STATE OF OREGON

COUNTY OF CROOK

PERMIT TO STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

GI RANCH CORPORATION 15 SW COLORADO BEND, OREGON 97702

(541)382-6691

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

APPLICATION FILE NUMBER: R-71909

SOURCE OF WATER: BLACK SNAG CREEK, TRIBUTARY OF TWELVEMILE CREEK WITHIN THE DESCHUTES BASIN

STORAGE FACILITY: BLACK SNAG RESERVOIR

PURPOSE OR USE OF THE STORED WATER: FISH, RECREATION, AND LIVESTOCK

AMOUNT ALLOWED: 273.0 ACRE-FEET EACH YEAR

THE PERIOD OF USE: WATER MAY BE APPROPRIATED FOR STORAGE FROM JANUARY 1 THROUGH APRIL 30

DATE OF PRIORITY: OCTOBER 7, 1991

The area submerged by the reservoir, when full, will be 36.0 acres and the maximum depth of water will be 30.0 feet. The maximum height of the dam shall not exceed 38.0 feet.

DAM LOCATION: NW 1/4 NE 1/4, SECTION 25, TOWNSHIP 19 SOUTH, RANGE 24 EAST, W.M.; 500 FEET SOUTH AND 1820 FEET WEST FROM THE NE CORNER OF SECTION 25

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

NE 1/4 NE 1/4

NW 1/4 NE 1/4

SE 1/4 NE 1/4

NE 1/4 NW 1/4

NW 1/4 NW 1/4

SE 1/4 NW 1/4

SECTION 25

TOWNSHIP 19 SOUTH, RANGE 24 EAST, W.M.

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SW 1/4 NW 1/4 NE 1/4 SW 1/4 NW 1/4 SW 1/4 SECTION 30

TOWNSHIP 19 SOUTH, RANGE 25 EAST, W.M.

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.

The outlet gate shall be cycled at least once each year and shall be fully operational at all times.

Routine maintenance of the dam, spillway and appurtenant structures shall be performed as necessary to remove trees, brush and debris, and to repair slumps, areas of erosion, or defective equipment.

The earthen dam, spillway and resultant reservoir shall be constructed and maintained according to the approved plans and specifications on file with Oregon Water Resources Dam Safety program. Any changes in the approved design prior to construction shall be documented in a letter to Dam Safety.

All construction shall be performed under the supervision of a professional engineer licensed in Oregon. No fill shall be placed until excavation of the foundation has been completed and examined in its entirety by the engineer of record, or by the Water Resources Dam Safety Engineer, or both.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that construction has

been completed in accordance with the approved plans and specifications. If construction deviates from the approved design, a set asbuilt drawings must accompany the engineer's written certification of completion.

The completed structure shall not be enlarged, modified, altered or otherwise changed without the prior written approval of the Director of the Water Resources Department or the Director's authorized representative. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed engineer are required for any modification or rehabilitation of the dam, spillway or appurtenant structures.

Diversion screening or fish passage facilities shall be designed, installed, and operated to Oregon Department of Fish & Wildlife specifications.

From May 1 to December 31 of each year, reservoir inflow shall equal reservoir outflow.

STANDARD CONDITIONS

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

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.

This permit is issued to correctly identify the coordinates of the dam

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on Black Snag Creek. Permit R-12247, issued September 5, 1997 is superceded by this instrument and is of no further force or effect.

Actual construction work shall begin within one year from permit issuance. The reservoirs shall be filled and complete application of water shall be made on or before October 1, 2001.

Issued March |4 , 2002

Water Resources Department