

STATE OF OREGON

COUNTY OF JACKSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

JAMES C MILLER, MILLER RANCH; BLACK ROCK LAND AND GRAVEL INC
PO BOX 1088 (541) 482-0950
ASHLAND, OREGON 97520

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

APPLICATION FILE NUMBER: S-84551

SOURCE OF WATER: A SPRING, A TRIBUTARY OF ROGUE RIVER

PURPOSE OR USE: LIVESTOCK AND WILDLIFE

MAXIMUM RATE: 0.03 CUBIC FOOT PER SECOND, BEING NO MORE THAN 0.01 CFS
FOR LIVESTOCK USE AND NO MORE THAN 0.03 CFS FOR WILDLIFE USE

PERIOD OF USE: YEAR ROUND, AT TIMES WHEN WATERS FROM THE SPRING WOULD
NOT, UNDER NATURAL CONDITIONS, CONTRIBUTE FLOW TO DOWNSTREAM WATERS.

DATE OF PRIORITY: SEPTEMBER 25, 2000

POINT OF DIVERSION LOCATION: SE ¼ SW ¼, SECTION 4, T39S, R2E, W.M.;
130 FEET NORTH & 3053 FEET WEST FROM SE CORNER, SECTION 4

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SE ¼ SW ¼
SECTION 4
TOWNSHIP 39 SOUTH, RANGE 2 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.

Water used only at times when waters from the spring would not, under natural conditions, contribute flow to downstream waters, or sufficient water is available to satisfy all prior rights.

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.

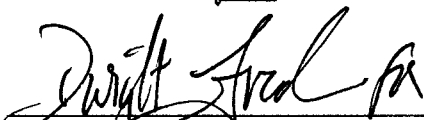
The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

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.

Complete application of the water to the use shall be made on or before October 1, 2007. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee must submit an application for extension of time, which may be approved based upon the merit of the application.

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 May 16, 2003



Paul R. Cleary, Director
Water Resources Department

REAL ESTATE TRANSACTIONS: 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.

CULTURAL RESOURCES PROTECTION LAWS: Permittees involved in ground-disturbing activities should be aware of federal and state cultural resources protection laws. ORS 358.920 prohibits the excavation, injury, destruction or alteration of an archeological site or object, or removal of archeological objects from public and private lands without an archeological permit issued by the State Historic Preservation Office. 16 USC 470, Section 106, National Historic Preservation Act of 1966 requires a federal agency, prior to any undertaking to take into account the effect of the undertaking that is included on or eligible for inclusion in the National Register. For further information, contact the State Historic Preservation Office at 503-378-4168, extension 232.