

STATE OF OREGON

COUNTY OF CLACKAMAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

SHADOW WOOD WATER SERVICE; DIVISION OF HILAND WATER CORP  
PO BOX 699  
NEWBERG, OR 97132

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

APPLICATION FILE NUMBER: G-16338

SOURCE OF WATER: WELL 1; WELL 2; WELL 3; AND WELL 4 IN SHIPLEY CREEK  
BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 0.89 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 9, 2004

WELL LOCATIONS:

WELL 1: NE  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 21, T2S, R1E, W.M.; 1967 FEET NORTH &  
1730 FEET EAST FROM SW CORNER, SECTION 21

WELL 2: SE  $\frac{1}{4}$  NW  $\frac{1}{4}$ , SECTION 21, T2S, R1E, W.M.; 3010 FEET NORTH &  
1997 FEET EAST FROM SW CORNER, SECTION 21

WELL 3: NE  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 21, T2S, R1E, W.M.; 2540 FEET NORTH &  
2359 FEET EAST FROM SW CORNER, SECTION 21

WELL 4: NE  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 21, T2S, R1E, W.M.; 2273 FEET NORTH &  
2150 FEET EAST FROM THE SW CORNER, SECTION 21

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE  $\frac{1}{4}$  SE  $\frac{1}{4}$   
NW  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SECTION 20

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

NW  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SECTION 21  
TOWNSHIP 2 SOUTH, RANGE 1 EAST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the water user shall install a meter or other suitable measuring device as approved by the Director. The water user 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 water user to report general water use information, including the place and nature of use of water under the permit.
- B. The water user 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 CONDITIONS**

1. The wells shall be constructed to allow production from a single Columbia River Basalt aquifer below elevations of approximately 150.0 feet below sea level, at approximate depth of 275.0, 380.0, 330.0, and 300.0 feet below land surface locations of Wells 1 through 4, respectively. Wells 1 and 2 shall be reconstructed to meet this requirement.
2. Drill cuttings shall be collected from each newly drilled, deepened, or reconstructed well listed on this permit to help determine which part of the basalt column the well penetrates and which aquifer the well is completed in.
3. Cuttings shall be collected at ten-foot intervals and at major formation changes and shall be delivered to the Oregon Water Resources Department, Ground Water Hydrology Section within 30 days after the completion of the well(s).
4. A. Use of water from the wells, as allowed herein, shall be controlled or shut off if the well displays:
  - 1) An average water level decline of three or more feet per year for five consecutive years; or
  - 2) A total water level decline of fifteen or more feet; or

- 3) A hydraulic interference decline of fifteen or more feet in any neighboring well providing water for senior exempt uses or wells covered by prior rights.
- B. The water user shall install a meter or other measuring device suitable to the Director, and shall submit an annual report of water used to the Department by December 1 of each year.
- C. The water user/appropriator shall be responsible for complying with each of the following requirements for measuring water levels in the wells.
- 1) Use of water from a new well shall not begin until an initial static water level in the well has been measured and submitted to the Department.
  - 2) In addition to the measurement required in subsection (a) of this section, a water level measurement shall be made each year during the period March 1 through March 31.
  - 3) All water level measurements shall be made by a qualified individual. Qualified individuals are certified water rights examiners, registered geologists, registered professional engineers, licensed land surveyors, licensed water well constructor, licensed pump installer, or the water user/appropriator.
  - 4) Any qualified individual measuring a well shall use standard methods of procedure and equipment designed for the purpose of well measurement. The equipment used shall be well suited to the conditions of construction at the well. A list of standard methods of procedure and suitable equipment shall be available from the Department.
  - 5) The water user/appropriator shall submit a record of the measurement to the Department on a form available from the Department. The record of measurement shall include both measurements and calculations, shall include a certification as to their accuracy signed by the individual making the measurements, and shall be submitted to the Department within 90 days from the date of measurement. The Department shall determine when any of the declines cited in section (1) are evidenced by the well measurement required in section (3).

**STANDARD CONDITIONS**

If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may not be valid.

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.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

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.

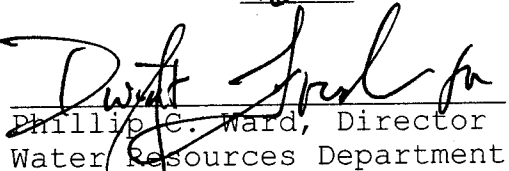
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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

Complete application of the water to the use shall be made on or before October 1, 2009. If the water is not completely applied before this date, and the water user wishes to continue development under the permit, the water user 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 water user shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued June 16, 2005

  
Phillip C. Ward, Director  
Water Resources Department

**ASSIGNMENT OF PERMIT:** Pursuant to ORS 537.220, this permit may be assigned to a party other than the water user named hereon, if the land the permit is associated with changes ownership, or if the water user 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 water user 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 water user's signature to Water Right Application Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1271.

**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: Water users 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.