STATE OF OREGON

COUNTY OF HARNEY

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

CARPENTER RANCH LLC JIM HALL 1930 LEWIS ST SE SALEM, OREGON 97302

(503)375-9939

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

APPLICATION FILE NUMBER: G-15117

SOURCE OF WATER: THREE WELLS IN MALHEUR LAKE BASIN

PURPOSE OR USE: IRRIGATION OF 432.2 ACRES

MAXIMUM RATE: 5.4 CUBIC FEET PER SECOND

PERIOD OF USE: MARCH 1 THROUGH OCTOBER 31

DATE OF PRIORITY: April 5, 2000

WELL LOCATIONS:

WELL #20: NE 1/4 NW 1/4, SECTION 33. 770 FEET SOUTH & 1320 FEET EAST FROM THE NW CORNER OF SECTION 33, T25S, R31E, W.M.

WELL #18: NW 1/4 NW 1/4, SECTION 33. 1320 FEET SOUTH & 2640 FEET EAST FROM THE NW CORNER OF SECTION 33, T25S, R31E, W.M.

WELL #19: SW 1/4 NW 1/4, SECTION 34. 1895 FEET SOUTH & 860 FEET EAST FROM NW THE CORNER OF SECTION 34, T25S, R31E, W.M.

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:

SW 1/4 SW 1/4 29.5 ACRES SE 1/4 SW 1/4 29.5 ACRES SECTION 27 SW 1/4 SE 1/4 29.5 ACRES SE 1/4 SE 1/4 29.5 ACRES SECTION 28 NE 1/4 NE 1/4 29.5 ACRES NW 1/4 NE 1/4 29.5 ACRES SW 1/4 NE 1/4 29.5 ACRES SE 1/4 NE 1/4 29.5 ACRES SW 1/4 NW 1/4 29.5 ACRES SE 1/4 NW 1/4 29.5 ACRES SECTION 33 NE 1/4 NW 1/4 34.3 ACRES NW 1/4 NW 1/4 34.3 ACRES SW 1/4 NW 1/4 34.3 ACRES SE 1/4 NW 1/4 34.3 ACRES SECTION 34 TOWNSHIP 25 SOUTH, RANGE 31 EAST, W.M.

Measurement, recording and reporting conditions:

- Before water use may begin under this permit, the permittee Α. 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.
- The permittee shall allow the watermaster access to the В. 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.

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.

Complete application of the water to the use shall be made on or before October 1, 2006. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee must submit an application for extension of time, which may be approved based upon the merit of the application.

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 December, 1, 2,0

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.