STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RICHARD WALSH 5541 SYLVIA AVE KLAMATH FALLS, OREGON 97603

(541) 885-8886

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

APPLICATION FILE NUMBER: G-15488

SOURCE OF WATER: A WELL IN LOST RIVER BASIN

PURPOSE OR USE: SUPPLEMENTAL IRRIGATION OF 48.2 ACRES

MAXIMUM RATE: 0.602 CUBIC FOOT PER SECOND

PERIOD OF USE: MAY 1 THROUGH OCTOBER 31

DATE OF PRIORITY: MAY 3, 2001

WELL LOCATION: LOT 1, SE 1/4 SW 1/4, SECTION 8, T40S, R10E, W.M.; 1100 FEET NORTH & 2186 FEET EAST FROM SW CORNER, SECTION 8

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 NW 1/4 0.9 ACRES NE ¼ SW ¼ 5.2 ACRES NW 1/4 SW 1/4 29.5 ACRES SW 1/4 SW 1/4 7.1 ACRES SE 1/4 SW 1/4 5.5 ACRES

SECTION 8

TOWNSHIP 40 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.
- 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.
- 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.

To provide the Department with additional information about water levels in the area of the point of appropriation for this water right, Department staff will measure water levels in the well used to appropriate water under this water right ("permittee's well") and in neighboring wells on a quarterly basis (four times per year). Department's measurements will begin the first year of water use under this permit and will continue for seven consecutive years. Department will enter into its records the water-level data acquired from these measurements. Based on an analysis of the data collected, the Director may direct staff to continue to measure water levels beyond The Department will measure water levels in the seven-year minimum. two to six neighboring wells in cooperation with the neighboring landowners. If agreed to by these well owners, the Department will measure water levels in the wells currently owned by Marvin Jones (KLAM 53287), Jeff and Kelly Holcomb (KLAM 53134) and Rick Valle (KLAM 14625). If additional wells are proposed for measurement, they will be subject to approval by the Department in cooperation with the landowners. any or all of the neighboring well owners refuse to allow the Department access to measure water levels, it will not constitute a basis for regulation of permittee's well.

The water user shall, as directed by the Department in accordance with the rules regarding regulation of groundwater, discontinue use of, or reduce the rate or volume of withdrawal from, permittee's well(s) if quarterly water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet; or
- (D) Hydraulic interference leading to a decline of 25 or more feet in a neighboring well.

Additionally, the Department may direct the water user to discontinue use of, or reduce the rate or volume of withdrawal from, permittee's well in accordance with the rules regarding regulation of groundwater, if water level measurements in any of the neighboring wells monitored pursuant to the above condition reveal any of the following events caused by hydraulic interference from permittee's well:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet.

The period of non or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the permittee'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. 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.

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, 2007. 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 // , 2003

Water Resources Department

Basin 14

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Permit G-15320 District 17 REAL ESTATE TRANSACTIONS: 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 approval order or certificate is available.

CULTURAL RESOURCES PROTECTION LAWS: Permittees involved in ground-disturbing activities should be aware of federal and state cultural resources protection laws. ORS 358.920 prohibits the excavation, injury, destruction or alteration of an archeological site or object, or removal of archeological objects from public and private lands without an archeological permit issued by the State Historic Preservation Office. 16 USC 470, Section 106, National Historic Preservation Act of 1966 requires a federal agency, prior to any undertaking to take into account the effect of the undertaking that is included on or eligible for inclusion in the National Register. For further information, contact the State Historic Preservation Office at 503-378-4168, extension 232.