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September 21, 2006

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

Gentlemen/Ladies:

I have enclosed a groundwater appropriation application for your review and approval. Mr. Lester Lindell is requesting a groundwater permit to irrigate agricultural lands in Wasco County. The following documents are enclosed for your review and use:

- Groundwater Application
- Executed Land Use Compatibility Statement
- Form I
- Application Map
- Deed
- Check in the amount of \$600 for fees
- Well Log
- Owner's Letter of Authorization

The enclosed fee was calculated as noted below:

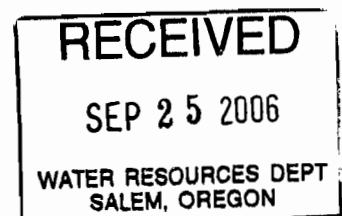
Base Fee:	\$300
First CFS:	\$200
Second CFS:	\$100
Total:	\$600

The Lindells propose to irrigate approximately 134.3 acres of their land near Rail Hollow Road, westerly of Dufur. One or two wells may be needed. The requested uses of water are irrigation and agricultural (temperature control). A cherry orchard is planned on lands previously utilized for dry land wheat production.

The Lindells developed a cherry orchard on nearby lands over the past five years. The Lindell's prior water right permit (G-15094) was processed under application file number G-15299. The prior water right file may be helpful in reviewing this current application.

WELLS:

The application requests approval for one or two wells to assure an adequate yield. Hopefully, the first well will prove to be adequate. A well log from an existing and nearby Lindell well is enclosed as an example of expected aquifer conditions.



Proposed wells one and two are located in Rail Hollow canyon on the Lindell property, as noted on the application map. Rail Hollow canyon has an intermittent surface water flow, typically in the spring months. The canyon is typically dry in the summer and fall. The nearest year round stream is Fifteen Mile Creek, approximately one mile to the north. The enclosed application denotes Fifteen Mile Creek as the nearest surface water.

PROPOSED WATER USES:

A standard irrigation use is requested for March 1st through October 31st. Year round agricultural use for frost control is also requested. A cherry orchard represents a very significant capital investment with a long term recovery. The Lindells are obligated to protect the proposed orchard with all available practices for frost control.

Frost during the initial bud swell or bloom can decimate the year's cherry crop. Irrigation for frost control is a common and successful practice. The exact timing and quantity of irrigation applications and frost control applications is fully dependent upon weather conditions, which vary significantly from season to season and year to year. Year round frost control, in addition to the standard irrigation use are prudent to adequately protect the significant capital investment in the proposed orchard. The Lindells understand their obligation to use water without waste.

IRRIGATION SYSTEMS:

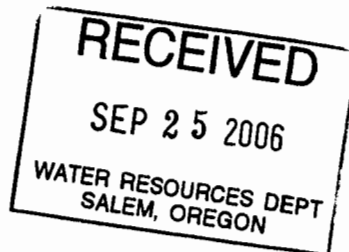
Lindells ultimately propose a dual irrigation system to optimize water application and best manage the orchard. A micro spray irrigation system is proposed, with small heads providing uniform application, a low stream trajectory, and high efficiency in a permanent set configuration. The micro spray system irrigates throughout the orchard, including the important soil stabilization crop between tree rows. Ultimately, a second drip irrigation system will be installed to allow tree irrigation while not impairing spray cycles or other orchard management practices.

The Lindells, like all orchardists have a significant incentive to conserve water due to high energy costs. One or two 200 horsepower well pumps will likely be required to convey groundwater to the orchard irrigation systems. The power cost will be significant and the power demand charge will also apply for all frost applications outside of the normal irrigation season. The efficient irrigation systems provide the best known means to properly manage the capital intensive orchard and conserve water and energy.

The Lindells understand their obligation to meter and report water use under standard terms for groundwater permits.

SCHEDULE:

Subject to your approval, the Lindells intend to initiate irrigation of new cherry trees in the spring of 2008. Approval of this permit application will be followed by well construction, ordering cherry trees, fencing for the orchard, extension of power to the well site, mainline piping for the irrigation system, planting, and installation of the irrigation system.



Approximately 7000 lineal feet of 6 to 10 inch buried mainline will be installed in the proposed orchard, with trees likely planted in phases. Phased development of the orchard is necessary to assure irrigation systems are installed in a timely manner to protect new plantings. Phased development also helps capital management for the expensive development process.

The Lindells respectfully request up to ten years to complete application of water to beneficial use. The ten year term would allow phased development of the orchard and some financial return from the initial tree planting to support subsequent phases. Well construction will be initiated within one year of permit issuance and complete application to beneficial use should be completed by October of 2018.

SUMMARY:

Please consider the enclosed documents and my comments in the processing of this application. The Lindells and I are eager to assist you in any way or provide additional information as needed.

I have copied Mr. Robert Wood with all application materials to facilitate his review and to keep him fully informed of the Lindell's intentions. Thank you for your review and assistance. We look forward to your application processing and the Initial Review.

Sincerely,



Thomas A. Walker, P.E., C.W.R.E.

Cc: Lester Lindell
Robert Lindell
Robert Wood

