STATE OF OREGON

COUNTY OF KLAMATH

EMERGENCY USE PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

ADY IMPROVEMENT DISTRICT PO BOX 224 MIDLAND, OREGON 97634

PHONE: (541) 883-2069

to use the waters of A WELL in the KLAMATH RIVER BASIN for SUPPLEMENTAL IRRIGATION OF 766.1 ACRES.

This permit is issued approving Application G-16227. The date of filing is April 8, 2004. The use is limited to not more than 6.68 CUBIC FEET PER SECOND, or it's equivalent in case of rotation, measured at the well.

This permit expires on October 31, 2004 or when the Governor's February 27, 2004, declaration of drought emergency for Klamath County is terminated, whichever comes first.

The permittee assumes all liability associated with use of water under the permit in the event claims of injury or claims for compensation are filed.

If injury to existing rights or detriment to the public interest is observed, the Department may regulate water use under this permit to mitigate such injury or detriment, or cancel this permit if mitigation is not possible.

The period of use shall be: APRIL 28, 2004 THROUGH OCTOBER 31, 2004

The well is located as follows:

NE 1/4 NE 1/4, SECTION 21; S12°W 1954 FEET FROM THE NE CORNER OF SECTION 21, TOWNSHIP 40 SOUTH, RANGE 8 EAST, 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 and 3.0 acre-feet for each acre irrigated during the irrigation season.

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

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Application G-16227 Water Resources Department

PERMIT G-15618

THE PLACE OF USE IS LOCATED AS FOLLOWS:

```
LOT 4
        SW 1/4 SW 1/4 14.2 ACRES
LOT 5
        SE 1/4 SW 1/4
                       4.4 ACRES
LOT 6
        SW 1/4 SE 1/4
                       5.1 ACRES
LOT 7
        SE 1/4 SE 1/4
                       1.0 ACRES
           SECTION 15
        SW 1/4 SE 1/4
                      2.5 ACRES
        SW 1/4 SE 1/4 15.3 ACRES
LOT 5
        SE 1/4 SE 1/4
                       0.7 ACRE
LOT 6
        SE 1/4 SE 1/4
                       9.8 ACRES
           SECTION 16
       NE 1/4 NE 1/4 40.0 ACRES
LOT 1
       NW 1/4 NE 1/4
                      8.0 ACRES
LOT 4
       NW 1/4 NE 1/4 17.6 ACRES
        SW 1/4 NE 1/4 14.1 ACRES
LOT 2
        SE 1/4 NE 1/4
                       1.8 ACRES
LOT 3
       SE 1/4 NE 1/4
                       8.0 ACRES
        SE 1/4 NW 1/4
                       4.8 ACRES
       NE 1/4 SW 1/4 19.0 ACRES
       NE 1/4 SE 1/4 23.1 ACRES
       NW 1/4 SE 1/4 37.3 ACRES
       SW 1/4 SE 1/4 1.1 ACRES
        SE 1/4 SE 1/4 20.4 ACRES
           SECTION 21
       NE 1/4 NE 1/4 12.4 ACRES
       NW 1/4 NE 1/4 37.9 ACRES
LOT 6
       SW 1/4 NE 1/4 36.8 ACRES
LOT 5
       SE 1/4 NE 1/4 12.5 ACRES
LOT 10 SE 1/4 NE 1/4 15.2 ACRES
       NE 1/4 NW 1/4 38.5 ACRES
       NW 1/4 NW 1/4 40.0 ACRES
LOT 1
       SW 1/4 NW 1/4 0.4 ACRE
LOT 9
       SW 1/4 NW 1/4 30.0 ACRES
       SE 1/4 NW 1/4 20.0 ACRES
LOT 8
       NE 1/4 SW 1/4 12.5 ACRES
       NW 1/4 SW 1/4
                       2.0 ACRES
       SW 1/4 SW 1/4 34.7 ACRES
       SE 1/4 SW 1/4
                       6.7 ACRES
LOT 10 NE 1/4 SE 1/4 12.7 ACRES
       NW 1/4 SE 1/4
LOT 3
                       1.8 ACRES
LOT 7
       NW 1/4 SE 1/4 25.1 ACRES
       SW 1/4 SE 1/4
                      3.6 ACRES
LOT 11 SE 1/4 SE 1/4
                       1.3 ACRES
          SECTION 22
```

```
SW 1/4 NW 1/4
                      3.3 ACRES
LOT 8
                      8.7 ACRES
LOT 6
       NE 1/4 SW 1/4
LOT 7
       NW 1/4 SW 1/4 38.0 ACRES
       SW 1/4 SW 1/4 33.5 ACRES
          SECTION 23
       NW 1/4 NW 1/4
                      7.2 ACRES
LOT 3
          SECTION 26
       SW 1/4 NE 1/4
                      4.0 ACRES
       NE 1/4 NW 1/4 14.5 ACRES
       NW 1/4 NW 1/4 16.9 ACRES
```

NE 1/4 SW 1/4 4.4 ACRES 5 NW 1/4 SE 1/4 0.8 ACRE

SE 1/4 NW 1/4 12.5 ACRES

LOT 5 NW 1/4 SE 1/4 0.8 ACRE LOT 2 NW 1/4 SE 1/4 18.1 ACRES

LOT 3 SW 1/4 SE 1/4 11.9 ACRES

SECTION 27
TOWNSHIP 40 SOUTH, RANGE 8 EAST, W.M.

The above description is a close approximation of the permitted place of use. The actual permitted place of use is the area shown on the application map already having valid water rights.

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. 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.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

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.

To monitor the effect of water use from the well(s) authorized under this permit, the Department requires the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

Measurements must be made according to the following schedule:

Before Use of Water Takes Place

Initial and Annual Measurements

The Department requires the permittee to submit an initial water level measurement in the month specified above once well construction is complete and annually thereafter until use of water begins; and

After Use of Water has Begun

Seven Consecutive Annual Measurements

Following the first year of water use, the user shall submit seven consecutive annual reports of static water level measurements. The first of these seven annual measurements will establish the reference level against which future annual measurements will be compared. Based on an analysis of the data collected, the Director may require that the user obtain and report additional annual static water level measurements beyond the seven year minimum reporting period. The additional measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- (C) Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if annual 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 any neighboring well with senior priority.

The period of non or restricted use shall continue until the annual 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 or senior water rights. 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. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

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.

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.

This permit does not authorize the permit holder to pursue this right in such a way as to interfere with or affect property not under the ownership of the permit holder.

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.

Issued April 28, 2004

Paul R. Cleary, Director Water Resources Department

Note: The permittee is encouraged to use the most efficient water delivery and application methods available. If an emergency use application is filed for any or all of this property for the 2004 irrigation season, the Director may require the applicant to submit a plan and evidence showing conservation and water use curtailment measures have been taken before use is made of an emergency use permit. Information regarding efficient water use has been enclosed with this permit.

Issuance of this permit does not confirm the validity of any underlying right or claim.