



920 SW Emkay, Suite C100
Bend, Oregon 97702-1041
541.388.4255
Fax 541.388.4229

July 19, 2007

Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-2430

**Re: Cascade Timberlands (Oregon), LLC
Groundwater Appropriation Application
WHP File No.: 33729-1001**

Gentlemen/Ladies:

I have compiled a groundwater appropriation application on behalf of Cascade Timberlands (Oregon), LLC for a proposed development in northern Klamath County. Your review and approval are respectfully requested.

The following application documents are enclosed for your consideration and use:

- Executed Groundwater Appropriation Application
- Form M for Municipal and Quasi-Municipal Supplies
- Executed Land Use Information Form from Klamath County
- Check in the amount of \$3,000.00 for Oregon Water Resources Department (OWRD) fees
- Legal Description for the subject property
- Well logs from the general vicinity
- Application Map
- Klamath County Tax Lot Maps
- Letter authorizing W&H Pacific, Inc. to act as an agent

Cascade Timberlands (Oregon), LLC is soliciting your approval to develop a quasi-municipal water right on their Klamath County lands. A maximum diversion rate of 2,500 gpm is requested to accommodate domestic use, irrigation, commercial use, construction watering, re-vegetation and restoration, recreational use, fire protection, and other uses typical of a municipality. The fire protection flow rate, estimated at approximately 2500 gpm, is needed to serve the first building and must be available at all times to protect the proposed development. The requested 2,500 gpm diversion rate will also provide standard quasi-municipal service to the proposed development.

The fee in the amount of \$3,000.00 was calculated as noted below:

- Base Application Fee-\$500.00
- Fee for initial CFS-\$200.00
- Fee for additional CFS-\$500.00
- Additional Fee for Points of Diversion-\$1,800.00
- Total-\$3,000.00

RECEIVED

JUL 20 2007

WATER RESOURCES DEPT
SALEM, OREGON

**RECEIVED
OVER THE COUNTER**

The applicant requests approval to develop up to 10 wells, and requests flexibility in well pumping rates depending upon the actual available yield following construction and testing. We propose to add each authorized point of diversion to one another so that the total rate of diversion could be potentially withdrawn from any one or combination of wells.

We have enclosed well logs from the general vicinity, demonstrating yields of 300 to 400 gpm are feasible. The groundwater aquifer however is not thoroughly tested in the vicinity and our objective is to retain flexibility to accommodate the desired diversion rate under encountered conditions.

The anticipated total annual consumption of water documented on Form M, is based upon actual water use records from other similar developments in Central Oregon. Consumption records from other similar projects assure that water use estimates are both accurate and adequate.

The proposed wells are located at least 3,700 feet from the Little Deschutes River and Crescent Creek. It is anticipated that wells will withdraw groundwater at depth.

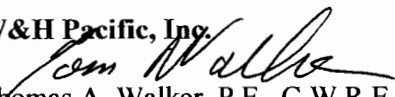
The applicant anticipates an OWRD requirement for mitigation of the groundwater withdrawal. The applicant will submit, under separate cover, a mitigation plan describing a phased program to provide an in-stream flow equivalent to the consumptive use for the groundwater withdrawal. The groundwater mitigation plan will incorporate the standard OWRD mitigation rules for the Deschutes Basin, including standard factors for consumptive use.

The applicant also anticipates that preparation of a Water Conservation and Management Plan will be a condition of approval for the requested quasi-municipal permit. The future Water Conservation and Management Plan will include metering for all services, a rate structure to encourage conservation, encouragement of native vegetation and low irrigation requirement landscaping, an educational program on water conservation, and similar practices that will conserve water use.

Please consider my comments and contact me if you have questions or require additional information. I have copied Mr. Jeremy Giffin, District 11 Water Master, with application materials to keep him advised of our intentions and to solicit his concurrent review and assistance. We greatly appreciate your help and look forward to your response.

Sincerely,

W&H Pacific, Inc.


Thomas A. Walker, P.E., C.W.R.E
Vice-President

Enclosures

Cc: Jeremy Giffin
Regan Desmond
Nancy Craven

RECEIVED

JUL 20 2007

WATER RESOURCES DEPT
SALEM, OREGON

**RECEIVED
OVER THE COUNTER**