STATE OF OREGON

COUNTY OF DOUGLAS

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

J. GERALD BACON GARDEN VALLEY ROAD, BOX 10176 ROSEBURG, OREGON 97470

503-459-2864

to use the waters of UMPQUA RIVER, a tributary of PACIFIC OCEAN, for IRRIGATION OF 10.12 ACRES.

This Permit is issued approving Application 70298. The date of priority is APRIL 18, 1990. The use is limited to not more than 0.125 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:

SE 1/4 NW 1/4, SECTION 18, T 26 S, R 6 W, W.M.; 1400 FEET SOUTH AND 320 FEET WEST FROM N 1/4 CORNER, SECTION 18.

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

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 ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 2.5 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:

SE 1/4 SW 1/4 3.34 ACRES SW 1/4 SE 1/4 6.78 ACRES SECTION 7 TOWNSHIP 26 SOUTH, RANGE 6 WEST, W.M.

Actual construction work shall begin on or before June 24, 1992, and shall be completed on or before October 1, 1993. Complete application of the 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.

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.

"CERTIFICATE NO. 68465 "

Application 70298

Water Resources Department

PERMIT 51234

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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, JUNE 24, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young, Director