STATE OF OREGON

COUNTY OF CROOK

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

THIS PERMIT IS HEREBY ISSUED TO

CRAIG WOODWARD/BIG SUMMIT PRAIRIE, INC. PO BOX 663 - 126 WEST FIRST PRINEVILLE, OREGON 97754

503-447-3841

to construct A RESERVOIR and store the waters of SHADY CREEK WITH ANY DEFICIENCY IN THE SUPPLY TO BE APPROPRIATED FROM INDIAN CREEK, tributaries of NORTH FORK CROOKED RIVER, to be appropriated under Application 70456, Permit 51232, for SUPPLEMENTAL IRRIGATION, LIVESTOCK AND WILDLIFE ENHANCEMENT.

This Permit is issued approving Reservoir Application R-70455. The date of priority is JULY 2, 1990 FOR 400.0 ACRE-FEET (AF) BEING 340.0 AF FOR SUPPLEMENTAL IRRIGATION, 10.0 AF FOR LIVESTOCK AND 50.0 AF FOR WILDLIFE ENHANCEMENT, MAY 14, 1991 FOR 60.0 AF AND MAY 15, 1991 FOR 30.0 AF FOR SUPPLEMENTAL IRRIGATION. The amount of water entitled to be stored each year is not more than 490.0 AF; BEING 430.0 AF FOR SUPPLEMENTAL IRRIGATION, 10.0 AF FOR LIVESTOCK AND 50.0 AF FOR WILDLIFE ENHANCEMENT. THE USE OF WATER FOR LIVESTOCK AND WILDLIFE ENHANCEMENT IS LIMITED TO THE AREA OF THE RESERVOIR. NO WATER SHALL BE APPROPRIATED FOR STORAGE DURING THE PERIOD FROM MAY 1 THROUGH OCTOBER 31 OF EACH YEAR.

THE PERMITTEE SHALL APPROPRIATE WATER FROM INDIAN CREEK ONLY WHEN INSTREAM FLOWS OF 1.0 CFS ARE MAINTAINED PAST THE POINT OF DIVERSION.

THE PERMITTEE SHALL MAINTAIN A MINIMUM STORAGE OF 50.0 AF OF WATER IN THE RESERVOIR FOR WILDLIFE ENHANCEMENT.

Diversion screening or fish passage facilities on the Indian Creek diversion shall be designed, installed, and operated to Oregon Department of Fish & Wildlife specifications. No screening for fish passage will be required on Shady Creek.

The dam will be located as follows:

NE 1/4 NW 1/4, SECTION 6, T 14 S, R 21 E, W.M.

Indian Creek Diversion: SE 1/4 NW 1/4, Section 31, T 13 S, R 21 E,
W.M.; 510 feet North and 1770 feet East from W 1/4 Corner Section 31.

The area submerged by the reservoir, when full, will be 40.0 acres and the maximum depth of water will be 24.0 feet.

The area to be submerged by the reservoir is located within:

E 1/2 SE 1/4
SECTION 36
TOWNSHIP 13 SOUTH, RANGE 20 EAST, W.M.

S 1/2 SW 1/4
SECTION 31
TOWNSHIP 13 SOUTH, RANGE 21 EAST, W.M.

NE 1/4 NE 1/4 SECTION 6 TOWNSHIP 14 SOUTH, RANGE 21 EAST, W.M.

This development was reviewed and approved by the Water Resources Commission on May 31, 1991.

The outlet gate shall be cycled at least once each year and shall be fully operational. The embankment and spillway shall be kept clear of brush, debris, and burrowing animals.

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The dam shall be constructed, operated, and maintained according to the approved plans and specifications dated 5/17/91, on file with the Water Resources Department.

The structure shall be constructed under the supervision of a registered engineer licensed in Oregon.

No fill shall be placed until excavation of the cutoff trench has been completed in its entirety and approved by the engineer.

A new topographical map and area-capacity curve, prepared by an engineer, must be submitted to this department if earth material is removed from the storage area during construction.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe.

Actual construction work shall begin on or before June 3, 1992, and shall be completed on or before October 1, 1993. The reservoir shall be filled, and complete application of the stored water to the use shall be made on or before October 1, 1994.

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, JUNE 3, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director