STATE OF OREGON

COUNTY OF JACKSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

HAROLD SCHMELZER 219 WEST CLARK MEDFORD, OREGON 97501

503-776-3088

to use the waters of LOST CREEK RESERVOIR, constructed under Permit R-8142, a tributary of ROGUE RIVER, for IRRIGATION OF 1.405 ACRES.

This Permit is issued approving Application 70317. The date of priority is APRIL 24, 1990. The use is limited to not more than 0.018 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

NW 1/4 SE 1/4, SECTION 17, T 35 S, R 1 W, W.M.; REDIVERSION - 1512.6 FEET NORTH AND 1693.3 FEET WEST FROM SE CORNER, SECTION 17.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to a diversion of not to exceed 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the proposed place of use under this Permit is as follows:

> NE 1/4 SE 1/4 0.367 ACRE NW 1/4 SE 1/4 0.918 ACRE

> SW 1/4 SE 1/4 SE 1/4 SE 1/4 0.092 ACRE

0.028 ACRE

SECTION 17

TOWNSHIP 35 SOUTH, RANGE 1 WEST, W.M.

The water user shall comply with the terms and conditions of Contract 0-07-10-W0793 dated June 12, 1990 between the applicant and the U.S. Bureau of Reclamation. A copy of said contract is in Application File 70317 at the Water Resources Department.

Actual construction work shall begin on or before AUGUST 6, 1991, and shall be completed on or before October 1, 1992. Complete application of the 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.

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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 incompliance 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 rights for maintaining instream flows.

Issued this date, AUGUST 6, 1990.

/s/ VALLIAM H. YOUNG

Water Resources Department William H. Young Director