

STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RED HILLS ESTATES HOMEOWNERS ASSOCIATION
P.O. BOX 534
DUNDEE, OR 97115

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

APPLICATION FILE NUMBER: G-16451

SOURCE OF WATER: WELL 1 AND WELL 2 IN HARVEY CREEK BASIN

PURPOSE OR USE: DOMESTIC USE FOR 15 HOUSEHOLDS AND IRRIGATION USE ON
16.0 ACRES

MAXIMUM RATE: 0.073 CUBIC FOOT PER SECOND (CFS), BEING 0.02 CFS FOR
DOMESTIC USE AND 0.073 CFS FOR IRRIGATION

PERIOD OF USE: YEAR ROUND FOR DOMESTIC USE AND MARCH 1 THROUGH OCTOBER
31 FOR IRRIGATION

DATE OF PRIORITY: MAY 2, 2005

WELL LOCATIONS:

WELL 1 (L69640): NW $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 26, T3S, R3W, W.M.; 75 FEET
SOUTH & 1650 FEET WEST FROM NE CORNER, SECTION 26

WELL 2 (L14860): NW $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 26, T3S, R3W, W.M.; 500 FEET
SOUTH & 1350 FEET WEST FROM NE CORNER, SECTION 26

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
2.5 acre-feet for each acre irrigated during the irrigation season of
each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

GOVT LOT: 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$) DOMESTIC AND 7.0 ACRES IRRIGATION
GOVT LOT: 2 (NW $\frac{1}{4}$ NE $\frac{1}{4}$) DOMESTIC AND 9.0 ACRES IRRIGATION
SECTION 26
TOWNSHIP 3 SOUTH, RANGE 3 WEST, 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, on each well. The permittee shall maintain the meters or measuring devices 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 meters or measuring devices; provided however, where the meters or measuring devices are located within a private structure, the watermaster shall request access upon reasonable notice.
- (1) Use of water from the wells, as allowed herein, shall be controlled or shut off if the wells display:
 - (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) For the purpose of determining declines, the reference level for Well 1 shall be 420 feet below land surface and the reference level for Well 2 shall be 360 feet below land surface.
 - (3) The water user shall install meters or other measuring devices suitable to the Director, and shall submit an annual report of water used to the Department by December 1 of each year.
 - (4) The permittee/appropriator shall be responsible for complying with each of the following requirements for measuring water levels in each well.
 - (a) A water level measurement shall be made each year during the period March 1 through March 31.

- (b) 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.
- (c) 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.
- (d) 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).

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.

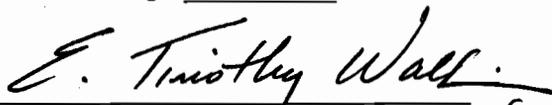
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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

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 May 25, 2006



Phillip C. Ward, Director *for*
Water Resources Department