/4, SECTION 22, T39S, R20E,
W.M.; WELL 1 - 230 FEET SOUTH AND 90 FEET EAST; WELL 2 - 230 FEET SOUTH
AND 300 FEET EAST, BOTH FROM THE C 1/4 SECTION 22.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

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

SECTION 22

TOWNSHIP 39 SOUTH, RANGE 20 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.
- B. The permittee shall allow the watermaster access to the meter

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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.

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.

This use of water 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.

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.

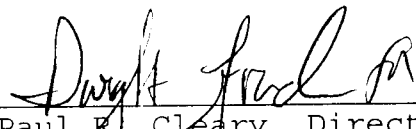
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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 issuance of the final order approving the use. Complete application of the water to the use shall be made on or before October 1, 2005. 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 July 13 , 2001



Paul R. Cleary, Director
Water Resources Department

NOTE: Pursuant to ORS 537.330, in any transaction for the conveyance of real estate that includes any portion of the lands described in this permit, the seller of the real estate shall, upon accepting an offer to purchase that real estate, also inform the purchaser in writing whether any permit, transfer approval order or certificate evidencing the water right is available and that the seller will deliver any permit, transfer approval order or certificate to the purchaser at closing, if the permit, transfer approval order or certificate is available.

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Basin 13
JWG - WEEK 295

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Volume 1 THOMAS CR MISC

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District 12