

STATE OF OREGON

COUNTY OF CROOK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

NORTHWEST FARM CREDIT SERVICES, FCLA
P.O. BOX 607
REDMOND OR 97756

DURGAN RANCH LLC
10809 SE DURGAN RANCH ROAD
PAULINA OR 97751

This superseding permit is issued to describe an amendment for an additional point of appropriation proposed under Permit Amendment Application T-11541 and approved by Special Order Vol. 91, Page 142, entered Aug 27, 2013, and to describe an extension of time for complete application of water approved September 23, 2011 and an assignment to a new permittee approved June 25, 2009. This permit supersedes Permit G-15285.

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

APPLICATION FILE NUMBER: G-15744

SOURCE OF WATER: FOUR WELLS IN WOLF CREEK BASIN

PURPOSE OR USE: PRIMARY IRRIGATION OF 175.5 ACRES AND SUPPLEMENTAL IRRIGATION OF 243.2 ACRES

MAXIMUM RATE: 5.236 CUBIC FEET PER SECOND (CFS), BEING 2.228 CFS EACH FROM WELL 1 AND WELL 2 AND 0.780 CFS FROM WELL 3

PERIOD OF USE: AUGUST 1 THROUGH SEPTEMBER 15

DATE OF PRIORITY: APRIL 15, 2002

WELL LOCATIONS:

Twp	Rng	Mer	Sec	Q-Q	GLot	Measured Distances
16 S	24 E	WM	4	NE NE	1	WELL 1 (CROO 51364) - 80 FEET SOUTH AND 520 FEET WEST FROM THE NE CORNER OF SECTION 4
16 S	24 E	WM	4	SE SW		WELL 2 (CROO 51747) - 520 FEET NORTH AND 1130 FEET WEST FROM THE S¼ CORNER OF SECTION 4
16 S	24 E	WM	5	SE SE		WELL 3 (CROO 51746) - 1010 FEET NORTH AND 590 FEET WEST FROM THE SE CORNER OF SECTION 5
16 S	24 E	MDM	8	SW NW		WELL 4 (CROO 53470) - 80 FEET NORTH AND 180 FEET EAST FROM THE W¼ CORNER OF SECTION 8.

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.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
16 S	24 E	WM	4	NE NE	10.0
16 S	24 E	WM	4	NW NE	3.9
16 S	24 E	WM	4	SW NE	5.3
16 S	24 E	WM	4	SE NE	17.2
16 S	24 E	WM	4	NE NW	5.9
16 S	24 E	WM	4	SW NW	19.1
16 S	24 E	WM	4	SE NW	26.9
16 S	24 E	WM	4	NW SW	8.0
16 S	24 E	WM	4	NW SE	0.1
16 S	24 E	WM	5	NE SE	8.0
16 S	24 E	WM	5	SW SE	5.2
16 S	24 E	WM	5	SE SE	9.0
16 S	24 E	WM	8	NE NE	3.2
16 S	24 E	WM	8	NW NE	9.6
16 S	24 E	WM	8	NE SW	22.3
16 S	24 E	WM	8	NW SW	1.9
16 S	24 E	WM	8	SW SW	18.0
16 S	24 E	WM	8	SE SW	1.9
Total					175.5

SUPPLEMENTAL IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
16 S	24 E	WM	4	NE NE	1.9
16 S	24 E	WM	4	NW NE	3.8
16 S	24 E	WM	4	SW NE	30.8
16 S	24 E	WM	4	SE NE	1.1
16 S	24 E	WM	4	SE NW	5.8

SUPPLEMENTAL IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
16 S	24 E	WM	4	NE SW	38.4
16 S	24 E	WM	4	NW SW	23.3
16 S	24 E	WM	4	SW SW	38.5
16 S	24 E	WM	4	SE SW	9.1
16 S	24 E	WM	4	NW SE	19.5
16 S	24 E	WM	4	SW SE	0.1
16 S	24 E	WM	5	SE SE	22.2
16 S	24 E	WM	8	NE NE	31.6
16 S	24 E	WM	8	SE NE	4.2
16 S	24 E	WM	9	NW NW	12.9
Total					243.2

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 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.

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.

Permit Amendment T-11541 Conditions:

The combined quantity of water diverted at the new point of appropriation, Well 4, together with that diverted at the old points of appropriation, (Wells 1, 2, and 3), shall not exceed the quantity of water lawfully available at the original points of appropriation, 2.228 cubic feet per second (cfs) for Well 1, 2.228 cfs for Well 2, and 0.78 cfs for Well 3.

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

Permit Extension Conditions:**Groundwater Condition**

The Department requires the water user to obtain, from a qualified individual (see below), and report annual static water levels for each well on the permit. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

The permittee shall report an initial March static water-level measurement once well construction is complete and annual measurements thereafter. Annual measurements are required whether or not the well is used. The first annual measurement will establish a reference level against which future measurements will be compared. However, the Director may establish the reference level based on an analysis of other water-level data. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least the standards specified in OAR 690-217-0045. The Department requires the individual performing the measurement to:

- A. Associate each measurement with an owner's well name or number and a Department well log ID; and
- B. Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and
- C. Specify the method of measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if any of the following events occur:

- A. Annual water-level measurements reveal an average water-level decline of three or more feet per year for five consecutive years; or
- B. Annual water-level measurements reveal a water-level decline of 15 or more feet in fewer than five consecutive years; or
- C. Annual water-level measurements reveal a water-level decline of 25 or more feet; or
- D. Hydraulic interference leads to a decline of 25 or more feet in any neighboring well with senior priority.

The period of restricted use shall continue until the water level rises above the decline level which triggered the action or the Department determines, based on the permittee'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 causing substantial interference with senior water rights. The water user shall not allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

STANDARD CONDITIONS

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.

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

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.

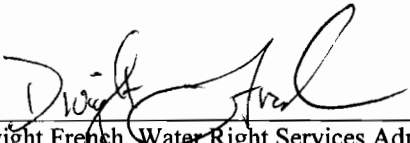
The use of water shall be limited when it interferes with any prior surface or ground water rights.

The Director finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

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 August 27, 2013



Dwight French, Water Right Services Administrator, for
PHILLIP C. WARD, DIRECTOR

REAL ESTATE TRANSACTIONS: Pursuant to ORS 537.330, in any transaction for the conveyance of real estate that includes any portion of the lands described in this permit, the seller of the real estate shall, upon accepting an offer to purchase that real estate, also inform the purchaser in writing whether any permit, transfer approval order, or certificate evidencing the water right is available and that the seller will deliver any permit, transfer approval order or certificate to the purchaser at closing, if the permit, transfer approval order or certificate is available.

CULTURAL RESOURCES PROTECTION LAWS: Permittees involved in ground-disturbing activities should be aware of federal and state cultural resources protection laws. ORS 358.920 prohibits the excavation, injury, destruction or alteration of an archeological site or object, or removal of archeological objects from public and private lands without an archeological permit issued by the State Historic Preservation Office. 16 USC 470, Section 106, National Historic Preservation Act of 1966 requires a federal agency, prior to any undertaking to take into account the effect of the undertaking that is included on or eligible for inclusion in the National Register. For further information, contact the State Historic Preservation Office at 503-378-4168, extension 232.