STATE OF OREGON

COUNTY OF KLAMATH

PERMIT TO CONSTRUCT A RESERVOIR AND TO STORE FOR BENEFICIAL USE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

LEO SAGEHORN C/O TRENA GRAVEM 810 N STREET

503-746-1289

SPRINGFIELD, OREGON 97477 "CERTIFICATE NO. 68616"

to construct SAGEHORN RESERVOIR and store the waters of DRY PRAIRIE CREEK, a tributary of LOST RIVER, to be appropriated under Application 69725, Permit 50966, for IRRIGATION AND LIVESTOCK.

This Permit to store waters is issued approving Reservoir Application R-69659. The date of priority is JULY 12, 1988. The amount of water entitled to be stored each year is not more than 34.06 ACRE-FEET, being 33.06 AF for irrigation and 1.0 AF for livestock.

The dam will be located as follows:

SE 1/4 SE 1/4, SECTION 22, T 37 S, R 13 E, W.M.

The area submerged by the reservoir, when full, will be 10.06 acres and the maximum depth of water will be 10.0 feet.

The area to be submerged by the reservoir is located within

SE 1/4 SE 1/4 SECTION 22

SW 1/4 SW 1/4 SECTION 23

NE 1/4 NE 1/4
SECTION 27
TOWNSHIP 37 SOUTH, RANGE 13 EAST, W.M.

This project was considered and approved by the Water Resources Commission on March 30, 1990.

The permit is subject to the following conditions:

- 1. The structure shall be constructed, operated and maintained in accordance with the approved plans and specifications and with the design intent.
- 2. The structure shall be constructed under the supervision of a registered engineer licensed in Oregon. No water shall be stored until this department receives written certification from the engineer that construction has been completed in accordance with the approved plans and specifications, and written authorization for storage is received from this department.
- 3. The outlet gate shall be cycled at least once each year in order to assure smooth operation.
- 4. The embankment and spillway channel shall be kept clear of trees and brush and other debris.
- 5. The embankment shall be kept free of burrowing animals.

Application R=69659 Water Resources Department PERMIT R=11220

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

Actual construction work shall begin on or before APRIL 30, 1991, and shall be completed on or before October 1, 1992. The reservoir shall be filled, and complete application of the stored water to the use shall be made on or before October 1, 1993.

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.

The 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 storage of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

Issued this date, APRIL 30, 1990.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director