STATE OF OREGON

COUNTY OF CLACKAMAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

J FRANK SCHMIDT & SON CO PO BOX 189 BORING, OR 97009

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

APPLICATION FILE NUMBER: G-16391

SOURCE OF WATER: WELL 5 (CLAC 935) AND WELL 7 (CLAC 54551) IN JOHNSON CREEK BASIN

PURPOSE OR USE: NURSERY USE ON 10.7 ACRES

MAXIMUM RATE: 0.8 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: FEBRUARY 14, 2005

WELL LOCATIONS:

WELL 5 (CLAC 935): NE % SE %, SECTION 28, T1S, R4E, W.M.; 2600 FEET NORTH & 580 FEET WEST FROM SE CORNER, SECTION 28

WELL 7 (CLAC 54551): SE % NE %, SECTION 28, T1S, R4E, W.M.; 3350 FEET NORTH & 820 FEET WEST FROM SE CORNER, SECTION 28

The amount of water used for nursery use is limited to a maximum of 5.0 acre feet per acre and a diversion of 0.15 cubic foot per second per acre. For irrigation of containerized nursery plants, the amount of water diverted is limited to one fortieth of one cubic foot per second and 5.0 acre feet per acre per year. For irrigation of in-ground nursery plants the amount of water diverted is limited to one eightieth of one cubic foot per second and 2.5 acre feet per acre per year. The use of water for nursery use may be made at any time, during the period of allowed use specified above, that the use is beneficial. For irrigation of any other crop, the amount of water diverted is limited to one eightieth of one eightieth of one cubic foot per second and 2.5 acre feet per acre per year.

Application G-16391 Water Resources Department

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NW ¼ SW ¼ 10.7 ACRES SECTION 28 TOWNSHIP 1 SOUTH, RANGE 4 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.

CONDITIONS SPECIFIC TO WELL #5 (CLAC 935)

- 1. The well shall produce groundwater only from the Columbia River Basalt groundwater reservoir.
- 2. (1) Use of water from the well, as allowed herein, shall be controlled or shut off if the well displays:
 - (a) An average water level decline of three or more feet per year for five consecutive years; or
 - (b) A total water level decline of fifteen or more feet; or
 - (c) 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.
 - (2) 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.

Application G-16391 Water Resources Department

PAGE 3

- (3) The permittee/appropriator shall be responsible for complying with each of the following requirements for measuring water levels in the well.
 - (a) 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.
 - (b) 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.
 - (c) 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 permittee/appropriator.
 - (d) 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.
 - (e) The permittee/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).

CONDITIONS SPECIFIC TO WELL #7 (CLAC 54551)

- 1. The well shall produce groundwater only from the Deep Troutdale groundwater reservoir.
- 2. (1) Use of water from the well, as allowed herein, shall be controlled or shut off if the well displays:

Application G-16391 Water Resources Department

- (a) An average water level decline of three or more feet per year for five consecutive years; or
- (b) A total water level decline of fifteen or more feet; or
- (c) 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.
- (2) The water user shall be responsible for complying with each of the following requirements for measuring water levels in the well.
 - (a) 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.
 - (b) 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.
 - (c) 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 driller, licensed pump installer, or the permittee / appropriator.
 - (d) 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.
 - The permittee/appropriator shall submit a record of the (e) measurement to the Department on a form available from the Department. The record of measurement shall include both measurements and calculations, shall include a to certification as 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 this section.

Application G-16391 Water Resources Department

PAGE 5

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, unless the Department authorizes the change in writing.

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.

Application G-16391 Water Resources Department

PAGE 6

Completion of construction and complete application of the water to the use shall be made on or before October 1, 2010. 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 4, 2006

Phillip C. Ward, Director Water Resources Department

Basin 2 AMH

Application G-16391 Water Resources Department Volume 18B JOHNSON CR MISC