

STATE OF OREGON

COUNTY OF JACKSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DEL RIO VINEYARDS LLC;
RANDY GOLD
52 RIVER ROAD
GOLD HILL, OREGON 97525

(541) 840-6769

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

APPLICATION FILE NUMBER: S-84135

SOURCE OF WATER: LOST CREEK RESERVOIR, A TRIBUTARY OF ROGUE RIVER

PURPOSE OR USE: IRRIGATION OF 46.6 ACRES

MAXIMUM VOLUME ALLOWED: 93.2 ACRE-FEET PER YEAR OF STORED WATER ONLY

PERIOD OF USE: APRIL 1 THROUGH OCTOBER 31, OR AS FURTHER LIMITED BY
CONTRACT WITH THE BUREAU OF RECLAMATION

DATE OF PRIORITY: MAY 6, 1999

POINT OF DIVERSION LOCATION: NW 1/4 NE 1/4, SECTION 19, NW 1/4 NW 1/4,
SECTION 20, T36S, R3W, W.M.; 1 - 760 FEET SOUTH AND 1390 FEET WEST; 2 -
270 FEET SOUTH AND 270 FEET EAST, BOTH FROM THE NE CORNER SECTION 19

The amount of water used for irrigation under this right, together with
the amount secured under any other right existing for the same lands, is
limited to a diversion of 4.5 acre-feet for each acre irrigated during
the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE 1/4 NE 1/4 3.0 ACRES
NE 1/4 SE 1/4 27.1 ACRES
NW 1/4 SE 1/4 15.8 ACRES
SW 1/4 SE 1/4 0.7 ACRES

SECTION 18

TOWNSHIP 36 SOUTH, RANGE 3 WEST, 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.
- 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.
- C. 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 permittee shall install, maintain, and operate fish screening and by-pass devices as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the proposed diversion. The required screens and by-pass devices are to be in place, functional and approved by an ODFW representative prior to diversion of any water.

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. The applicant is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, Portland, Oregon, before beginning construction of any in-channel obstruction.

The use of water under this right is subject to the terms and conditions of contract No. 9-07-10-W1260, or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department.

STANDARD CONDITIONS

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

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.

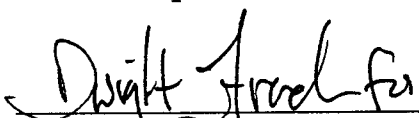
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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.

Actual construction work shall begin by April 17 , 2001. Complete application of the 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 April 17 , 2000


Martha O. Pagel, 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.

Application S-84135 Water Resources Department
Basin 15 Volume 3A SARDINE CR
MGMT.CODE 1BW

PERMIT 53670
District 13