

STATE OF OREGON

COUNTY OF LANE

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

ARLIE AND CO
871 COUNTRY CLUB RD
EUGENE, OR 97401

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

APPLICATION FILE NUMBER: G-16841

SOURCE OF WATER: PRODUCTION WELL IN MCKENZIE RIVER BASIN

PURPOSE OR USE: COMMERCIAL USE (GEO-THERMAL HEATING & COOLING)

MAXIMUM RATE: 0.33 CUBIC FOOT PER SECOND

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: APRIL 27, 2007

WELL LOCATIONS:

PRODUCTION WELL - SENW, SECTION 16, T17S, R3W, W.M.; 760 FEET NORTH
AND 660 FEET WEST FROM C1/4 CORNER, SECTION 16

INJECTION WELL - SENW, SECTION 16, T17S, R3W, W.M.; 770 FEET NORTH
AND 570 FEET WEST FROM C1/4 CORNER, SECTION 16

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE ¼ NW ¼
SECTION 16
TOWNSHIP 17 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 totalizing flow meter at both the production well and the injection well. The permittee shall maintain the meter(s) in good working order.
- 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.

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- C. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used, and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water-use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

The production well shall be continuously cased and continuously sealed to a minimum depth of 150 feet below land surface. The well may not be completed in such a manner that it allows ground water to be developed from upper sand and gravel layers. 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 permittee can contact the Department Hydrogeologist for this permit or the Ground Water/Hydrology Section Manager to request approval of such 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.

All of the water pumped under this permit shall be injected. The water cannot be used for any other use. The water shall be injected into the same aquifer, therefore both wells (production and injection) shall be completed into the same aquifer and shall be constructed in a similar manner. The diameter of the casing can be different.

Wells used under this permit shall meet the additional requirements for the construction, location, pump testing, and measurement of pumping and injection wells under Division 230 Rules.

Prior to use of water under this permit, the permit holder must register the injection activity with the Oregon Department of Environmental Quality's Underground Injection Control (UIC) Program. At the time of permit issuance, the program coordinator is Barbara Priest, who can be contacted at 811 SW 6th Ave, Portland OR 97204, or 503-229-5945.

STANDARD CONDITIONS

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.

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 well(s) 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.

If the riparian area is disturbed in the process of developing a point of appropriation, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR Chapter 635, Division 415, shall be followed.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

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.

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.

Completion of construction and complete application of the water to the use shall be made on or before October 1, 2013. 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 APRIL 30, 2009

E. Timothy Wall

for Phillip C. Ward, Director
Water Resources Department