STATE OF OREGON

COUNTY OF BAKER

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

NORTHWEST FARM CREDIT SERVICES, FCLA TIM L. AND JANICE L. KERNS 3370 10TH STREET, SUITE B BAKER CITY, OREGON 97814

(541) 524-2920

This superseding permit is issued to describe an amendment for a change in points of appropriation proposed under Permit Amendment Application T-8262 and approved by Special Order Vol. 91, Page 172, entered 12, 2013, and to describe an extension of time for complete application of water approved April 28, 2009, and an assignment approved May 13, 2013. This permit supersedes Permit G-11773.

to use the waters of TWELVE WELLS in the WILLOW CREEK BASIN for SUPPLEMENTAL IRRIGATION OF 360.0 ACRES.

This permit is issued approving Application G-12939. The date of priority is MAY 29, 1992. The use is limited to not more than 4.50 CUBIC FEET PER SECOND (CFS), BEING 2.25 CFS FROM EACH ORIGINAL WELL, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances	Well Log No.
8 S	39 E	WM	7	NE NW	BOYS PLACE NO. 1 - 960 FEET SOUTH AND 2160 FEET EAST FROM THE NW CORNER OF SECTION 7	BAKE 1897
8 S	39 E	WM	18	SE NW	BANK PLACE NO. 2 - 1400 FEET SOUTH AND 50 FEET WEST FROM THE N¼ CORNER OF SECTION 18	n/a
8 S	38 E	WM	12	NE NE	WELL NO. 1 (HOME PLACE NO. 3) - 10 FEET SOUTH AND 450 FEET WEST FROM THE NE CORNER OF SECTION 12	BAKE 50701
8 S	39 E	WM	28	NW NW	WELL NO. 2 (COMPANY FARM NO. 4) - 660 FEET SOUTH AND 165 FEET EAST FROM THE NW CORNER OF SECTION 28	BAKE 50624
8 S	38 E	WM	12	NW SE	WELL NO. 2 (SACKOS PLACE NO. 5) - 10 FEET SOUTH AND 330 FEET EAST FROM THE C¼ CORNER OF SECTION 12	n/a
8 S	39 E	WM	6	sw sw	WELL NO. 3 (BOYS PLACE NO. 2) - 1120 FEET NORTH AND 50 FEET EAST FROM THE SW CORNER OF SECTION 6	BAKE 50955
8 S	39 E	WM	7	NE NE	WELL NO. 4 (WARD 40 NO. 7) - 1000 FEET SOUTH AND 1315 FEET WEST FROM THE NE CORNER OF SECTION 7	n/a
8 S	39 E	WM	7	NE NE	WELL NO. 8 (WARD 40 NO. 2) - 1310 FEET SOUTH AND 1310 FEET WEST FROM THE NE CORNER OF SECTION 7	n/a
8 S	38 E	WM	1	SE NW	WELL NO. 10 - 1531 FEET SOUTH AND 2340 FEET EAST FROM THE NW CORNER OF SECTION 1	n/a
8 S	38 E	WM	1	SE SE	WELL NO. 11 - 1210 FEET NORTH AND 868 FEET WEST FROM THE SE CORNER OF SECTION 1	n/a
8 S	39 E	WM	7	NE NE	WELL NO. 12 - 265 FEET SOUTH AND 1158 FEET WEST FROM THE NE CORNER OF SECTION 7	n/a
8 S	39 E	WM	18	SE NW	WELL NO. 13 - 1709 FEET SOUTH AND 2037 FEET WEST FROM THE NW CORNER OF SECTION 18	n/a

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 (or its equivalent) and 3.0 acre-feet for each acre irrigated during the irrigation season of each year; provided further that although declared times when water is available for the primary underlying right and the total quantity diverted from all sources does not exceed the limitations allowed herein. The period of allowed use is March 1 through October 31 of each year.

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

A description of the proposed place of use under this permit is as follows:

SUPPLEMENTAL IRRIGATION							
ORIGINAL WELL 1							
Twp	Rng	Mer	Sec	Q-Q	Acres		
8 S	38 E	WM	1	SE SW	16.0		
8 S	38 E	WM	1	SW SE	32.0		
<u>8</u> S	38 E	WM	12	NWNE	32.0		
8 S	39 E	WM	7	NE NE	35.0		
8 S	39 E	WM	7	SW NW	32.0		
8 S	39 E	WM	7	SE NW	33.0		

SUPPLEMENTAL IRRIGATION						
ORIGINAL WELL 2						
Twp	Rng	Mer	Sec	Q-Q	Acres	
8 S	38 E	WM	13	SE SE	10.0	
8 S	39 E	WM	18	SW NW	30.0	
8 S	39 E	WM	18	SE NW	31.0	
8 S	39 E	WM	18	NE SW	31.0	
8 S	39 E	WM	18	NW SW	30.0	
8 S	39 E	WM	18	SW SW	37.0	
8 S	39 E	WM	18	SE SW	11.0	

The quantity of water diverted at the following wells: Boys Place No. 1, Bank Place No. 2, Well No. 1 (Home Place No. 3), Well No. 2 (Company Farm No. 4), Well No. 2 (Sackos Place No. 5), Well No. 3 (Boys Place No. 2), Well No. 4 (Ward 40 No. 7), Well No. 8 (Ward 40 No. 2), Well No. 10, Well No. 11, Well No. 12, and Well No. 13; shall not exceed the quantity of water lawfully available at original wells:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
8 S	39 E	WM	7	NE NW	WELL 1 - 960 FEET SOUTH AND 2160 FEET EAST FROM THE NW CORNER OF SECTION 7
8 S	39 E	WM	18	SE NW	WELL 2 - 1400 FEET SOUTH AND 50 FEET WEST FROM THE N¼ CORNER OF SECTION 18

Water shall be acquired from the same aquifer as the original points of appropriation.

Checkpoint Condition

The permit holder must submit a completed Progress Report Form to the Department by October 1, 2015.

- A. At each checkpoint, the permit holder shall submit and the Department shall review evidence of the permit holder's diligence towards completion of the project and compliance with terms and conditions of the permit and extension. If, after this review, the Department determines the permit holder has not been diligent in developing and perfecting the water use permit, or complied with all terms and conditions, the Department shall modify or further condition the permit or extension to ensure future compliance, or begin cancellation proceedings on the undeveloped portion of the permit pursuant to ORS 537.260 or 537.410, or require submission of a final proof survey pursuant to ORS 537.250;
- B. The Department shall provide notice of receipt of progress reports in its weekly notice and shall allow a 30 day comment period for each report. The Department shall provide notice of its determination to anyone who submitted comments.

The well 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.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring devices for measuring and recording the quantity of water diverted from the well and stream which is being used to transport water to the place of use as approved by the Director. 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.

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.

Discharge facilities where water is to be discharged into a stream and diversion screening or fish passage facilities shall be designed, installed, and operated to Oregon Department of Fish and Wildlife specifications.

No water may be discharged into a natural water course and no water may be transported by means of a natural water course under this right, without the expressed written consent of the Oregon Department of Environmental Quality, a copy of which shall be submitted to the Director.

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.

Actual construction work shall begin on or before July 25, 1995 and shall be completed on or before October 1, 2017. Complete application of the water shall be made on or before October 1, 2017.

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 beneficial use of water without waste. The water user is advised that new regulations may require 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.

Issued this date at Salem, Oregon this 12 day of August, 2013.

Dwight French, Water Right Services Administrator, for

PHILLIP C. WARD, DIRECTOR