



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

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725 Summer Street NE, Suite A
Salem, OR 97301-1271
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WHITEHORSE RANCH LLC
ATTN: DAVID HERMAN
57735 WHITEHORSE RANCH LANE
FIELDS, OR 97710-8820

November 13, 2009

Reference: File G-17193

Dear Applicant:

**THIS IS NOT A PERMIT AND IS
SUBJECT TO CHANGE AT THE NEXT PHASE OF PROCESSING.**

This letter is to inform you of the preliminary analysis of your water use permit application and to describe your options. In determining whether a water use permit application may be approved, the Department must consider the factors listed below, all of which must be favorable to the proposed use if it is to be allowed. Based on the information you have supplied, the Water Resources Department has made the following preliminary determinations:

Initial Review Determinations:

1. The application proposed to use 4.8 cubic feet per second (CFS), being 2.12 CFS from Well A (MALH 2476), 1.35 CFS from Well C and 1.34 CFS from Well D (HARN 1781) in Whitehorse Creek Basin for supplemental irrigation of 609.9 acres from March 1 through September 1.
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. The use of water from Well A (MALH 2476), Well C, Well D (HARN 1781) in Whitehorse Creek Basin for irrigation is allowable under the Malheur Lake Basin Program.
4. If properly conditioned, the proposed use of ground water will avoid injury to existing ground water rights and the resource.

The Department has determined, based upon OAR 690-009, that the proposed ground water use will not have the potential for substantial interference with any surface water source.

5. The Department has determined a portion of the proposed place of use has an underlying ground water right, (Application G-16845). Further review of the proposed source of water under this application and the authorized points of appropriation under Application G-16845 indicate that the proposed wells will likely develop water from the same groundwater aquifer. Because the wells develop water from the same groundwater source, the proposed wells under this application may not be used as supplemental sources to Application G-16845 (Well B (HARN 1786) and Well E). Because Application G-16845 allows the maximum rate of 1/80 CFS per acre of water and because the wells under this application will produce ground water from the same source,

the use of water from the proposed wells for supplemental irrigation of 68.5 acres is not allowable.

6. The Department has determined that Well A (MALH 2476), Well C and Well D (HARN 1781) do not meet current minimum well construction standards. Prior to the issuance of a permit, evidence demonstrating compliance with well construction standards must be submitted to the Department, and the Department's Enforcement Section must approve the well construction. In repairing the well(s), you should work closely with the Department and/or a licensed well constructor to ensure that repairs are carried out in a manner that will not violate well construction or other rules. You are encouraged to contact Kris Byrd of the Department's Enforcement Section at 503-986-0851 to determine how to proceed.

Please also note that regardless of the outcome of this application, you will need to work with the Department to either repair or abandon the well(s) to comply with the minimum standards for the construction, conversion, alteration, maintenance, and abandonment of water supply wells in order to protect the state's ground water supply (OAR 690-200).

Summary of Initial Determinations

The use of 4.8 CFS being 2.12 CFS from Well A (MALH 2476), 1.35 CFS from Well C and 1.34 CFS from Well D (HARN 1781) in Whitehorse Creek Basin for supplemental irrigation of 541.4 acres may be allowed during the full period requested, March 1 through September 1, contingent upon the submittal of evidence demonstrating compliance with current minimum well construction standards for Well A (MALH 2476), Well C and Well D (HARN 1781).

Because of the Department's determination, your application can be moved to the next phase of the water-rights application review process, where public interest factors will be evaluated. However, due to #5 above, your application will likely be limited accordingly.

Please reference the application number when sending any correspondence regarding the conclusions of this initial review. Comments received within the comment period will be evaluated at the next phase of the process.

At this time, you must decide whether to proceed or to withdraw your application as described below.

Withdrawal Refunds:

If you choose not to proceed, you may withdraw your application and receive a refund (minus a \$200 processing charge per application). To accomplish this you must notify the Department in writing by **Friday, November 27, 2009**. For your convenience you may use the enclosed "STOP PROCESSING" form.

To Proceed With Your Application:

If you choose to proceed with your application, you do not have to notify the Department. Your application will automatically be placed on the Department's Public Notice to allow others the opportunity to comment. After the comment period the Department will complete a public interest review and issue a Proposed Final Order.

If A Permit Is Issued It Will Likely Include The Following Conditions:

1. Measurement, recording and reporting conditions:
 - A. **Before water use may begin** under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion / appropriation. The permittee shall maintain the meter or measuring device in good working order.
 - B. The permittee 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.
 - C. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where any meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.
2. Prior to using water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.
3. The Department requires the water user to obtain, from a qualified individual (see below), and report annual static water levels for each well on the permit. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

The permittee shall report an initial March static water-level measurement once well construction is complete and annual measurements thereafter. Annual measurements are required whether or not the well is used. The first annual measurement will establish a reference level against which future measurements will be compared. However, the Director may establish the reference level based on an analysis of other water-level data. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least the standards specified in OAR 690-217-0045. The Department requires the individual performing the measurement to:

- A. Associate each measurement with an owner's well name or number and a Department well log ID; and
- B. Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and

- C. Specify the method of measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if any of the following events occur:

- A. Annual water-level measurements reveal an average water-level decline of three or more feet per year for five consecutive years; or
- B. Annual water-level measurements reveal a water-level decline of 15 or more feet in fewer than five consecutive years; or
- C. Annual water-level measurements reveal a water-level decline of 25 or more feet; or
- D. Hydraulic interference leads to a decline of 25 or more feet in any neighboring well with senior priority.

The period of restricted use shall continue until the water level rises above the decline level which triggered the action or the Department determines, based on the permittee's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or causing substantial interference with senior water rights. The water user shall not allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

The water source identified in your application may be affected by an Agricultural Water Quality Management Area Plan. These plans are developed by the Oregon Department of Agriculture (ODA) with the cooperation of local landowners and other interested stakeholders, and help to ensure that current and new appropriations of water are done in a way that does not adversely harm the environment. You are encouraged to explore ODA's Water Quality Program web site at http://www.oregon.gov/ODA/NRD/water_agplans.shtml to learn more about the plans and how they may affect your proposed water use.

If you have any questions:

Feel free to call me at 503-986-0815 if you have any questions regarding the contents of this letter or your application. Please have your application number available if you call. General questions about water rights and water use permits should be directed to our customer service staff at 503-986-0801. When corresponding by mail, please use this address: Joel Plahn, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Joel Plahn
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

APPLICATION FACT SHEET

Application File Number: GG-17193

Applicant: WHITEHORSE RANCH LLC

County: Harney

Watermaster: 10

Priority Date: March 20, 2009

Source: WELL A (MALH 2476), WELL C, WELL D (HARN 1781) IN WHITEHORSE CREEK BASIN

Use: SUPPLEMENTAL IRRIGATION OF 609.3 ACRES

Quantity: 4.8 CUBIC FEET PER SECOND

Basin Name & Number: Malheur Lake, #12

Stream Index Reference: Volume 1 WHITEHORSE CR FLATS

Well Location(s):

WELL A (MALH 2476) - SWNW, SECTION 31, T37S, R36E, W.M.;1560 FEET SOUTH AND 1770 FEET EAST FROM NW CORNER, SECTION 31

WELL C - NWNE, SECTION 24, T37S, R36E, W.M.;1100 FEET SOUTH AND 288 FEET EAST FROM N1/4 CORNER, SECTION 24

WELL D (HARN 1781) - SWSW, SECTION 13, T37S, R36E, W.M.;760 FEET NORTH AND 5 FEET EAST FROM SW CORNER, SECTION 13

Place of Use:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ 0.9 ACRE
NE $\frac{1}{4}$ SW $\frac{1}{4}$ 28.9 ACRES
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 39.1 ACRES
SW $\frac{1}{4}$ SW $\frac{1}{4}$ 34.8 ACRES
SE $\frac{1}{4}$ SW $\frac{1}{4}$ 34.0 ACRES
SW $\frac{1}{4}$ SE $\frac{1}{4}$ 22.2 ACRES
SE $\frac{1}{4}$ SE $\frac{1}{4}$ 5.7 ACRES
SECTION 13

NE $\frac{1}{4}$ SE $\frac{1}{4}$ 8.0 ACRES
SE $\frac{1}{4}$ SE $\frac{1}{4}$ 3.5 ACRES
SECTION 14

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 15.6 ACRES
NW $\frac{1}{4}$ NE $\frac{1}{4}$ 40.0 ACRES
SW $\frac{1}{4}$ NE $\frac{1}{4}$ 40.0 ACRES
SE $\frac{1}{4}$ NE $\frac{1}{4}$ 4.2 ACRES
NE $\frac{1}{4}$ NW $\frac{1}{4}$ 22.3 ACRES
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 4.8 ACRES
SE $\frac{1}{4}$ NW $\frac{1}{4}$ 8.3 ACRES

NE $\frac{1}{4}$ SW $\frac{1}{4}$ 14.4 ACRES
SE $\frac{1}{4}$ SW $\frac{1}{4}$ 15.7 ACRES
NE $\frac{1}{4}$ SE $\frac{1}{4}$ 10.0 ACRES
NW $\frac{1}{4}$ SE $\frac{1}{4}$ 40.0 ACRES
SW $\frac{1}{4}$ SE $\frac{1}{4}$ 40.0 ACRES
SE $\frac{1}{4}$ SE $\frac{1}{4}$ 9.6 ACRES
SECTION 24

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 2.5 ACRES
NW $\frac{1}{4}$ NE $\frac{1}{4}$ 39.6 ACRES
SW $\frac{1}{4}$ NE $\frac{1}{4}$ 36.3 ACRES
SE $\frac{1}{4}$ NE $\frac{1}{4}$ 7.6 ACRES
NE $\frac{1}{4}$ NW $\frac{1}{4}$ 10.1 ACRES
SE $\frac{1}{4}$ NW $\frac{1}{4}$ 1.8 ACRES
NE $\frac{1}{4}$ SE $\frac{1}{4}$ 30.2 ACRES
NW $\frac{1}{4}$ SE $\frac{1}{4}$ 14.9 ACRES
SW $\frac{1}{4}$ SE $\frac{1}{4}$ 0.1 ACRE
SE $\frac{1}{4}$ SE $\frac{1}{4}$ 20.4 ACRES
SECTION 25

TOWNSHIP 37 SOUTH, RANGE 36 EAST, W.M.

SW $\frac{1}{4}$ SW $\frac{1}{4}$ 3.8 ACRES
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 0.6 ACRES
SECTION 30

TOWNSHIP 37 SOUTH, RANGE 37 EAST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, November 27, 2009

PUBLIC NOTICE DATE: Tuesday, November 17, 2009

30 DAY COMMENT DEADLINE DATE: Thursday, December 18, 2009

Mailing List for IR Copies

Application #GG-17193

IR Date : November 13, 2009

Original mailed to applicant:

WHITEHORSE RANCH LLC., ATTN: DAVID HERMAN, 57735 WHITEHORSE RANCH LANE, FIELDS, OR 97710-8820

Copies sent to:

1. WRD - File # GG-17193
2. WRD - Water Availability: Ken Stahr
WRD - ER Well Inspector

IR, Map, and Fact Sheet Copies sent to:

3. WRD - Regional Manager (not SCR): ER
4. WRD - Watermaster # 10
5. Department of Agriculture

Affected Landowners (include "Notice of Initial Review--Affected Landowner"):

Copies sent to Other Interested Persons (CWRE, Agent, Well Driller, Commenter, etc.)

Bruce Estes CWRE #1

<p>Copies Mailed By: _____ (SUPPORT STAFF) on: _____ (DATE)</p>

Caseworker: Joel Plahn

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