



Oregon

John A. Kitzhaber, MD, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

July 6, 2012

JERRY LESLIE
ALKALI FARMS CORPORATION
101 E EIGHT ST SUITE 130, VANCOUVER WA

Reference: File G-17535

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 an 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 the appropriation of 6.68 cubic feet per second (CFS) of water, being 3.34 CFS each from North Well in China Creek Basin in the John Day River Basin and South Well in Eightmile Canyon Basin in the Umatilla River Basin for irrigation of 685.7 acres March 1 through October 31 and for year-round agricultural use.
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. The appropriation of water from North Well in China Creek Basin for irrigation and agricultural use is allowable under the John Day Basin Program.
4. The appropriation of water from South Well in Eightmile Canyon Basin for irrigation and agricultural use is allowable under the Umatilla Basin Program.
5. Ground water is over-appropriated and will not likely be available within the capacity of the resource and/or without injury to existing ground water rights.

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.

Summary of Allowable Water Use

Because not all items above are favorable, the appropriation of 6.68 CFS of water for irrigation of 685.7 acres and agricultural uses from North Well in China Creek Basin in the John Day River Basin and from South Well in Eightmile Canyon Basin in the Umatilla River Basin is not allowable, and it appears unlikely that you will be issued a permit unless a suitable mitigation proposal is provided prior to issuance of the Proposed Final Order. At this time, you must decide whether to proceed or to withdraw your application as described below.

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.

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, July 20, 2012**. 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 at each point of 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 diverted 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. If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.
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 period from February 1 through March 31. Reports shall be submitted to the Department within 30 days of measurement.

The permittee shall report an initial February/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.

4. Dedicated Measuring Tube: Wells with pumps shall be equipped with an unobstructed, dedicated measuring tube pursuant to figure 200-5 in OAR 690-200.
5. 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.

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 503-986-0816 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: Kerry Kavanagh, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Kerry Kavanagh
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

G-17535

North Well - no psi - WAB 6-no wab - China Creek - John Day Basin

South Well - no psi - WAB 7-30710401 (Eightmile Canyon, trib to Willow Creek) - Umatilla Basin

APPLICATION FACT SHEET

Application File Number: G-17535

Applicant: JERRY LESLIE; ALKALI FARMS CORPORATION

County: GILLIAM

Watermaster: 21

Priority Date:February 15, 2012

Source: February 15, 2012

Use: IRRIGATION OF 685.7 ACRES AND AGRICULTURE USE

Quantity: 6.68 CUBIC FEET PER SECOND (CFS), BEING 3.34 CFS FROM EACH WELL

Basin Name & Number: NORTH WELL - JOHN DAY BASIN - 6
SOUTH WELL - UMATILLA BASIN - 7

Stream Index Reference:

NORTH WELL - CHINA CREEK, BASIN 6 MISC, VOL 1A
SOUTH WELL - EIGHTMILE CANYON, VOL 4A (MISC & WELLS)

Well Locations:

NORTH WELL - SESW, SECTION 24, T2N, R21E, W.M.; 1475 FEET SOUTH AND
1300 FEET WEST FROM C1/4 CORNER, SECTION 24

SOUTH WELL - NWNE, SECTION 25, T2N, R21E, W.M.; 1140 FEET SOUTH AND
2300 FEET WEST FROM NE CORNER, SECTION 25

Place of Use:

NE $\frac{1}{4}$ NW $\frac{1}{4}$ 32.7 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 4.0 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 4.0 ACRES IRRIGATION AND AGRICULTURE USE
SE $\frac{1}{4}$ NW $\frac{1}{4}$ 32.4 ACRES IRRIGATION AND AGRICULTURE USE
NE $\frac{1}{4}$ SW $\frac{1}{4}$ 36.6 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 28.2 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ SW $\frac{1}{4}$ 6.6 ACRES IRRIGATION AND AGRICULTURE USE
SE $\frac{1}{4}$ SW $\frac{1}{4}$ 38.1 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ SE $\frac{1}{4}$ 25.8 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ SE $\frac{1}{4}$ 22.4 ACRES IRRIGATION AND AGRICULTURE USE
SECTION 24
TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.

Place of Use (continued):

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 28.2 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ NE $\frac{1}{4}$ 13.5 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ NE $\frac{1}{4}$ 31.1 ACRES IRRIGATION AND AGRICULTURE USE
SE $\frac{1}{4}$ NE $\frac{1}{4}$ 36.6 ACRES IRRIGATION AND AGRICULTURE USE
NE $\frac{1}{4}$ NW $\frac{1}{4}$ 36.4 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 5.1 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 21.7 ACRES IRRIGATION AND AGRICULTURE USE
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NE $\frac{1}{4}$ SW $\frac{1}{4}$ 32.0 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 12.6 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ SW $\frac{1}{4}$ 7.5 ACRES IRRIGATION AND AGRICULTURE USE
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NE $\frac{1}{4}$ SE $\frac{1}{4}$ 30.0 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ SE $\frac{1}{4}$ 32.8 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ SE $\frac{1}{4}$ 38.8 ACRES IRRIGATION AND AGRICULTURE USE
SE $\frac{1}{4}$ SE $\frac{1}{4}$ 11.6 ACRES IRRIGATION AND AGRICULTURE USE

SECTION 25

TOWNSHIP 2 NORTH, RANGE 21 EAST, W.M.

NE $\frac{1}{4}$ NW $\frac{1}{4}$ 0.7 ACRE IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 28.9 ACRES IRRIGATION AND AGRICULTURE USE
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 14.9 ACRES IRRIGATION AND AGRICULTURE USE
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 3.5 ACRES IRRIGATION AND AGRICULTURE USE

SECTION 30

TOWNSHIP 2 NORTH, RANGE 22 EAST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, July 20, 2012

PUBLIC NOTICE DATE: Tuesday, July 10, 2012

30 DAY COMMENT DEADLINE DATE: Thursday, August 9, 2012

Mailing List for IR Copies

Application #G-17535

IR Date: July 6, 2012

Original mailed to applicant:

JERRY LESLIE
ALKALI FARMS CORPORATION
101 E EIGHT ST SUITE 130
VANCOUVER WA

Copies sent to:

1. WRD - File # G-17535
2. WRD - Water Availability: Ken Stahr

Copies Mailed

By: _____

(SUPPORT STAFF) _____

on: _____

(DATE) _____

IR, Map, and Fact Sheet Copies sent to:

3. WRD - Regional Manager: NC
4. WRD - Watermaster #21

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

5. William Porfily, PO Box 643, Stanfield, OR 97875

Caseworker: Kerry Kavanagh

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