

STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

RUNNING Y RESORT, INC  
5500 RUNNING Y RD  
KLAMATH FALLS, OR 97601

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

APPLICATION FILE NUMBER: G-16471

SOURCE OF WATER: FOUR WELLS IN UPPER KLAMATH LAKE BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USES

MAXIMUM RATE: 4.46 CUBIC FEET PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: MAY 31, 2005

WELL LOCATION:

WELL 1 - SE  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 36, T38S, R8E, W.M.; 315 FEET NORTH & 1490 FEET EAST FROM SW CORNER, SECTION 36

WELL 2 - NE  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 36, T38S, R8E, W.M.; 1595 FEET NORTH & 1340 FEET EAST FROM SW CORNER, SECTION 36

WELL 3 - NE  $\frac{1}{4}$  SE  $\frac{1}{4}$ , SECTION 35, T38S, R8E, W.M.; 2095 FEET NORTH & 220 FEET WEST FROM SE CORNER, SECTION 35

WELL 4 - SW  $\frac{1}{4}$  NW  $\frac{1}{4}$ , SECTION 36, T38S, R8E, W.M.; 2830 FEET NORTH & 925 FEET EAST FROM SW CORNER, SECTION 36

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE  $\frac{1}{4}$  NE  $\frac{1}{4}$   
NE  $\frac{1}{4}$  SE  $\frac{1}{4}$   
NW  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SW  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SE  $\frac{1}{4}$  SE  $\frac{1}{4}$   
SECTION 22

SW  $\frac{1}{4}$  SW  $\frac{1}{4}$   
SECTION 23

THE PLACE OF USE IS LOCATED AS FOLLOWS (CONTINUED) :

SW ¼ NW ¼  
SE ¼ NW ¼  
NE ¼ SW ¼  
NW ¼ SW ¼  
SW ¼ SW ¼  
SE ¼ SW ¼  
SECTION 25

NW ¼ NE ¼  
SW ¼ NE ¼  
SE ¼ NE ¼  
NE ¼ NW ¼  
NW ¼ NW ¼  
SW ¼ NW ¼  
SE ¼ NW ¼  
NE ¼ SW ¼  
NW ¼ SW ¼  
SE ¼ SW ¼  
NE ¼ SE ¼  
NW ¼ SE ¼  
SW ¼ SE ¼  
SE ¼ SE ¼  
SECTION 26

NE ¼ NE ¼  
SE ¼ NE ¼  
SECTION 27

NE ¼ NE ¼  
NW ¼ NE ¼  
SW ¼ NE ¼  
SE ¼ NE ¼  
NE ¼ NW ¼  
NE ¼ SE ¼  
SE ¼ SE ¼  
SECTION 35

NE ¼ NW ¼  
NW ¼ NW ¼  
SW ¼ NW ¼  
SE ¼ NW ¼  
NE ¼ SW ¼  
NW ¼ SW ¼  
SW ¼ SW ¼  
SE ¼ SW ¼  
SECTION 36

TOWNSHIP 38 SOUTH, RANGE 8 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 on each well as approved by the Director. 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 device; provided however, where the meter or measuring devices are 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.

The water user shall develop a plan to monitor and report the impact of water use under this permit on water levels within the aquifer that provides water to the permitted wells. The plan shall be submitted to the Department within one year of the date the permit is issued and shall be subject to the approval of the Department. At a minimum, the plan shall include a program to periodically measure static water levels within the permitted wells or an adequate substitute such as water levels in nearby wells. The plan shall also stipulate a reference water level against which any water-level declines will be compared. If a well listed on this permit (or replacement well) displays a total static water-level decline of 25 or more feet over any period of years, as compared to the reference level, then the water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the wells. Such action shall be taken until the water level recovers to above the 25-foot decline level or until the Department determines, based on the water user'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.

Within three years of permit issuance, the permittee shall submit a Water Management and Conservation Plan consistent with OAR Chapter 690, Division 86. The Director may approve an extension of this time line to complete the required Water Management and Conservation Plan. The time line for submittal of a plan under this permit does not alter the time lines for submittal of a plan under any other order of the Department.

#### 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.

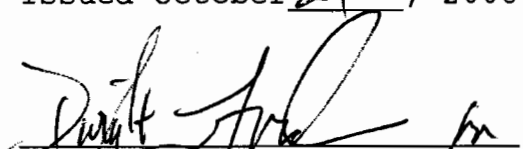
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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, 2011. 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 October 24, 2006

  
Phillip C. Ward, Director  
Water Resources Department

