STATE OF OREGON

COUNTY OF BAKER

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

KERNS RAINBOW RANCH INC 45917 QUAIL RD HAINES, OR 97833

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

APPLICATION FILE NUMBER: G-16534

SOURCE OF WATER: A WELL IN WILLOW CREEK BASIN

PURPOSE OR USE: IRRIGATION USE ON 251.4 ACRES

MAXIMUM RATE: 2.0 CUBIC FEET PER SECOND

PERIOD OF USE: MAY 1 THROUGH OCTOBER 31

DATE OF PRIORITY: SEPTEMBER 13, 2005

WELL LOCATION: NE ¼ NE ¼, SECTION 7, T8S, R39E, W.M.; 1310 FEET SOUTH & 1310 FEET WEST FROM NE CORNER, SECTION 7

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.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SW ¼ SW ¼ 37.0 ACRES SE ¼ SW ¼ 37.0 ACRES SECTION 6

NE ¼ NE ¼ 39.4 ACRES NE ¼ NW ¼ 36.0 ACRES NW ¼ NW ¼ 30.0 ACRES SW ¼ NW ¼ 32.0 ACRES SE ¼ NW ¼ 40.0 ACRES

SECTION 7

TOWNSHIP 8 SOUTH, RANGE 39 EAST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of appropriation. 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.

The use described herein may be considered primary irrigation at the time of perfection of the appropriation, provided the underlying water right has been canceled, diminished, or transferred to other lands, and if the water has been beneficially used as the primary source for the use as described in this permit. Issuance of this permit does not confirm the validity of any underlying right or claim.

The well shall be continuously cased and continuously sealed to a minimum depth of 110 feet below land surface. The well may not be completed in such a manner that it allows ground water to be developed from shallower sands and gravels. If during well construction, it becomes apparent that the well can be constructed to eliminate interference with nearby shallow wells or hydraulically connected streams in a manner other than specified in this permit, the water user can contact the Department Hydrogeologist for this permit or the Ground Water/Hydrology Section Manager to request approval construction. The request shall be in writing, and shall include a rough well log and a proposed construction design for approval by the Department. The request can be approved only if it is received and reviewed prior to placement of any permanent casing and sealing material. If the well is constructed first and then the request made, requested modification will not be approved. The new well depth and construction specifications will be incorporated into any certificate issued for this permit.

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 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 July <u>5</u>, 2007

Phillip C. Ward, Director

Water Resources Department

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