



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem Oregon 97301-1271
(503) 986-0900
www.wrd.state.or.us

Application for a Permit to Use Ground Water

Please type or print in dark ink. If your application is found to be incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "n/a." Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

1. APPLICANT INFORMATION

A. Individuals

Applicant: _____
First Last
 Mailing address: _____
City State Zip
 Phone: _____
Home Work Other
 *Fax: _____ *E-Mail address: _____

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B. Organizations

(Corporations, associations, firms, partnerships, joint stock companies, cooperatives, public and municipal corporations)

Name of organization: Coleman Creek Ranch, LLC
 Name and title of person applying: EDWARD L. RAMSAY, Manager
 Mailing address of organization: P.O. Box 797
CRANE OR. 97732
City State Zip
 Phone: 1-541-493-2271 SAME
Day Evening
 *Fax: SAME *E-Mail address: ecr797@hughes.net

* Optional information

541-493-2756
SEE ATTACHED OPERATING Agreement Coleman CR.
Ranch, LLC.

For Department Use

App. No. G-17202

Permit No. _____

Date _____

2. PROPERTY OWNERSHIP

Do you own all the land where you propose to divert, transport, and use water?

☒ Yes (Skip to section 3 "Ground water Development.")

See ATTACHED Copy
of DEED

☐ No (Please check the appropriate box below.)

☐ I have a recorded easement or written authorization permitting access.

☐ I do not currently have written authorization or easement permitting access.

☐ Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigated and/or domestic use only (ORS 274.040).

You must provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map.

List the names and mailing addresses of all affected landowners.

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3. GROUND WATER DEVELOPMENT

A. Well Information

Number of well(s): ONE

Name of nearest surface water body: 1/4 mi, HOT & COLD SPRINGS

Distance from well(s) to nearest stream or lake: 1) 1 1/4 mi - SF MAHEUR RIVER

2) _____ 3) _____ 4) _____

If distance from surface water is less than one mile, indicate elevation difference between nearest surface water and well head. 1) HOT & COLD SPRINGS - 20± feet ABOVE

2) SF MAHEUR - 75' BELOW 3) _____ 4) _____

B. Well Characteristics

Wells must be constructed according to standards set by the Department for the construction and maintenance of water wells. If the well is already constructed, please enclose a copy of the well constructor's log and the well ID number, if available, for each well with this application. Identify each well with a number corresponding to the wells designated on the map and proceed to section 4 of the form. If the well has not been constructed, or if you do not have a well log, please complete the following:

Well(s) will be constructed by: To be determined upon

Address: APPROVAL OF WATER RIGHT PERMIT

Completion date: _____

Please provide a description of your well development. (Attach additional sheets if needed.)

Approx.

Well No.	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth
1	12"	12" Steel	260'		100'	260'	260'	Flowmeter Access Port	280'
SEE ATTACHED STRATA TEK Ground Water Survey 12/08									

Note: Well numbers in this listing must correspond to well locations(s) shown on accompanying map.

If well log is not available, or well is not yet constructed, you must provide: proposed total depth, depth of casing and seal, and the anticipated perforation and open intervals.

C. Artesian Flows

If your water well is flowing artesian, describe your water control and conservation works:

N/A

4. WATER USE

Please read the instruction booklet for more details on "type of use" definitions, how to express how much water you need and how to identify the water source you propose to use. You must fill out a supplemental form for some uses as they require specific information for that type of use.

A. Type(s) of Use(s)

See list of beneficial uses provided in the instructions.

- If your proposed use is **domestic**, indicate the number of households to be supplied with water: _____
- If your proposed use is **irrigation**, please attach **Form I**
- If your proposed use is **mining**, attach **Form R**
- If your proposed use is **municipal or quasi-municipal**, attach **Form M**
- If your proposed use is **commercial/industrial**, attach **Form Q**

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B. Amount of Water

Provide the production rate in gallons per minute (gpm) and the total annual amount of water you need from each well, from each source or aquifer, for each use. You do not need to provide source information if you are submitting a well log with your application.

Well No.	Source or aquifer	Type of use	Total rate of water requested (in gpm)	Total annual quantity (in gallons)	Production rate of well (in gpm)
1		IRRIGATION	897.6	316,673,280	960 gpm

C. Maximum Rate of Use Requested

What is the maximum, instantaneous rate of water that will be used? 2 CFS
(The fees for your application will be based on this amount.)

D. Period of Use

Indicate the time of year you propose to use the water: 3/1 - 10/31
(For seasonal uses like irrigation give dates when water use would begin and end, e.g. March 1-October 31.)

E. Acreage

If you will be applying water to land, please give the total number of acres where water will be applied or used: 160
(This number should be consistent with your application map.)

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5. WATER MANAGEMENTWATER RESOURCES DEPT
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What equipment will you use to pump water from your well(s)?

- ☒ Pump (give horsepower and pump type): to be determined by Actual depth & water Available
- ☐ Other means (describe): _____

B. Transport

How will you transport water to your place of use?

- ☐ Ditch or canal (give average width and depth):

Width _____ Depth _____

Is the ditch or canal to be lined? ☐ Yes ☐ No

- ☒ Pipe (give diameter and total length):

Diameter To be determined by Actual Available WATER. Length _____

- ☐ Other (describe) _____

C. Application/Distribution Method

What equipment will you use to apply water to your place of use?

Center Pivot

Irrigation or land application method (check all that apply):

- ☐ Flood
 ☐ High-pressure sprinkler
 ☒ Low pressure sprinkler
- ☐ Drip
 ☐ Water cannons
 ☒ Center pivot system
- ☐ Hand lines
 ☐ Wheel lines
- ☐ Siphon tubes or gated pipe with furrows
- ☐ Other, describe _____

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Distribution method

- ☒ Direct pipe from source
 ☐ In-line storage (tank or pond)
 ☐ Open canal

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What methods will you use to conserve water? Why did you choose this distribution or application method? For example, if you are using sprinkler irrigation rather than drip irrigation, explain. If you need additional space, attach a separate sheet.

A Center Pivot is the most efficient, Above Ground Watering System. In Addition, we will install Computer monitored Soil Moisture Sensors which will Adjust water use to the least water required for 6. PROJECT SCHEDULE the Crop Grown

Indicate the anticipated dates that the following construction tasks should begin. If construction has already begun, or is completed, please indicate that date.

Proposed date construction will begin: 180 days from Water Right Approval

Proposed date construction will be completed: 180 days from beginning of Const.

Proposed date beneficial water use will begin: Irrigation Season immediately following Approval of Water Right.

7. REMARKS

If you would like to clarify any information you have provided in the application, please do so here and reference the specific application question you are addressing.

#3A the Application is for A new well in an Area where A previous Right was Approved, but was Recinded due to LACK of use for a Number of years by previous owners. See ATTACH Copy of Permit # G6819

8. MAP REQUIREMENTS

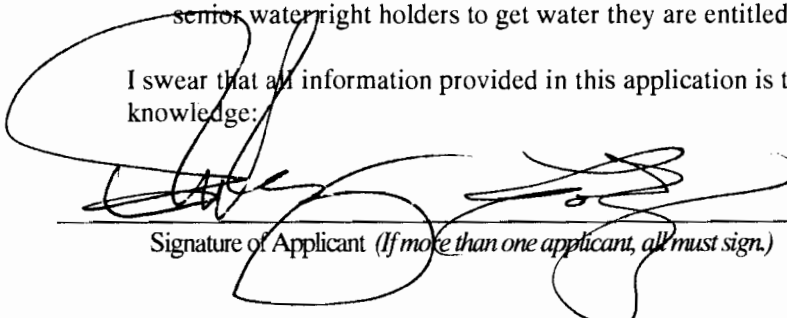
The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed well location and place of use. The map must provide tax lot numbers. See the map guidelines sheet for detailed map specifications.

9. SIGNATURE

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be canceled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit to me, I may have to stop using water to allow senior water right holders to get water they are entitled to, and

I swear that all information provided in this application is true and correct to the best of my knowledge:


Signature of Applicant (If more than one applicant, all must sign.)

MARCH 30, 2009
Date

Before you submit your application be sure you have:

- Answered each question completely.
- Attached a legible map which includes township, range, section, quarter/quarter and tax lot number.
- Included a Land Use Information Form or receipt stub signed by a local official.
- Included the legal description of all the property involved with this application. You may supply a copy of the deed, land sales contract, or title insurance policy, to meet this requirement.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount. The Department's fee schedule can be found at www.wrd.state.or.us or call (503) 986-0900.

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Oregon Water Resources Department

FORM I FOR IRRIGATION WATER USE

1. Please indicate whether you are requesting a primary or supplemental irrigation water right.

☒ **Primary** ☐ **Supplemental**

If supplemental, please indicate the number of acres that will be irrigated for each type of use.

Primary: 160 Acres

Secondary: _____ Acres

List the permit or certificate number of the primary water right: No. _____

2. Please list the anticipated crops you will grow and whether you will be irrigating them for a full or partial season:

- | | | |
|-------------------------------|---|---|
| 1. <u>Hay, Grain, Pasture</u> | ☒ Full season | ☐ Partial season (from: <u>3/1</u> to <u>10/31</u>) |
| 2. _____ | ☐ Full season | ☐ Partial season (from: _____ to _____) |
| 3. _____ | ☐ Full season | ☐ Partial season (from: _____ to _____) |
| 4. _____ | ☐ Full season | ☐ Partial season (from: _____ to _____) |

3. Indicate the maximum total number of acre-feet you expect to use in an irrigation season:

970.20 acre-feet

(1 acre-foot equals 12 inches of water spread over 1 acre, or 43,560 cubic feet, or 325,851 gallons.)

4. How will you schedule your applications of water? Will you be applying water in the evenings, twice a week, daily?

☒ Daily during daytime hours

☐ Two or three times weekly during daytime

☐ Weekly, during daytime hours

☐ Other, explain: _____

☒ Daily during nighttime hours

☐ Two or three times weekly during nighttime

☐ Weekly, during nighttime hours

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20062714

After recording return to:

Jeremy M. Green
Bryant, Lovlien & Jarvis, P.C.
P.O. Box 1151
Bend, Oregon 97709-1151

Until a change is requested, all tax statements
shall be sent to the following address:

Edward and Cathy Ramsay
P.O. Box 797
Crane, Oregon 97732

STATE OF OREGON } ss
County of Harney

I certify that the within instrument was received
for record on the 29th day of December

2006 at 3:26 o'clock P.M. and
recorded microfilm number 20062714

Deed Records of said County.

Maria Iturriaga, County Clerk

Deputy

BARGAIN AND SALE DEED

Ramsay Holdings, LLC, an Oregon limited liability company, Grantor, conveys to
Coleman Creek Ranch, LLC, an Oregon limited liability company, Grantee, the following
described real property located in Harney County, Oregon:

AS DESCRIBED ON THE ATTACHED EXHIBIT A.

Other property or value was either part or the whole consideration for this conveyance.

The real property conveyed is made subject to all existing liens and encumbrances of
record as of the transfer date.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF
ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). THIS
INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS
INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND
REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE
PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE
APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED
USES, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST
PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF
NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS
2005 (BALLOT MEASURE 37 (2004)).

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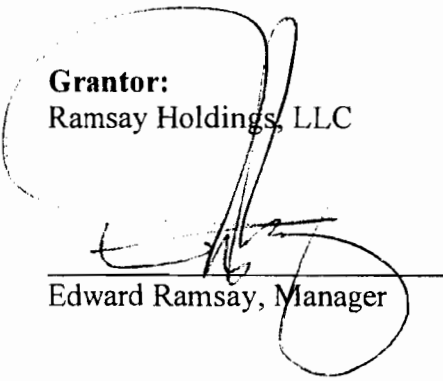
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WATER RESOURCES DEPT
SALEM, OREGON

2006 2714

Dated this 27th day of December, 2006.

Grantor:
Ramsay Holdings, LLC

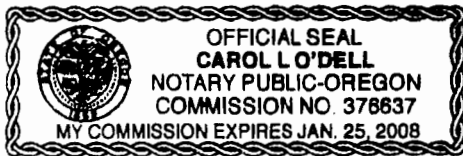

Edward Ramsay, Manager

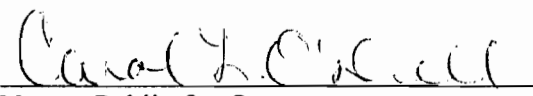
State of Oregon

)
) ss.
)

County of Deschutes

This instrument was acknowledged before me on this 27th day of December, 2006, by Edward Ramsay, who stated he is the manager of Ramsay Holdings, LLC, and that he has the power and authority to sign this instrument on behalf of Ramsay Holdings, LLC.




Notary Public for Oregon
My Commission Expires: Jan. 25, 2008

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SALEM, OREGON

2006 2714

EXHIBIT A
Legal Description

T 24 S, R 36 E, WM

Section 27: SW1/4 SW1/4.
Section 28: SE1/4 SE1/4.
Section 34: NE1/4, NE1/4 SE1/4.
Section 35: W1/2 W1/2, SE1/4 NW1/4, E1/2 SW1/4.

T 25 S, R 36 E, WM

Section 2: Lot 4 & 5, E1/2 E1/2 SW1/4 NW1/4, NW1/4 SW1/4.
Section 3: Lots 5, 6, 7, & 8, S1/2.
Section 10: E1/2 SW1/4, W1/2 SE1/4, NW1/4.
Section 15: All.
Section 16: NE1/4, S1/2 NW1/4, SW1/4, NW1/4 SE1/4.

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SALEM, OREGON

**OPERATING AGREEMENT
of
COLEMAN CREEK RANCH, LLC**

an Oregon limited liability company

Ramsay Holdings, LLC, an Oregon limited liability company (the "Member"), desiring to form a limited liability company under the Oregon Limited Liability Company Act (the "Act"), desires to execute this Operating Agreement of Coleman Creek Ranch, LLC (the "Agreement") and hereby agrees as follows:

SECTION 1. FORMATION

1.1 Name. The name of the limited liability company is Coleman Creek Ranch, LLC (the "Company").

1.2 Formation. Pursuant to the Act, the Company was formed on May 25, 2006, when its Articles of Organization ("Articles") were filed with the office of the Oregon Secretary of State.

1.3 Principal Place of Business. The Company's principal place of business shall be located at P.O. Box 797, Crane, Oregon 97732.

1.4 Registered Office and Registered Agent. The Company's initial registered agent shall be Mill View Professional Services, Inc., Attn: Jeremy M. Green and his address shall be at 591 S.W. Mill View Way, Bend, Oregon 97702. The registered office and/or registered agent may be changed by the Member as provided in ORS 63.114(1).

1.5 Defects as to Formalities. A failure to observe any formality or requirement of this Agreement, the Articles, or the Act shall not be grounds for imposing personal liability on the Member for liabilities of the Company.

1.6 Rights of Creditors and Third-Parties. Except as provided by statute, no creditor or third-party shall have any rights or interest in the Company.

1.7 Title to Property. All real and personal property owned or acquired by the Company shall be owned in the name of the Company and not in the name of the Member.

1.8 Duration. The Company shall exist in perpetuity unless earlier dissolved as provided in this Agreement or the Articles.

SECTION 2. BUSINESS AND DURATION

2.1 Business. The business of the Company shall be to:

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2.1.1 Own, operate, manage, rent, lease, maintain, sell, exchange, transfer, farm, mortgage, and hold for investment real property; and

2.1.2 Carry on any other lawful business or activity which may be conducted by an Oregon limited liability company which is incidental to the business of the Company set forth in subsection 2.1.1.

SECTION 3. MANAGEMENT

3.1 Management. The Company is a member-managed limited liability company. Any matter relating to the business of the Company may be decided by the Member.

3.2 Matters Requiring Consent of Member. Except as otherwise provided in this Agreement, the following matters of the Company require the prior written consent of the Member:

3.2.1 Amending or restating the Articles or this Agreement, except that the Company may amend Schedule 4.1 without the written consent of the Member;

3.2.2 Approving the dissolution of the Company under Section 8;

3.2.3 Making of an interim distribution under Section 7, including the redemption of Units (as defined below);

3.2.4 Admitting a new member and establishing the terms of admittance;

3.2.5 Approving any action to sell, lease, exchange, mortgage, pledge, or any other transfer or disposition of all, or substantially all, of the Company's assets;

3.2.6 Engaging in any merger or other business combination agreement, or preliminary agreement thereto, or liquidation of the Company;

3.2.7 A change in the nature of the Company's business; and

3.2.8 Any other matter stipulated in the Articles or this Agreement as requiring prior written approval from the Member.

3.3 Action Without a Meeting. Action requiring the consent of the Member may be taken without a meeting.

3.4 Agency Power. Member is an agent of the Company for the purpose of its business and may bind the Company. Member may sign and deliver any instrument transferring or affecting the Company's interest in real property.

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3.5 Duties and Standard of Conduct. Member may lend money to or transact other business with the Company; provided, however, that any loan or transaction between the Member and the Company must be authorized or ratified by the Member after full disclosure of all material facts. Loans and other transactions between the Company and the Member are binding on the parties in the same manner as transactions between the Company and persons who are not members, subject to other applicable law.

3.6 Limitation of Liability and Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify the Member for acts or omissions as a member, and the Company shall eliminate the liability of the Member to the Company or the other members for damages from such acts or omissions.

3.7 Liability of Member. The debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, are solely the debts, obligations, and liabilities of the Company. Member shall not personally liable for any debt, obligation, or liability of the Company solely by reason of being or acting as a member of the Company.

SECTION 4. CONTRIBUTIONS

4.1 Capital Contributions. The name and address of the Member, the agreed value of its initial capital contribution, and the Member's initial units of ownership ("Units") shall be as set forth on the attached Schedule 4.1.

4.2 Liability for Contributions. A promise by the Member to contribute to the Company is not enforceable unless it is set out in writing and signed by the Member. The obligation of the Member to make a contribution may be compromised only by the consent of the Member.

4.3 Additional Contributions. Member shall not be required to make any additional capital contributions to the Company.

4.4 No Interest on Contributions. Member shall not receive and shall not be paid any interest on its contributions to capital.

4.5 Return of Contributions. Except as otherwise provided in this Agreement, the Member shall not have the right to receive any return of any contribution.

SECTION 5. ALLOCATION OF PROFITS AND LOSSES

5.1 Allocation of Profits and Losses. The profits and losses of the Company shall be allocated solely to the Member.

5.2 Distributions In Kind. The profits or losses of the Company attributable to any asset in kind that is distributed to the Member shall be determined as if the asset had been sold at its fair market value before the dissolution and winding-up of the Company.

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SECTION 6. ACCOUNTING, TAXES, AND BANKING

6.1 Books of Account. The Company shall keep complete and accurate books of account and records in a manner sufficient to effect and carry out this Agreement. The books of account and records shall be kept in accordance with sound accounting practices consistently applied.

6.2 Bank Accounts. All Company funds shall be deposited in one or more bank accounts in the Company's name. Member shall determine the banks, the types of accounts, and the individuals whom shall have authority with respect to the accounts. Company funds shall not be commingled with the funds of the Member.

6.3 Tax Returns. Within ninety (90) days after the end of a taxable year, the Company shall deliver to the Member the following financial information:

6.3.1 Any financial statements of the Company for the taxable year;

6.3.2 A statement showing the share of Company income, gain, loss, credit, and deduction for income tax purposes allocated to the Member for the taxable year; and

6.3.3 Any other information concerning the Company that the Member may reasonably require to complete the Member's federal, state, and local income tax returns.

6.4 Reporting. Member shall report the Member's share of Company income, gain, loss, credit, and deduction for income tax purposes in a manner consistent with this Agreement.

SECTION 7. DISTRIBUTIONS

7.1 Allocation of Interim Distributions. Distributions of cash or other assets of the Company before the dissolution and winding-up of the Company shall be allocated to the Member.

7.2 Right to Interim Distributions. Except as otherwise provided in ORS 63.205 to ORS 63.235, the Member shall be entitled to receive distributions from the Company before the dissolution and winding-up of the Company to the extent and at the times as the Member may determine.

7.3 Distribution In Kind. Member, regardless of the nature of the Member's contribution, shall have no right to demand and receive any distribution from the Company in any form other than cash. The value of any asset that is distributed to the Member (in kind) shall be the fair market value of the asset as of the date of distribution.

7.4 Limitations on Distribution.

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7.4.1 A distribution may be made by the Company to the Member only if, after giving effect to the distribution, in the judgment of the Member: (i) the Company will be able to pay its debts as they become due in the ordinary course of business; and (ii) the fair market value of the total assets of the Company would at least equal the sum of its total liabilities.

7.4.2 Member may base a determination that a distribution is not prohibited under subsection 7.4.1 either on: (i) financial statements that the Member reasonably believes have been prepared on the basis of accounting practices and principles that are reasonable under the circumstances; or (ii) a fair valuation or other method that the Member believes is reasonable under the circumstances.

7.4.3 For purposes of this Section 7.4, the amount, if any, by which a liability as to which the recourse of creditors is limited to specific property of the Company exceeds the fair market value of the specific property shall be disregarded as a liability of the Company.

7.4.4 The effect of a distribution under this Section 7.4 shall be measured as follows: (i) in the case of a distribution by purchase, retirement, or other acquisition of all or a portion of the Member's Units, as of the earlier of the date the money or other property is transferred or debt incurred by the Company or the date the Member ceases to be a member with respect to the Units purchased, retired, or otherwise acquired; (ii) in the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and (iii) in all other cases, as of the date a distribution is authorized if the payment occurs within one hundred twenty (120) days after the date of authorization or the date the payment is made if it occurs more than one hundred twenty (120) days after the date of authorization.

SECTION 8. DISSOLUTION

8.1 Dissolution. The Company shall be dissolved and its affairs shall be wound-up upon the first to occur of the following:

8.1.1 Upon reaching the time for dissolution, if any, specified in the Articles;

8.1.2 The written consent of the Member;

8.1.3 At such time as the Company has no members;

8.1.4 Upon the administrative dissolution by the Oregon Secretary of State under ORS 63.651; or

8.1.5 Upon entry of a decree of judicial dissolution under ORS 63.671.

8.2 Distribution of Assets Upon Dissolution. Upon the winding-up of the Company, the assets of the Company shall be distributed and applied in the following order of priority:

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8.2.1 To the extent permitted by law, to the creditors of the Company, including the Member if the Member is a creditor, in satisfaction of any liabilities of the Company;

8.2.2 The establishment of any reserves which the Member deems appropriate for any contingent, conditional, unmatured, or unknown liabilities of the Company; and

8.2.3 To the Member.

8.3 Effect of Dissolution; Winding-Up. Upon the dissolution of the Company, the Company shall continue its existence, but shall not carry on any business except that which is appropriate to wind-up and liquidate its business and affairs, including:

8.3.1 Collecting the Company's assets and disposing of its properties that will not be distributed in kind to the Member;

8.3.2 Discharging or making provision for discharging its liabilities;

8.3.3 Distributing its remaining property to the Member in accordance with Section 8.2; and

8.3.4 Doing every other act necessary to wind-up and liquidate its business and affairs.

8.4 Records. The Company shall keep at its principal office or registered office the following Company records:

8.4.1 A current list of the full name and last-known business, residence, or mailing address of the Member;

8.4.2 A copy of the Articles and all amendments to the Articles, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

8.4.3 Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;

8.4.4 A copy of this Agreement and all amendments to this Agreement; and

8.4.5 Copies of any financial statements of the Company for the three (3) most recent years.

SECTION 9. MISCELLANEOUS

9.1 Binding Effect. This Agreement shall be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and shall inure to their benefit.

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9.2 Waiver. No waiver shall be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement shall not constitute a waiver of any other provision or a waiver of a subsequent breach of the same provision.

9.3 Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement shall not be impaired.

9.4 Further Assurances. The parties shall sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

9.5 No Third-Party Beneficiaries. The parties do not intend to confer any right or remedy on any third-party.

9.6 Attachments. Any exhibits, schedules, and other attachments referenced in this Agreement are hereby made a part of this Agreement.

9.7 Remedies. The parties shall have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

9.8 Governing Law. This Agreement shall be governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

9.9 Venue. Any action or proceeding arising out of this Agreement shall be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.

9.10 Attorney's Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim shall be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

9.11 Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.

RECEIVED

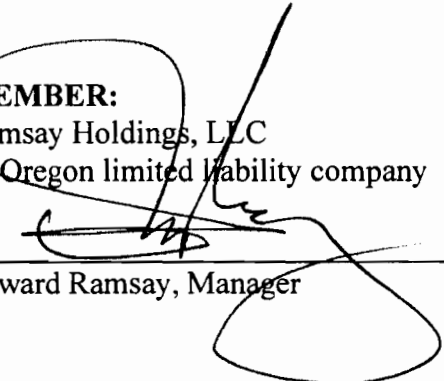
APR 06 2009

9.12 Single-Member Agreement. The parties understand that certain provisions of this Agreement contemplate the Company having only one member. If for any reason the Company has two (2) or more members after the date of this Agreement, the Company and the members shall amend this Agreement.

Dated effective Dec. 27, 2006

MEMBER:

Ramsay Holdings, LLC
an Oregon limited liability company



Edward Ramsay, Manager

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WATER RESOURCES DEPT
SALEM, OREGON



Oregon Water Resources Department Land Use Information Form

G-17202

THIS FORM IS NOT REQUIRED IF: 1) water is to be diverted, conveyed, and/or used only on federal lands; or 2) the application is for a water-right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and all of the following apply: a) only the place of use is proposed for change, b) there are no structural changes, c) the use of water is for irrigation, and d) the use is located in an irrigation district or exclusive farm-use zone.

Applicant Name: Coleman Cr. Ranch LLC.
Mailing Address: P.O. Box 797
City: CRANE State: OR Zip: 97732 Day Phone: 1-541-493-2271

This application is related to a Measure 37 claim. ☐ Yes ☒ No

A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), or used. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	¼ ¼	Tax Lot #	Plan Designation (e.g. Rural Residential/RR-5)	Water to be:	Proposed Land Use:
25S	36E	16	SWNW	800	EFU	Diverted ☐ Conveyed ☐ Used ☒	irrigation
			SENE	"		Diverted ☐ Conveyed ☐ Used ☒	"
			NENE	"		Diverted ☐ Conveyed ☐ Used ☒	"
			NWNW	"		Diverted ☐ Conveyed ☐ Used ☒	"

List all counties and cities where water is proposed to be diverted, conveyed, or used. HARNEY

B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- ☒ Permit to Use or Store Water ☐ Water-Right Transfer ☐ Exchange of Water
☐ Allocation of Conserved Water ☐ Limited Water Use License
☐ Permit Amendment or Ground Water Registration Modification

Source of water: ☐ Reservoir/Pond ☒ Ground Water ☐ Surface Water (name) _____

Estimated quantity of water needed: 2 ☒ cubic feet per second ☐ gallons per minute ☐ acre-feet

Intended use of water: ☒ Irrigation ☐ Commercial ☐ Industrial ☐ Domestic for _____ household(s)
☐ Municipal ☐ Quasi-municipal ☐ Instream ☐ Other _____

Briefly describe: Provide water to Raise hay, Grain or Pasture on 160 Acres via A Pivot over 40 Acres SWNW, 40 acres SE NW, 40 Acres NESW, & 40 Acres NWSW Sec. 16 25S 36E

Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt below and include it with the application filed with the Water Resources Department.

Receipt for Request for Land Use Information

State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

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WATER RESOURCES DEPT
SALEM, OREGON

For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form.

This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

Please check the appropriate box below and provide the requested information

☒ Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): 3.010 (EFF-1)

☐ Land uses to be served by proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.)

If approvals have been obtained but all appeal periods have not ended, check "Being pursued".

Type of Land-Use Approval Needed (e.g. plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		☐ Obtained ☐ Denied	☐ Being pursued ☐ Not being pursued
		☐ Obtained ☐ Denied	☐ Being pursued ☐ Not being pursued
		☐ Obtained ☐ Denied	☐ Being pursued ☐ Not being pursued
		☐ Obtained ☐ Denied	☐ Being pursued ☐ Not being pursued
		☐ Obtained ☐ Denied	☐ Being pursued ☐ Not being pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

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WATER RESOURCES DEPT
SALEM, OREGON

Name: Brandon McMullen Title: Planning Director
Signature: [Signature] Phone: 541-523-6655 Date: 3/27/09
Government Entity: Harney County Planning

Note to local government representative: Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

Receipt for Request for Land Use Information

Applicant name: _____

City or County: _____ Staff contact: _____

Signature: _____ Phone: _____ Date: _____



SURVEY SUMMARY

A ten-site MT4 geophysical survey was conducted on the Coleman Creek/Ed Ramsey property to determine the potential for water production for irrigation purposes. There is an existing well which is reported as being drilled to 125 feet (labeled "well" on map) and encountered clay, sand, gravel, then possibly hard basalt in the bottom of the well. Currently, the well is capable of producing 40-50 gpm. Just to the north of the well, near site 1-1, is a spring which flows warm to hot water. This provides a very complex geological scenario, because the well just to the south has water temperatures in the typical 55-65 degree range.

The MT4 image provides a very clear picture of the geological complexities along the survey line. The well to the south is clearly outside the zone of influence of a basalt dike which is visible as a dark blue area at sites 1-2 and 1-2.5. Apparently, the dike still has active fractures which penetrate deep into the earth, closer to a magma chamber. The dike can be seen extending to at least 540 feet at site 1-2. The intrusion apparently migrated upwards along a fault plane visible between sites 1-1.5 and 1-2. Most of the basalt which flowed up the fault was extruded at the surface, but there are fingers of basalt visible which emanate outwards to the north from the dike.

There may be a second basalt dike at sites 1-6 and 1-7. The resistivities seen on the image are higher than the surrounding area. Our expectation here is that the formation is a basalt zone between 30 feet and 380 feet, but there is a minor possibility that this zone could be filled with cobbles or fractured rock. We are considering this as a low probability area for finding irrigation water volumes, but it has the distant possibility of being a high-risk, high-volume area.

The entire area between sites 1-2 and 1-7 appears to have aquifer potential between 20 feet and 260/280 feet. This area has the profile of an aquifer "bowl", comprised of sand, gravel, cobbles, boulders, and basalt. We are selecting an area which appears to have more fracturing, or weathering in the basalt beds for testing, notably near sites 1-4 and 1-5. This area appears to be fingered with basalt, but possibly not as dense as the zones we see surrounding it.

Recommendation:

Our recommendation is to drill a test well midway between sites 1-4 and 1-5 to a total depth of approximately 280 feet. Between 260 and 280 feet, we anticipate that the formation will change from basalt to shale/clay or possibly slate if the formation is metamorphosed by the ancient basalt heat. This area provides an opportunity for significant aquifer thickness of basalt, sand, gravel, and cobbles.

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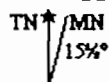
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WATER RESOURCES DEPT
SALEM, OREGON

www.stratatekgroundwaterimaging.com

Tulsa, OK 918.496.8355 Lubbock, TX 806.785.8810 Pinedale, WY 307.231.0956
Nationwide 800.401.9092

WGS84 118°18.000' W

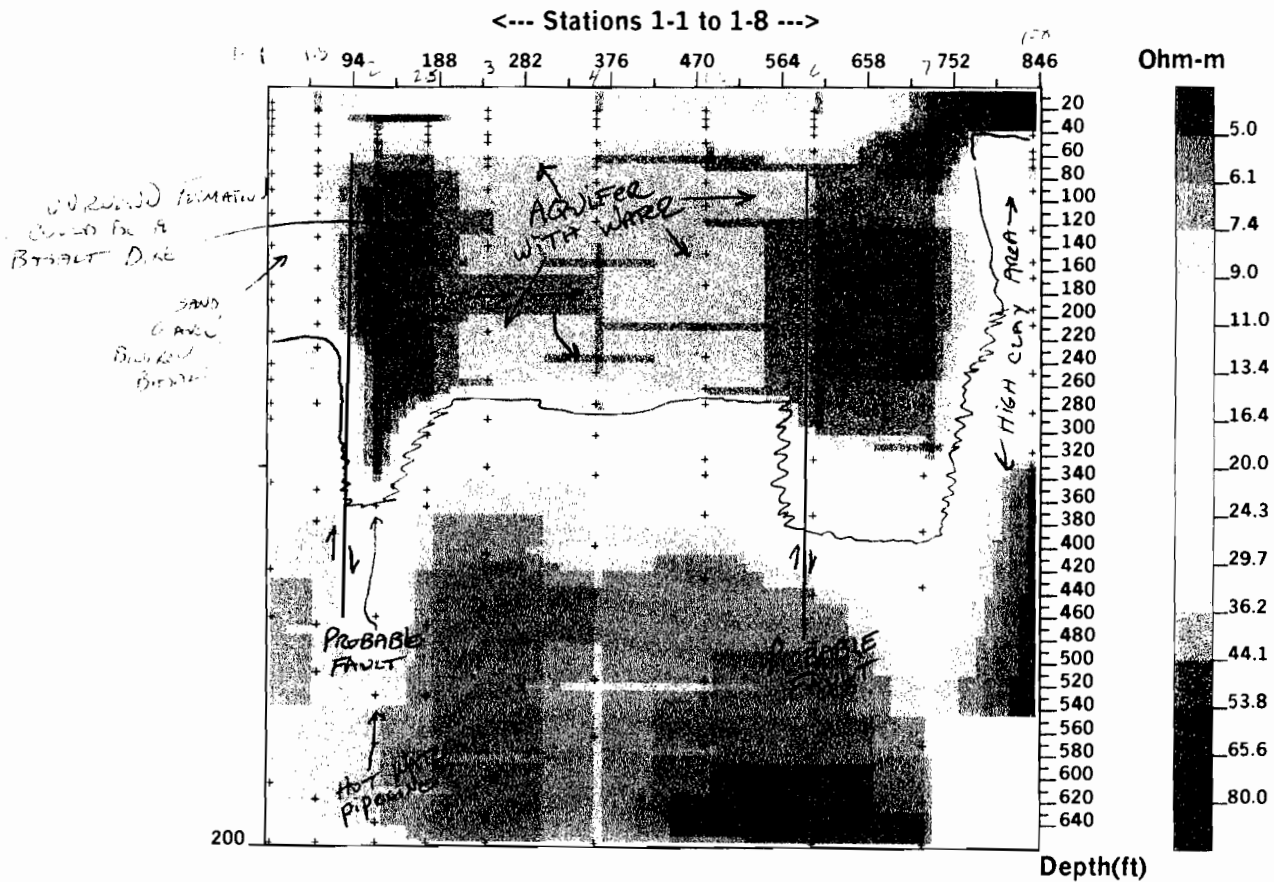


Map created with TOPO!® ©2002 National Geographic (www.nationalgeographic.com/topo)

STRATATEK GROUNDWATER IMAGING, INC.

COLEMAN CREEK/ED RAMSEY PROJECT

FILE ERAM1T1.DAT



2-D Resistivity Image

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WATER RESOURCES DEPT
SALEM, OREGON

Ed Ramsey
Coleman Creek Ranch
Latitude and Longitude

1-1	N	43 23.701	W	118 18.647
1-1.5	N	43 23.734	W	118 18.638
1-2	N	43 23.764	W	118 18.630
1-2.5	N	43 23.796	W	118 18.619
1-3	N	43 23.828	W	118 18.615
1-4	N	43 23.892	W	118 18.599
1-5	N	43 23.956	W	118 18.583
1-6	N	43 24.019	W	118 18.569
1-7	N	43 24.087	W	118 18.555
1-8	N	43 24.151	W	118 18.542

Well	N	43 23.596	W	118 18.622
------	---	-----------	---	------------

Spring	N	43 23.688	W	118 18.592
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WATER RESOURCES DEPT
SALEM, OREGON



**MT4 Geophysical Groundwater Aquifer-Imaging
Survey**

for

**Coleman Creek Ranch
Ed Ramsey
Crane, OR**

GROUNDWATER IRRIGATION PROJECT

**December
2008**

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APR 06 2009

**WATER RESOURCES DEPT
SALEM, OREGON**

Permit Approved in 1976
& Cancelled in 2005 for
failure to use by Previous Owners.

G-47202

REGISTRATION

BEFORE THE WATER RESOURCES DIRECTOR OF OREGON

MARION COUNTY

IN THE MATTER OF THE CANCELLATION)
OF CERTAIN PERMITS TO APPROPRIATE) ORDER
WATER UNDER THE PROVISIONS OF ORS)
537.260)

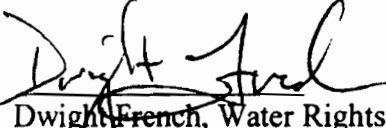
The time within which the appropriations under the following water right permit(s) should have been perfected has expired. The owners of such permit(s) have failed or refused within the period of three months thereafter to submit proof of the completion of such appropriations as required by ORS 537.260. Notices have been addressed to each of the owners of said permit(s) by certified mail in accordance with the provisions of ORS 537.260 and ORS 174.160. The owners of such permit(s) have failed or refused to submit proof of the completion of the appropriations under the terms and conditions of their respective permit(s), although the sixty-day time limits allowed in such notices has elapsed.

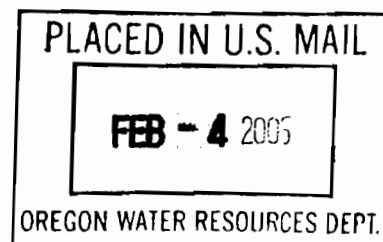
PERMITS TO USE GROUNDWATER:

<u>Name</u>	<u>Basin No.</u>	<u>WM Dist.</u>	<u>Application No.</u>	<u>Permit No</u>
T.A. Doman	10	10	G-7371	G-6819

Proof of appropriation of water under the terms and conditions of the permit(s) listed has not been made to the satisfaction of the WATER RESOURCES DIRECTOR as required under ORS 537.260. NOW, THEREFORE, it is hereby ORDERED that the permit(s) are canceled in accordance with the provisions of ORS 537.260

Dated at Salem, Oregon this 4 day of February, 2005.


Dwight French, Water Rights Section Manager, for
Phillip C. Ward, Director



Special Order Volume 63 Page 205

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

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WATER RESOURCES DEPT
SALEM, OREGON

G 6819

STATE OF OREGON, }
 County of Marion, } ss.

PERMIT

This is to certify that I have examined the foregoing application and do hereby grant the same, SUBJECT TO EXISTING RIGHTS and the following limitations and conditions:

The right herein granted is limited to the amount of water which can be applied to beneficial use and shall not exceed 4.14 cubic feet per second measured at the point of diversion from the well or source of appropriation, or its equivalent in case of rotation with other water users, from 3 wells, being 1.38 c.f.s. from each well

The use to which this water is to be applied is irrigation

If for irrigation, this appropriation shall be limited to 1/80th of one cubic foot per second or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 3 acre feet per acre for each acre irrigated during the irrigation season of each year;

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WATER RESOURCES DEPT
 SALEM, OREGON

and shall be subject to such reasonable rotation system as may be ordered by the proper state officer.

The well shall be cased as necessary in accordance with good practice and if the flow is artesian the works shall include proper capping and control valve to prevent the waste of ground water.

The works constructed shall include an air line and pressure gauge or an access port for measuring line, adequate to determine water level elevation in the well at all times.

The permittee shall install and maintain a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

The priority date of this permit is May 17, 1976

Actual construction work shall begin on or before August 5, 1977 and shall

thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 1977
 Extended to Oct. 1979 Extended to Oct. 1978

Complete application of the water to the proposed use shall be made on or before October 1, 1978
 Extended to Oct. 1979

WITNESS my hand this 5th day of August, 1976

James P. Selman
 WATER RESOURCES DIRECTOR

Application No. G-1371
 Permit No. G-G 6819

PERMIT

TO APPROPRIATE THE GROUND
 WATERS OF THE STATE
 OF OREGON

This instrument was first received in the
 office of the State Engineer at Salem, Oregon,
 on the 17 day of May,
 1976, at 8 o'clock A. M.

Returned to applicant:

Approved:

Recorded in book No. G 6819
 of
 Ground Water Permits on page

STATE ENGINEER

Drainage Basin No. 10 page 43

State Printing

120 00

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MAY 17 1976

WATER RESOURCES DEPT
SALEM, OREGON

Permit No. G-6819

APPLICATION FOR A PERMIT

ON

To Appropriate the Ground Waters of the State of Oregon

I, W. A. Kloss (Name of applicant)
of Box 856, Crane, county of Harney
(Postoffice Address)
state of Oregon 97732, do hereby make application for a permit to appropriate the following described ground waters of the state of Oregon, SUBJECT TO EXISTING RIGHTS:

If the applicant is a corporation, give date and place of incorporation

1. Give name of nearest stream to which the well, tunnel or other source of water development is situated South Fork Malheur River
(Name of stream)

tributary of Malheur River

2. The amount of water which the applicant intends to apply to beneficial use is 1000 cubic feet per second or 1000 Gallons per minute.

3. The use to which the water is to be applied is Irrigation of farm land
Pasture

See Remarks
4. The well or other source is located 247 ft. N. and 211 ft. E. from the S.W. corner of EXISTING FENCE LINE OF Sec 16, No 2 is 247 FT. N. and 211 ft. E. from the S.W. corner of Sec 16, No 3 is 247 ft. N. and 245 ft. E. From the S.W. corner of Sec 16 all 3 are in T 25 S and R 36 E being within the S.W. Corner of Sec. 16, Twp. 25 S., R. 36 E. W. M., in the county of Harney
(If there is more than one well, each must be described. Use separate sheet if necessary)

5. The Canal or pipe line to be _____ miles in length, terminating in the _____ of Sec. _____, Twp. _____, R. _____, W. M., the proposed location being shown throughout on the accompanying map.

6. The name of the well or other works is Snyder Field Wells

DESCRIPTION OF WORKS

7. If the flow to be utilized is artesian, the works to be used for the control and conservation of the supply when not in use must be described.

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WATER RESOURCES DEPT
SALEM, OREGON

8. The development will consist of 3 wells having a diameter of 12 inches and an estimated depth of 250 feet. It is estimated that 50 feet of the well will require steel casing. Depth to water table is estimated 20 ft.
(Kind) (Feet)

CANAL SYSTEM OR PIPE LINE—

9. (a) Give dimensions at each point of canal where materially changed in size, stating miles from headgate. At headgate: width on top (at water line) feet; width on bottom feet; depth of water feet; grade feet fall per one thousand feet.

(b) At miles from headgate: width on top (at water line) feet; width on bottom feet; depth of water feet; grade feet fall per one thousand feet.

(c) Length of pipe, ft.; size at intake, in.; in size at ft. from intake in.; size at place of use in.; difference in elevation between intake and place of use, ft. Is grade uniform? Estimated capacity, sec. ft.

10. If pumps are to be used, give size and type 30 H.P. 3 Ph. Elec. 8 in. Turbine

Give horsepower and type of motor or engine to be used 30 H.P. Electric

11. If the location of the well, tunnel, or other development work is less than one-fourth mile from a natural stream or stream channel, give the distance to the nearest point on each of such channels and the difference in elevation between the stream bed and the ground surface at the source of development

12. Location of area to be irrigated, or place of use

Township N. or S.	Range E. or W. of Willamette Meridian	Section	Part-acre Tract	Number Acres To Be Irrigated
25.S.	36.E	16	SW 1/4 of the SW 1/4	30
25.S.	36.E	16	SE 1/4 of the SW 1/4	40
25.S.	36.E	16	NW 1/4 of the SW 1/4	30
25.S.	36.E	16	SW 1/4 of the NW 1/4	30
25.S.	36.E	16	NE 1/4 of the SW 1/4	40
25.S.	36.E	16	SE 1/4 of the NW 1/4	40
25.S.	36.E	16	NW 1/4 of the SE 1/4	40
25.S.	36.E	16	SW 1/4 of the NE 1/4	40
25.S.	36.E	16	NW 1/4 of the NE 1/4	40
				<u>330 acres</u>

(If more space required, attach separate sheet)

Character of soil Sandy loam

Kind of crops raised Hay Grain Pasture

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WATER RESOURCES DEPT
SALEM, OREGON

MUNICIPAL SUPPLY—

13. To supply the city of
 in county, having a present population of
 and an estimated population of in 19.....

ANSWER QUESTIONS 14, 15, 16, 17 AND 18 IN ALL CASES

14. Estimated cost of proposed works, \$ 5000⁰⁰
 15. Construction work will begin on or before May first
 16. Construction work will be completed on or before May 31
 17. The water will be completely applied to the proposed use on or before Sept 1976 first well
 18. If the ground water supply is supplemental to an existing water supply, identify any application for permit, permit, certificate or adjudicated right to appropriate water, made or held by the applicant.

Remarks:

J. A. Roman
 (Signature of applicant)
 The first well or no 1 well will be completed and the water put to use in 1976. No 2 well we plan on drilling in 1976 but the water will not be put to use until 1977. And well no 3 will be drilled in 1977 and the water put to use in 1977 by Sept.

Well # 1:- 247' N. & 211' E., Well #2:- 247' N. & 1244' E., Well #3:- 247' N. & 2488' E. all from the existing SW cor. of section 16; being w/in #1 & #2 SW 1/4 SW 1/4 Sec. 16, #3 SE 1/4 SW 1/4 Sec. 16.

STATE OF OREGON, }
 County of Marion, } ss.

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APR 06 2009

This is to certify that I have examined the foregoing application, together with the accompanying maps and data, and return the same for

WATER RESOURCES DEPT
 SALEM, OREGON

In order to retain its priority, this application must be returned to the State Engineer, with corrections on or before, 19.....

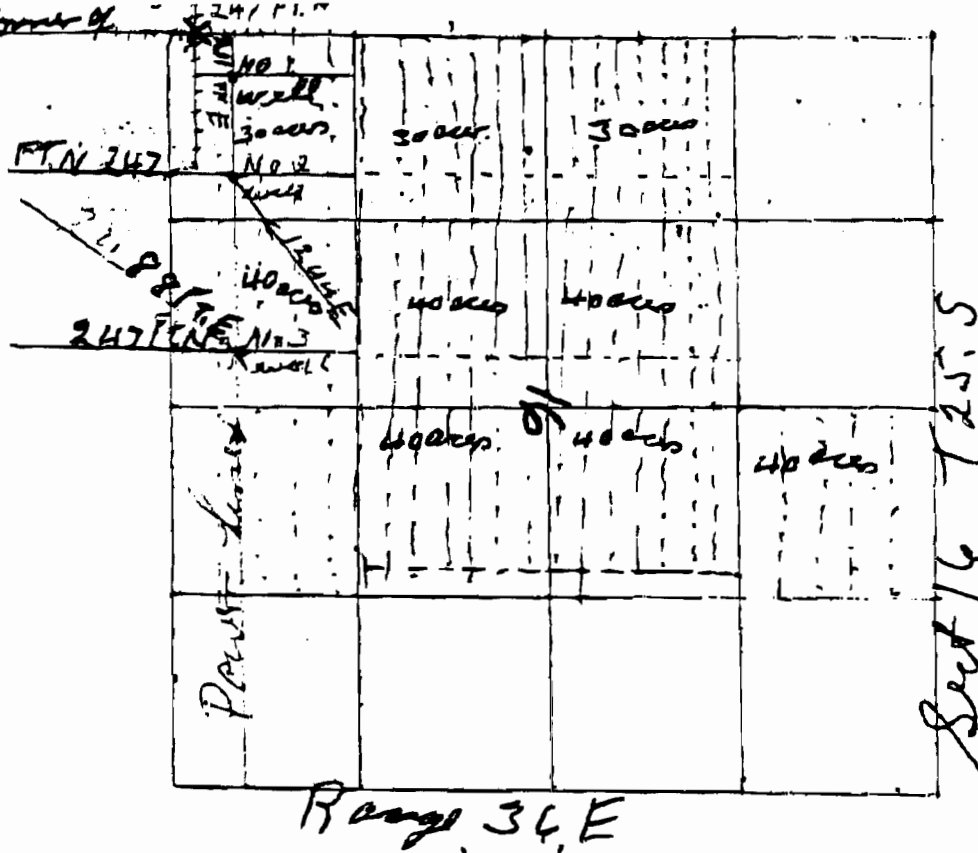
WITNESS my hand this day of, 19.....

STATE ENGINEER

By

ASSISTANT

G-6819



Application No. G-7321
Permit No. G 6819

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APR 06 2009

WATER RESOURCES DEPT
SALEM, OREGON

W. Homan

Crane Oregon Box 856
97732

24-7 north, 977

RECEIVED

MAY 14 1976

WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED

APR 13 1976

WATER RESOURCES DEPT.
SALEM, OREGON

RECEIVED

JAN 06 2006

WATER RESOURCES DEPT
SALEM, OREGON

Previously Approved
water Right At the Same Point

G-681