STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DOUGLAS AND DEBORAH ADKINS SPLENDOR RIDGE INC. 9338 HILL RD KLAMATH FALLS, OR 97603

This permit expires on October 15, 2010, or when the Governor's March 16, 2010 declaration of drought emergency for Klamath County is terminated, whichever comes first.

The permittee assumes all liability associated with use of water under the permit in the event claims of injury or claims for compensation are filed.

If injury to existing rights or detriment to the public interest is observed, the Department may regulate water use under this permit to mitigate such injury or detriment, or cancel this permit if mitigation is not possible.

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

APPLICATION FILE NUMBER: G-17318

SOURCE OF WATER: EXISTING WELL 1 AND PROPOSED WELL 2 IN NUSS LAKE BASIN

PURPOSE OR USE: SUPPLEMENTAL IRRIGATION OF 129.7 ACRES

MAXIMUM RATE: 1.62 CUBIC FEET PER SECOND

PERIOD OF USE: APRIL 15 THROUGH OCTOBER 15

DATE OF PRIORITY: MARCH 22, 2010

WELL LOCATIONS:

EXISTING WELL 1: SW ¼ NE ¼, SECTION 33, T39S, R10E, W.M.; 2090 FEET SOUTH AND 1880 FEET WEST FROM NE CORNER, SECTION 33

PROPOSED WELL 2: NE 1/4 NW 1/4, SECTION 33, T39S, R10E, W.M.; 470 FEET SOUTH AND 2730 FEET WEST FROM NE CORNER, SECTION 33

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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:

NW ¼ NE ¼ 21.7 ACRES
SW ¼ NE ¼ 16.0 ACRES
NE ¼ NW ¼ 35.4 ACRES
NW ¼ NW ¼ 30.7 ACRES
SE ¼ NW ¼ 15.1 ACRES
NE ¼ SW ¼ 1.4 ACRES
NW ¼ SE ¼ 9.4 ACRES
SECTION 33

TOWNSHIP 39 SOUTH, RANGE 10 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 at each point of appropriation. The permittee shall maintain the meter in good working order.
- B. The permittee 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 by November 15, 2010. 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.
- C. The permittee shall allow the watermaster access to the meter; provided however, where any meter is located within a private structure, the watermaster shall request access upon reasonable notice.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

The static ground water level at the well(s) must be measured to the nearest 0.10 foot (inch) and recorded prior to drought ground water pumping at the well(s), and measured and recorded again at the end of drought ground water pumping at the well(s). The measurements must be reported to the Department by November 15, 2010.

Ground water pumping under this permit shall discontinue or be reduced if the static ground water level measured by OWRD or USGS staff at a local well is 25 feet or lower than a previous 2010 static ground water level measurement unless the Department determines no action is necessary (pumping under this permit can continue) because the ground water resource can sustain the observed decline without adversely impacting the resource or without causing substantial interference with senior water rights.

Proposed Well 2 shall obtain ground water from the predominantly basalt unit that underlies the predominantly basin-fill unit. The well shall be constructed to have continuous casing and seal through the basin fill into the predominantly basalt unit.

Within one month from the start of use of water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.

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 be subject to cancellation, 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.

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.

APRIL 6, 2010

for Phillip C. Ward, Director Water Resources Department

Note: The permittee is encouraged to use the most efficient water delivery and application methods available. If an emergency use application is filed for any or all of this property for the 2010 irrigation season, the Director may require the applicant to submit a plan and evidence showing conservation and water use curtailment measures have been taken before use is made of an emergency use permit. Information regarding efficient water use has been enclosed with this permit.

Issuance of this permit does not confirm the validity of any underlying right or claim.