

STATE OF OREGON

COUNTY OF CROOK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BEAR CREEK RANCH, LLC
P.O. BOX 14111
SALEM, OREGON 97309

STEPHEN E. OLSON
26920 S. CROOKED RIVER HWY
PRINEVILLE, OREGON 97754

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

APPLICATION FILE NUMBER: G-14999

SOURCE OF WATER: FOUR WELLS IN BEAR CREEK BASIN

PURPOSE OR USE: PRIMARY IRRIGATION OF 119.9 ACRES AND SUPPLEMENTAL IRRIGATION OF 121.0 ACRES

MAXIMUM RATE: NOT TO EXCEED A MAXIMUM CUMULATIVE TOTAL OF 1.81 CUBIC FEET PER SECOND (CFS), BEING 1.50 CFS FOR PRIMARY IRRIGATION AND 1.51 CFS FOR SUPPLEMENTAL IRRIGATION

PERIOD OF USE: MARCH 1 THROUGH OCTOBER 31

DATE OF PRIORITY: JUNE 16, 1999

WELL LOCATIONS:

WELL 1 - SE 1/4 SW 1/4, SECTION 30, T17S, R17E, W.M.; 1195 FEET NORTH & 1733 FEET EAST FROM SW CORNER, SECTION 30

WELL 2 - SE 1/4 SW 1/4, SECTION 30, T17S, R17E, W.M.; 1241 FEET NORTH & 1511 FEET EAST FROM SW CORNER, SECTION 30

WELL 3 - NE 1/4 NW 1/4, SECTION 31, T17S, R17E, W.M.; 376 FEET SOUTH & 1729 FEET EAST FROM NW CORNER, SECTION 31

WELL 4 - SE 1/4 NW 1/4, SECTION 6, T18S, R17E, W.M.; 2320 FEET SOUTH & 1535 FEET EAST FROM NW CORNER, SECTION 6.

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 of each year.

Application G-14999 Water Resources Department

PERMIT G-15677

THE PLACE OF USE IS LOCATED AS FOLLOWS:

	<u>PRIMARY</u>	<u>SUPPLEMENTAL</u>
SW 1/4 NW 1/4		9.0 ACRES
NE 1/4 SW 1/4		1.3 ACRES
NW 1/4 SW 1/4		24.4 ACRES
SW 1/4 SW 1/4		11.0 ACRES
SE 1/4 SW 1/4		20.2 ACRES
SW 1/4 SE 1/4		1.6 ACRES
SECTION 30		
NE 1/4 NE 1/4		11.0 ACRES
NW 1/4 NE 1/4		10.5 ACRES
NE 1/4 NW 1/4	20.1 ACRES	3.8 ACRES
NW 1/4 NW 1/4	17.3 ACRES	5.6 ACRES
SW 1/4 NW 1/4	2.1 ACRES	
SECTION 31		
NE 1/4 NW 1/4		7.5 ACRES
NW 1/4 NW 1/4		15.1 ACRES
SECTION 32		
TOWNSHIP 17 SOUTH, RANGE 17 EAST, W.M.		
SW 1/4 NE 1/4	2.5 ACRES	
SE 1/4 NW 1/4	5.0 ACRES	
NE 1/4 SW 1/4	35.6 ACRES	
NW 1/4 SW 1/4	1.1 ACRES	
SW 1/4 SW 1/4	11.2 ACRES	
SE 1/4 SW 1/4	20.4 ACRES	
NW 1/4 SE 1/4	4.6 ACRES	
SECTION 6		
TOWNSHIP 18 SOUTH, RANGE 17 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, 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.

Well #2 and Well #3 shall allow groundwater production from no shallower than 50 feet below land surface.

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.

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.

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.

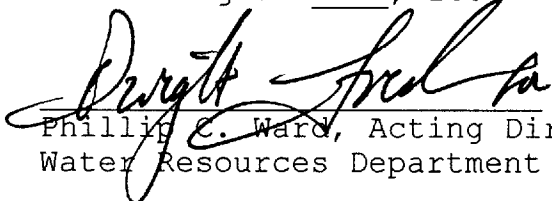
The use of water shall be limited when it interferes with any prior surface or ground water rights.

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, 2008. 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 August 6, 2004


Phillip C. Ward, Acting Director
Water Resources Department

ASSIGNMENT OF PERMIT: Pursuant to ORS 537.220, this permit may be assigned to a party other than the permittee named hereon, if the land the permit is associated with changes ownership, or if the permittee is an organization whose name changes as a result of sale or merger. Request for Assignment forms are available from the Oregon Water Resources Department web site at <http://www.wrd.state.or.us/>, or may be requested from the Department at 503-986-0801 or Water Right Application Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1271.

MAILING ADDRESS CHANGES: If the mailing address of the permittee named hereon changes, it is important that the Oregon Water Resources Department be informed of the change. Address changes must be submitted in writing with the permittee's signature to Water Right Application Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1271.

Application G-14999
Basin 5

Water Resources Department
Volume 2A BEAR CR MISC

PERMIT G-15677
District 11

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 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.

Application G-14999
Basin 5

Water Resources Department
Volume 2A BEAR CR MISC

PERMIT G-15677
District 11