

Application for a Permit to Use Ground Water



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266
(503) 986-0900
www.wrd.state.or.us

SECTION 1: APPLICANT INFORMATION AND SIGNATURE

Applicant Information

NAME <i>K-Diamond Inc</i>		PHONE (HM) <i>541-903-1214</i>	
PHONE (WK) <i>541-903-1214 Mac</i> <i>541-903-1212 Brent</i>	CELL	FAX	
ADDRESS <i>44962 Schoolhouse Rd</i>			
CITY <i>Haines</i>	STATE <i>Or</i>	ZIP <i>97833</i>	E-MAIL

Organization Information

NAME		PHONE		FAX
ADDRESS			CELL	
CITY	STATE	ZIP	E-MAIL	

Agent Information – The agent is authorized to represent the applicant in all matters relating to this application.

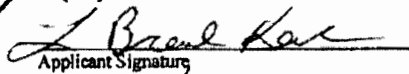
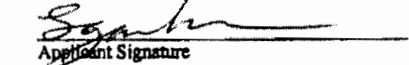
AGENT / BUSINESS NAME <i>Tom Mac Kerns</i>		PHONE <i>541-903-1214</i>	FAX
ADDRESS <i>44962 Schoolhouse Rd</i>			CELL <i>541-903-1214</i>
CITY <i>Haines</i>	STATE <i>Or</i>	ZIP <i>97833</i>	E-MAIL

Note: Attach multiple copies as needed

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.
- I cannot use water legally until the Water Resources Department issues a permit.
- Oregon law requires that a permit be issued before beginning construction of any proposed well, unless the use is exempt. Acceptance of this application does not guarantee a permit will be issued.
- 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 cancelled.
- The water use must be compatible with local comprehensive land-use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water-right holders to get water to which they are entitled.

I (we) affirm that the information contained in this application is true and accurate.

 Applicant Signature	<i>L Brent Kerns Pres</i> Print Name and title if applicable	<i>6/15/13</i> Date
 Applicant Signature	<i>Logan Kerns</i> Print Name and title if applicable	<i>6/19/13</i> Date

App. No. <i>G-17689</i>	For Department Use
Permit No. _____	Date _____

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SECTION 2: PROPERTY OWNERSHIP

SALEM, OR

Please indicate if you own all the lands associated with the project from which the water is to be diverted, conveyed, and used.

- Yes
 - There are no encumbrances.
 - This land is encumbered by easements, rights of way, roads or other encumbrances. *but none will effect use of this water.*
- No
 - 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 irrigation and/or domestic use only (ORS 274.040).
 - Water is to be diverted, conveyed, and/or used only on federal lands.

List the names and mailing addresses of all affected landowners (attach additional sheets if necessary).

*L. Brent Kerns Logan B. Kerns
 45296 Pocatentias Rd 20528 Colley Lane
 Heilich, Or 97123 Baker City, Or 97004
 All are part of M-Diamond Inc.*

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.

See Application map and Water Rights Summary

SECTION 3: WELL DEVELOPMENT

WELL NO.	NAME OF NEAREST SURFACE WATER	IF LESS THAN 1 MILE:	
		DISTANCE TO NEAREST SURFACE WATER	ELEVATION CHANGE BETWEEN NEAREST SURFACE WATER AND WELL HEAD
<i>Schetky #1 C-37998</i>	<i>Baldock Slough</i>	<i>4100 ft</i>	<i>40 ft</i>
<i>Stock Well L-01213</i>	<i>" "</i>	<i>4030 ft</i>	<i>30 ft</i>

Please provide any information for your existing or proposed well(s) that you believe may be helpful in evaluating your application. For existing wells, describe any previous alteration(s) or repair(s) not documented in the attached well log or other materials (attach additional sheets if necessary).

Schetky #1 well to be resealed to minimum standard of 18" as agreed with Ivan Gall

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SECTION 3: WELL DEVELOPMENT, CONTINUED

SALEM, OR

Source (aquifer), if known: Unknown, unnamed and unmapped

Total maximum rate requested: 15-45 gal/min (each well will be evaluated at the maximum rate unless you indicate well-specific rates and annual volumes in the table below).

Complete the table below. If this is an existing well, the following information may be found on the applicable well log. (If a well log is available, please submit it in addition to completing the table.) If this is a proposed well, or well-modification, consider consulting with a licensed well driller, geologist, or certified water right examiner.

OWNER'S WELL NAME OR NO.	PROPOSED	EXISTING	WELL ID (WELL TAG) NO. OR WELL LOG ID**	FLOWING ARTESIAN	CASING DIAMETER	CASING INTERVALS (IN FEET)	PERFORATED OR SCREENED INTERVALS (IN FEET)	SEAL INTERVALS (IN FEET)	MOST RECENT STATIC WATER LEVEL & DATE (IN FEET) <u>±</u>	PROPOSED USE			
										SOURCE AQUIFER***	TOTAL WELL DEPTH	WELL-SPECIFIC RATE (GPM)	ANNUAL VOLUME (ACRE-FEET)
Schrey # 1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TBS R10F 2N1	<input type="checkbox"/>	16 in	Depth of well	None	No Info	26 3/8		±200'	1100	3.5 AF/AC
Schrey # 2	<input type="checkbox"/>	<input type="checkbox"/>	TBS R10F HCL	<input type="checkbox"/>	12 in	Depth of well	NONE		28 3/8		±530	1100	292
Bake 50073	<input type="checkbox"/>	<input checked="" type="checkbox"/>	L01213	<input type="checkbox"/>	8 in	0-110	70-100' 60 1" slots Torch	19	63 3/8 <u>U</u>		130	445	3.5 AF/AC
Becker 552	<input type="checkbox"/>	<input type="checkbox"/>	8/40-4H	<input type="checkbox"/>	16 in	0-187	155-175	19	21 1/4		487	1100	292
New Well	<input type="checkbox"/>	<input type="checkbox"/>	-	<input type="checkbox"/>	10 in	+520	to be determined	19	-		+520	1100	292
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									

Stock
miles

- * Licensed drillers are required to attach a Department-supplied Well Tag, with a unique Well ID or Well Tag Number to all new or newly altered wells. Landowners can request a Well ID for existing wells that do not have one. The Well ID is intended to serve as a unique identification number for each well.
- ** A well log ID (e.g. MARI 1234) is assigned by the Department to each log in the agency's well log database. A separate well log is required for each subsequent alteration of the well.
- *** Source aquifer examples: Troutdale Formation, gravel and sand, alluvium, basalt, bedrock, etc.

U Well in USC Pumping Stock water

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Revised 3/4/2010

Ground Water/5

JUN 27 2013

WR

Corrected
6-25-13
TML

SALEM, OR

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SECTION 4: WATER USE

USE	PERIOD OF USE	ANNUAL VOLUME (ACRE-FEET)
206.5 "IRRIGATION"	March 1 to Oct 31	(3.5 X 206.5 acres) = 722.75

Exempt Uses: Please note that 15,000 gallons per day for single or group domestic purposes and 5,000 gallons per day for a single industrial or commercial purpose are exempt from permitting requirements.

For irrigation use only:

Please indicate the number of primary and supplemental acres to be irrigated (*must match map*).

Primary: 206.5 Acres Supplemental: _____ Acres

List the Permit or Certificate number of the underlying primary water right(s): _____

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

- If the use is **municipal or quasi-municipal**, attach Form M
- If the use is **domestic**, indicate the number of households: NA
- If the use is **mining**, describe what is being mined and the method(s) of extraction: RECEIVED BY OWRD

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SECTION 5: WATER MANAGEMENT

SALEM, OR

A. Diversion and Conveyance

What equipment will you use to pump water from your well(s)? To be determined - Submersible

Pump (give horsepower and type): or five shaft Turbine

Other means (describe): _____

Provide a description of the proposed means of diversion, construction, and operation of the diversion works and conveyance of water. See facilities map

B. Application Method

What equipment and method of application will be used? (e.g., drip, wheel line, high-pressure sprinkler)

Hand line, wheel line, Center pivot gated pipe

C. Conservation

Please describe why the amount of water requested is needed and measures you propose to: prevent waste; measure the amount of water diverted; prevent damage to aquatic life and riparian habitat; prevent the discharge of contaminated water to a surface stream; prevent adverse impact to public uses of affected surface waters.

Water needed to off set evapo-transpiration with application and management to follow "Good management practices."

Revised 3/4/2010

Group WR RECEIVED BY OWRD

WR

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Corrected
6-25-13 TMR

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SECTION 6: STORAGE OF GROUND WATER IN A RESERVOIR

If you would like to store ground water in a reservoir, complete this section (if more than one reservoir, reproduce this section for each reservoir).

Reservoir name: _____ Acreage inundated by reservoir: _____

Use(s): _____

Volume of Reservoir (acre-feet): _____ Dam height (feet, if excavated, write "zero"): _____

Note: If the dam height is greater than or equal to 10.0' above land surface AND the reservoir will store 9.2 acre feet or more, engineered plans and specifications must be approved prior to storage of water.

SECTION 7: USE OF STORED GROUND WATER FROM THE RESERVOIR

If you would like to use stored ground water from the reservoir, complete this section (if more than one reservoir, reproduce this section for each reservoir).

Annual volume (acre-feet): _____

USE OF STORED GROUND WATER	PERIOD OF USE

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SECTION 8: PROJECT SCHEDULE

Date construction will begin: Spring 2013 SALEM, OR

Date construction will be completed: Dec 2018

Date beneficial water use will begin: Spring 2014

SECTION 9: REMARKS

Use this space to clarify any information you have provided in the application (attach additional sheets if necessary).

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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: 206.5 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. Potatoes Full season Partial season (from: 9-1 to 10-31)
- 2. Grain Full season Partial season (from: 13-1 to 10-31)
- 3. Alfalfa Full season Partial season (from: 3-16 to 10-31)
- 4. _____ Full season Partial season (from: _____ to _____)

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

3 1/2 acre-feet per acre
(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 Daily during nighttime hours
- Two or three times weekly during daytime Two or three times weekly during nighttime
- Weekly, during daytime hours Weekly, during nighttime hours
- Other, explain: _____

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Land Use Information Form



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266
(503) 986-0900
www.wrd.state.or.us

NOTE TO APPLICANTS

In order for your application to be processed by the Water Resources Department (WRD), this Land Use Information Form must be completed by a local government planning official in the jurisdiction(s) where your water right will be used and developed. The planning official may choose to complete the form while you wait, or return the receipt stub to you. Applications received by WRD without the Land Use Form or the receipt stub will be returned to you. Please be aware that your application will not be approved without land use approval.

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) The existing and proposed water use is located entirely within lands zoned for exclusive farm-use or within an irrigation district;
 - b) The application involves a change in place of use only;
 - c) The change does not involve the placement or modification of structures, including but not limited to water diversion, impoundment, distribution facilities, water wells and well houses; **and**
 - d) The application involves irrigation water uses only.

NOTE TO LOCAL GOVERNMENTS

The person presenting the attached Land Use Information Form is applying for or modifying a water right. The Water Resources Department (WRD) requires its applicants to obtain land-use information to be sure the water rights do not result in land uses that are incompatible with your comprehensive plan. Please complete the form or detach the receipt stub and return it to the applicant for inclusion in their water right application. You will receive notice once the applicant formally submits his or her request to the WRD. The notice will give more information about WRD's water rights process and provide additional comment opportunities. You will have 30 days from the date of the notice to complete the land-use form and return it to the WRD. If no land-use information is received from you within that 30-day period, the WRD may presume the land use associated with the proposed water right is compatible with your comprehensive plan. Your attention to this request for information is greatly appreciated by the Water Resources Department. If you have any questions concerning this form, please contact the WRD's Customer Service Group at 503-986-0801.

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Land Use Information Form



Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1266
 (503) 986-0900
 www.wrd.state.or.us

Applicant: K-Diamond Inc
First Last

Mailing Address: 44962 Schoolhouse Rd
Hairies Or 97833 Daytime Phone: Mac 541-403-1214
City State Zip

A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), and/or used or developed. 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	¼¼	Tax Lot #	Plan Designation (e.g., Rural Residential/RR-5)	Water to be:			Proposed Land Use:
8S	40E	34, 2, 10, 11	Various	800, 904, 905	EFU	<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	Irrigation
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, and/or used or developed:

Baker Co

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
- Permit Amendment or Ground Water Registration Modification
- Limited Water Use License
- Allocation of Conserved Water
- Exchange of Water

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

Estimated quantity of water needed: Max of 722.8 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:

Primary Ground water right to use up to 722.8 acre ft annually to irrigator center pivot corners and areas above to canal.

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

See bottom of Page 3. →

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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 the proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): BCZSD Section 301.01(A)
- Land uses to be served by the 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:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> 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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SALEM, OR

Name: Tara L. Andrews Title: Planner
 Signature: Tara L. Andrews Phone: 541-523-8219 Date: 6/25/13
 Government Entity: Baker Co. Planning Department

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: _____

G-17689



"Rick Lusk"
 <rick.m.lusk@state.or.us>
 06/13/2013 08:11 AM

To "Marcy Hayes (County)" <mhayes@bakercounty.org>
 cc
 bcc
 Subject FW: K-Diamond well

4 attachments



well faultline map.pdf well fault diagram.pdf well elevation comp.pdf well letter.doc

Marcy,

Please help with the application and map.

Thanks,

Rick Lusk

From: Mike Zwart
Sent: Wednesday, June 12, 2013 1:53 PM
To: kdiamondbrent@gmail.com
Cc: Rick Lusk; Jason Spriet
Subject: FW: K-Diamond well

Brent,

Ivan had me look at the material you sent to him. I reviewed the graphics and we discussed the issues. We believe that if you were to apply for a water-use permit to use the one well you call Schetky #1, that it is possible that a permit could be issued. In addition, you should understand that the well would need to be modified to meet current well standards, as you have previously discussed with Ivan and other staff, before a permit could be issued. Please contact the Baker City office for assistance in filing the application and preparing the application map. If you have any other questions, feel free to contact me.

Mike Zwart

Michael J. Zwart, Hydrogeologist
 Technical Services Division
 725 Summer Street NE, Suite A
 Salem, OR 97301
 Direct Line: 503-986-0844 Fax: 503-986-0902
mike.j.zwart@wrd.state.or.us

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STATE OF OREGON
WATER WELL REPORT
(as required by ORS 537 765)

BAKER 5100M WELL
50073 L01213 (START CARD) # 68468

Instructions for completing this report are on the last page of this form.

(1) OWNER: Well Number L-01213
Name SST LAND + CATTLE CO.

Address PO Box 627
City BAKER CITY State OR Zip 97814

(2) TYPE OF WORK
 New Well Deepening Alteration (repair/recondition) Abandonment

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable Auger
 Other

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Livestock Other

(5) BORE HOLE CONSTRUCTION:
Special Construction approval Yes No Depth of Completed Well 130 ft.
Explosives used Yes No Type _____ Amount _____

HOLE			SEAL			
Diameter	From	To	Material	From	To	Sacks or pounds
<u>12</u>	<u>0</u>	<u>19</u>	<u>Bentonite</u>	<u>0</u>	<u>19</u>	<u>23 bags</u>
<u>10</u>	<u>19</u>	<u>110</u>				
<u>8</u>	<u>110</u>	<u>130</u>				

How was seal placed: Method A B C D E
 Other Poured dry
Backfill placed from _____ ft. to _____ ft. Material _____
Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER:

Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
Casing: <u>8</u>	<u>+1</u>	<u>110</u>	<u>20</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liner:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:

Perforations Method Torch
 Screens Type _____ Material _____

From	To	Slot size	Number	Diameter	Telepipe size	Casing	Liner
<u>100</u>	<u>70</u>	<u>4</u>	<u>60</u>	<u>8</u>		<input checked="" type="checkbox"/>	<input type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour

Yield gal/min	Drawdown	Drill stem at	Flowing Time
<u>+100</u>		<u>110</u>	<u>1 hr.</u>

Temperature of water 54 Depth Artesian Flow Found _____
Was a water analysis done? Yes By whom _____
Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
Depth of strata: _____

(9) LOCATION OF WELL by legal description:
County BAKER Latitude _____ Longitude _____
Township 8 N or S Range 40 E E or W. WM.
Section 3 NW 1/4 SW 1/4
Tax Lot 707 Lot _____ Block _____ Subdivision _____
Street Address of Well (or nearest address) Kawie F 184 on Schetter Rd Baker City OR 97814

(10) STATIC WATER LEVEL:
41 ft. below land surface. Date 5-20-96
Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:
Depth at which water was first found 72

From	To	Estimated Flow Rate	SWL
<u>72</u>	<u>130</u>	<u>+100 gpm</u>	<u>41</u>

(12) WELL LOG:
Ground Elevation _____

Material	From	To	SWL
<u>Sack + Boulders</u>	<u>0</u>	<u>10</u>	
<u>Rock Broken</u>	<u>10</u>	<u>130</u>	<u>41</u>

Date started 5-22-96 Completed 5-20-96

(unbonded) Water Well Constructor Certification:
I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to the best of my knowledge and belief.

Signed Carl Pitcher WWC Number 494 Date 5-20-96

(bonded) Water Well Constructor Certification:
I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.

Signed Carl Pitcher WWC Number 494 Date 5-20-96

ORIGINAL & FIRST COPY WATER RESOURCES DEPARTMENT SECOND COPY-CONSTRUCTOR THIRD COPY-CUSTOMER

-31.07 MMW Hus no record of depth pump set. On 12-2-96 pulled pump and installed new aer motor - A + 5655-500 5HP 480V 3P
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SALEM, OR

6-17689



B08 23 0245

After recording return to:

L. Brent Kerns
45298 Pocahontas Road
Haines, OR 97833

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

L. Brent Kerns
45298 Pocahontas Road
Haines, OR 97833

Escrow No. BA-27208JP
Title No. 0027208
SWD

CONSIDERATION: \$ 1,144,000.00

STATUTORY WARRANTY DEED

Arthur Hanson, Ryan Hanson each to a one fourth interest and Charlotte Jensen as to a one half interest all as tenants in common, Grantor(s) hereby convey and warrant to L. Brent Kerns and Mary D. Kerns, as tenants by the entirety, Grantee(s) the following described real property in the County of Baker and State of Oregon free of encumbrances except as specifically set forth herein:

All those portions of the Northwest quarter and the North half of the Southwest quarter of Section 3, Township 8 South, Range 40 East of the Willamette Meridian, in the County of Baker and State of Oregon, lying Southerly and Westerly of the County Road No. 518 right of way line.

ALSO the South half of the Southwest quarter of Section 3, Township 8 South, Range 40 East of the Willamette Meridian, in the County of Baker and State of Oregon

ALSO the Southeast quarter of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 4, Township 8 South, Range 40 East of the Willamette Meridian, in the County of Baker and State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its State Highway Commission, by instrument recorded May 12, 1970, in Deed 70 19 034, Baker County Deed Records.

ALSO the North half of the Northwest quarter and the East half of the Southeast quarter of the Northwest quarter of Section 10, Township 8 South, Range 40 East of the Willamette Meridian, in the County of Baker and State of Oregon.

(Said land is shown as Parcel 3 of PARTITION PLAT NO. 2007-004, recorded April 16, 2007, in Deed 0716 0284, Baker County Deed Records.)

Ref #14435 Code #519 08S40 TL#800
Ref #17927 Code #525 08S40 TL#800

The above-described property is free of encumbrances except all those items of record, if any, as of the date of this deed and those shown below, if any:

The true and actual consideration for this conveyance is **PURSUANT TO AN IRC 1031 TAX DEFERRED EXCHANGE ON BEHALF OF GRANTOR.**

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, 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 ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Jensen to Brent and Mary Kerns

RECEIVED BY OWRD

JUN 27 2013

SALEM, OR

C-17100

Gerry Clark

From: mhayes@bakercounty.org
Sent: Tuesday, June 25, 2013 3:10 PM
To: kerry.l.kavanagh@state.or.us; gerald.e.clark@state.or.us
Subject: K-Diamond Well
Attachments: 20130625144535332.pdf; 20130625144451748.pdf

Gerry and Kerry,

I have attached a copy of the corrections that Mac Kerns completed on his new ground water application. He insisted I email you a copy of the application and the originals have been placed in the mail with a new check. If you have any questions or concerns you can contact myself or Rick Lusk.

Thanks

Marcy Osborn
Deputy Watermaster
Dist. #8
541-523-8224 ext.232
mhayes@bakercounty.org

*Ok -
did not print
out documents.
JC 6/28/13*

G-17689



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

June 21, 2013

K Diamond, Inc.
44962 Schoolhouse Rd
Haines, OR 97833

RE: Ground Application Return

Dear Mr. Kerns:

The Water Resources Department has received your application for the use of ground water. At this time however, we are unable to accept your application, because the minimum filing requirements are not met according to the OAR 690-310. Specifically, the additional information or clarification is required:

1. The specific rate being requested form each well (Section 3 of the application). *- Corrected 3-25-13*
2. The period when water is being requested to be used (Section 4 of the application). *corrected 3-25-13*
3. Copies of the legal description(s) for the lands involved. *GIVEN TO RICK LUSK 3-24-13*
4. A completed Land Use Form. The form submitted did not include the signature page from the County Planning Department. The form must have been signed within the last 12 months. The original signature page must be included. *updated 3-25-13*

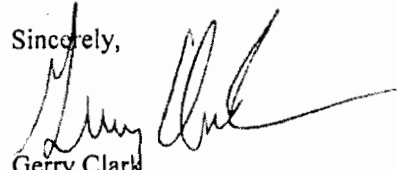
We are hereby returning the incomplete application and the fees submitted. Please return the application, the required information, and checklist, so the Department may begin processing your application in a timely manner.

This review is based only on the completeness of your application. Any determination of water availability, compliance with basin plan rules, or any other water related issues has not been made.

Please be aware that fees may increase around July 1st of this year. Please call the Department before returning this application to ensure that you are including the correct fees with your application.

Should you have any questions, please do not hesitate to contact me at the address above or by telephone at 503-986-0811.

Sincerely,



Gerry Clark
Water Rights Program Analyst

Cc: OWRD Fiscal

RECEIVED BY OWRD

JUN 27 2013

SALEM, OR

G-17689

K Diamond

June 14, 2013

44962 Schoolhouse Rd

Haines, Or 97833

To

Mr. Phillip Ward Director

Oregon Water Resource Department

725 Summer Street NE. Suite A

Salem, Oregon 97301-1266

Re- COBU fort-8087 and T-11060 and Mr. Swartz email of 6/12/13

Enclosed is an application for a permit to use ground water for primary irrigation on K-Diamond property in T8s, R40E WM. This Project is very complicated involving transfer of surface, stored and ground water rights. Transfers T-8087 and T11060 have been completed and COBU is currently in your office. This application will get all of the property covered by a primary right.

The initial diminishing of the ground water right involve two wells both preceding the 1955 ground water act, hence no drill logs. There was a question of surface water connectivity. This question has been resolved by the state geologist as per Mr. Swartz email of 6/12/13 and K-Diamond has agreed to bring the Schetky #1 well up to minimum standards with an 18 foot well seal.

Mr. Swartz's letter states that if we bring the Schetky #1 well up to standards that we could then apply for a permit. This is costly and we would like to be assured that we would receive the permit when the well is complete.

The question of connectivity of these wells has been in contention and discussion for at least 5 yrs. and much cost to us in lost opportunity and thing you could do to expedite this issue would be greatly appreciated.

RECEIVED BY OWRD

JUN 21 2013

SALEM, OR

Signed

L. Brent Kerns

L. Brent Kerns President K. Diamond inc

Logan Kerns

Logan Kerns

RECEIVED BY OWRD

JUN 27 2013

SALEM, OR

G-17689