

STATE OF OREGON

COUNTY OF CLACKAMAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PACIFIC ROCK PRODUCTS LLC  
STEVE MARSH  
8705 NE 117TH AVE  
VANCOUVER, WASHINGTON 98662

(360) 254-7770

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

APPLICATION FILE NUMBER: G-15176

SOURCE OF WATER: A WELL IN MOLALLA RIVER BASIN

PURPOSE OR USE: MINING

MAXIMUM RATE: 11.14 CUBIC FEET PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: JUNE 30, 2000

WELL LOCATION: SW  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 8, T4S, R1E, W.M.; SOUTH 64 DEGREES 41 MINUTES 40 SECONDS EAST 3241.7 FEET FROM NW CORNER, SECTION 8

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW  $\frac{1}{4}$  NE  $\frac{1}{4}$   
SW  $\frac{1}{4}$  NE  $\frac{1}{4}$   
NE  $\frac{1}{4}$  NW  $\frac{1}{4}$   
NW  $\frac{1}{4}$  NW  $\frac{1}{4}$   
SW  $\frac{1}{4}$  NW  $\frac{1}{4}$   
SE  $\frac{1}{4}$  NW  $\frac{1}{4}$   
NE  $\frac{1}{4}$  SW  $\frac{1}{4}$   
NW  $\frac{1}{4}$  SW  $\frac{1}{4}$   
NW  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SECTION 8

TOWNSHIP 4 SOUTH, RANGE 1 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

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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 use of water is for the non-consumptive use of groundwater in a closed loop system. Pumping and use of groundwater shall occur so as to prevent off-site groundwater and surface water effects.

This permit does not allow for water to be used for heap leach mining operations.

The water user shall install and maintain adequate treatment facilities meeting current Oregon Department Environmental Quality requirements to remove sediment before returning the water.

#### STANDARD CONDITIONS

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 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.

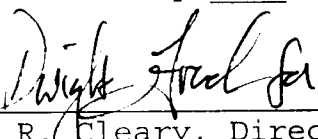
The use of water shall be limited when it interferes with any prior surface or ground water rights.

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 January 9, 2002

  
 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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