TERM IRRIGATION PERMIT

Irrigation Permit#: 123456
Agricultural Lease#: 111555
County: Any
Legal Description: SEC-TWN-RNG
Lessee(s): Bob and Mary Smith

Permit Term: April 15, 2000 through April 14, 2001

Permit amount per acre: $40.00

Enter Number of Acres to be irrigated ON lease from any source: ____________
Enter Number of Acres to be irrigated OFF lease from CLO well: ____________
Total acres: ____________

Total fee for this term irrigation permit: (Total acres X $40.00/acre) = $___________

In consideration of the total fee for this irrigation permit, the Commissioners of the Land Office (CLO), authorizes lessee to irrigate ____________ acres of cropland on the lease, or acres located off the lease but from a well located on the lease, for the one-year term stated. Acres to be irrigated during the time of this permit are in the section, township and range of the above legal description, and approximately located as drawn below:

Plat represents 160 acres or 640 acres (circle one)

This permit is only for those acres defined by the legal description and shown on the above plat. Acres irrigated, either on the lease or off the lease with water produced from the lease, or acres irrigated with water brought to the lease from an off-lease source, are to be included in total acres irrigated and identified on the plat. Areas to be irrigated under this permit cannot be transferred to any other location on the lease, other CLO lands, or privately-owned land unless approved in writing by the local Real Estate Management Specialist. This permit is for one crop.

This permit is issued for irrigating a specified number of acres. Acreage reported on this irrigation permit will be verified with FSA by the supervising Real Estate Management Specialist.

Completed Term Irrigation Permit and the associated fee are due in the CLO Oklahoma City office no later than April 30, 2000. After that date, unpaid fees shall bear interest at the rate of 12% per annum.

Lessee is responsible for proper maintenance and operation of the irrigation well and equipment. Lessee is further responsible for keeping records of water use, so that an accurate report of water use can be submitted to the Oklahoma Water Resources Board.

This permit may be cancelled or terminated for failure to pay permit fee, violation of the terms of the permit, violation of the provisions in the Surface Agricultural Lease Contract, or failure to comply with State or Federal laws relating to the proper use of irrigation water.
Should the well, if owned by the CLO, fail to function or provide adequate irrigation water for the lessee’s use, CLO shall not be responsible for providing additional water. If the CLO well needs maintenance (i.e., baling, chemical treatment, etc.), CLO will evaluate the maintenance needed and determine if the work is economically feasible. If work is approved, lessee must allow adequate time for CLO to properly bid the repair work to be done. CLO will pay only for the actual maintenance work to be done to the well; lessee is responsible for removing pump, any repairs to the pump and associated equipment, and for resetting pump into well. All work must be approved and witnessed by the supervising Real Estate Management Specialist.

If lessee does not use permit, or is unable to use permit, CLO shall not be obligated to refund permit fee.

All of the terms and conditions of this permit shall be binding on the heirs, devisees, administrators, executors, successors, and assigns and parties hereto.

I HAVE REVIEWED AND ACCEPT THE TERMS OF THIS PERMIT.

_______________________________________________            _____________________
Lessee                                                                                                        Date

COMMISSIONERS OF THE LAND OFFICE APPROVAL BY:

_______________________________________________              ____________________
A. Brandt Vawter, Acting Secretary                                                       Date