STATE OF OREGON

COUNTY OF CURRY

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

KNAPP RANCHES INC.

PO BOX 32

(541)332-3755

PORT ORFORD, OREGON 97465

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

APPLICATION FILE NUMBER: R-84100

SOURCE OF WATER: AN UNNAMED STREAM, A TRIBUTARY OF ELK RIVER

STORAGE FACILITY: UNNAMED RESERVOIR

PURPOSE OR USE OF THE STORED WATER: TO BE APPROPRIATED UNDER APPLICATION S-84101 FOR IRRIGATION AND MINING

MAXIMUM VOLUME: 100 ACRE-FEET EACH YEAR

WATER MAY BE APPROPRIATED FOR STORAGE: NOVEMBER 1 THROUGH APRIL 30

DATE OF PRIORITY: FEBRUARY 4, 1999

The area submerged by the reservoir, when full, will be 7.0 acres and the maximum depth of water will be 20.0 feet. The maximum height of the dam shall not exceed 9.5 feet.

DAM LOCATION: SW 1/4 SW 1/4, SECTION 20, T32S, R15W, W.M.; 314 FEET NORTH & 496 FEET EAST FROM SW CORNER, SECTION 20

THE AREA TO BE SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

SW 1/4 SW 1/4

SE 1/4 SW 1/4

SECTION 20

NE 1/4 NW 1/4

NW 1/4 NW 1/4

SECTION 29

TOWNSHIP 32 SOUTH, RANGE 15 WEST, W.M.

Measurement, recording and reporting conditions:

A. Before water use may begin under this permit, a staff gage

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that measures the entire range and stage between full reservoir level dead pool storage must be installed in the reservoir. The staff gage shall be United States Geological Survey style porcelain enamel iron staff gage style A, C, E or I. Additionally, before water use may begin under this permit, if the reservoir is located in channel then weirs or other suitable measuring devices must be installed upstream and downstream of the reservoir, and, a gated valve outlet must be installed. A written waiver may be obtained from the local Watermaster if in his judgement the installation of the weir(s) will provide no public benefit. 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.

STANDARD CONDITIONS

Use under this permit is limited to the reservoir area. This permit does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

The storage of water allowed herein is subject to the installation and maintenance of a fully functional conduit/gate assembly having a minimum diameter of 8 inches.

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.

20.25

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

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.

Actual construction work shall begin by December 15, 2000. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2004. 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/January 3

2000

Martha O. Ragel, Director Water Resources Department

NOTE: 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.

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