

STATE OF OREGON

COUNTY OF GRANT

PERMIT TO CONSTRUCT A RESERVOIR AND STORE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

WAYNE H. FOSS
57587 ANTELOPE LANE
JOHN DAY OR 97845

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

APPLICATION FILE NUMBER: R-86860

SOURCE OF WATER: RUNOFF, TRIBUTARY TO HODSON CREEK

STORAGE FACILITY: POND #3

MAXIMUM VOLUME: 0.183 ACRE FOOT

DATE OF PRIORITY: MAY 14, 2007

WATER MAY BE APPROPRIATED DURING THE PERIOD:

| Use | Period |
|------------------|----------------------|
| MULTIPLE PURPOSE | DECEMBER 1 - JUNE 30 |

Dam Location/Authorized Point of Diversion:

| Twp | Rng | Mer | Sec | Q-Q | Survey Coordinates |
|------|------|-----|-----|-------|--|
| 13 S | 30 E | WM | 35 | SW NE | 1480 FEET SOUTH AND 540 FEET EAST FROM N1/4 CORNER, SECTION 35 |

The Area To Be Submerged:

| Twp | Rng | Mer | Sec | Q-Q |
|------|------|-----|-----|-------|
| 13 S | 30 E | WM | 35 | SW NE |

Measurement, recording and reporting conditions:

- A. The Director may require the permittee to install a staff gage that measures the entire range and stage between full reservoir level and dead pool level 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, if the reservoir is located in-channel, then weirs or other suitable measuring devices may be required upstream and downstream of the reservoir, and a gated outlet valve may be required. 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. If the Director notifies the permittee to install a staff gage, weirs, or other suitable measuring devices, the permittee shall install such devices within the period stated in the notice. Such installation period shall not be less than 90 days unless special circumstances warrant a shorter installation period. Once installed, the permittee shall maintain the devices in good working order and shall allow the watermaster access to the devices. The Director may provide an opportunity for the permittee to submit alternative measuring procedures for review and approval.

- B. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used, and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water-use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

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.

The permittee shall pass all live flow outside the storage season described above.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

This permit does not provide for the appropriation of water for out-of-reservoir uses, the maintenance of the water level or maintaining a suitable freshwater condition. If any water is used for out-of-reservoir purposes, or any live flow is appropriated to maintain either the water level or a suitable freshwater condition, a secondary water right is required.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

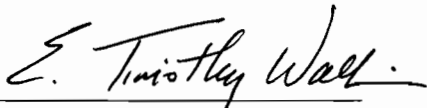
If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR Chapter 635, Division 415, Section 030 adopted November 13, 1991 shall be followed.

STANDARD CONDITIONS

1. 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.
2. 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.
3. 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.
4. 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.
5. This permit does not allow unauthorized inundation of property not under the ownership of the permit holder.
6. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2012.

7. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use to the Oregon Water Resources Department.
8. The claim of beneficial use shall be prepared by a Certified Water Right Examiner in conformance with the requirements of OAR 690-014 if an associated secondary permit exists for the use of stored water under this permit, or if the reservoir capacity is equal to or greater than 9.2 acre-feet.
9. If no secondary permit exists and the reservoir capacity is less than 9.2 acre-feet of water, the claim of beneficial use need not be prepared by a Certified Water Right Examiner. The information submitted to the Oregon Water Resources Department shall include:
 - a. the dimensions of the reservoir;
 - b. the maximum capacity of the reservoir in acre-feet; and
 - c. a map identifying the location of the reservoir prepared in compliance with Water Resource Department standards.

Issued DECEMBER 10, 2007.



for Phillip C. Ward, Director
Water Resources Department

