This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON

COUNTY OF WALLOWA

CERTIFICATE OF WATER RIGHT

This certificate issued to

WALLOWA FOREST PRODUCTS LLC; RICK E HANSON
PO BOX 547
WALLOWA, OREGON 97885

confirms the right to store water perfected under the terms of the permit. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed the amount described, or its equivalent in case of rotation, measured at the point of diversion from the source. The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: R-85065

PERMIT NUMBER: R-13362

SOURCE OF WATER: EAST HEAD SPRING AND MILK CREEK, TRIBUTARIES OF CATHERINE CREEK

STORAGE FACILITY: FRAZIER EAST POND

PURPOSE OR USE OF THE STORED WATER: STOCKWATER AND FIRE PROTECTION

MAXIMUM STORAGE VOLUME: 4.0 ACRE-FEET EACH YEAR

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: DECEMBER 1 THROUGH THE END OF FEBRUARY OF EACH YEAR

DATE OF PRIORITY: FEBRUARY 28, 2002

THE MAXIMUM HEIGHT OF THE DAM SHALL NOT EXCEED 5.0 FEET.

DAM LOCATION: SE 1/4 NE 1/4, SECTION 32, T5S, R41E, W.M.; 2150 FEET SOUTH & 575 FEET WEST FROM THE NE CORNER OF SECTION 32

THE AREA SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

SE 1/4 NE 1/4
SECTION 32
TOWNSHIP 5 SOUTH, RANGE 41 EAST, W.M.

Measurement, recording and reporting conditions:

A. The Director may require the water user to install a meter or other suitable measuring device as approved by the Director. If the Director notifies the water user to install a meter or other measuring device, the water user shall install such device within the period stated in the notice. Such installation period shall not be less than 90 days unless special circumstances warrant a shorter installation period. Once installed, the water user shall maintain the meter or measuring device in good working order and shall allow the watermaster access to the meter or measuring device. The Director may provide an opportunity for the water user to submit alternative measuring procedures for review and approval.

B. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the right. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

The water user shall maintain, and operate fish screening and by-pass devices as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the proposed diversion. The required screens and by-pass devices are to be in place, functional and approved by an ODFW representative prior to diversion of any water.

The water user shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish. The applicant is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, Portland, Oregon, before beginning construction of any in-channel obstruction.

The storage of water allowed herein is subject to the maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

The water user shall pass all live flow outside the storage season described above.

This right does not provide for the appropriation of water for any out of reservoir uses, the maintenance of the water level or maintaining a suitable fresh water condition. If any water is used for out of reservoir uses, or any live flow is appropriated to maintain either the water level or a suitable freshwater condition, a secondary water right is required.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

This right does not authorize the water user to pursue this right in such a way as to interfere with or affect adjacent property not under the ownership of the water user.

Issued February 28, 2005

Phillip C. Ward, Director
Oregon Water Resources Department

Recorded in State Record of Water Right Certificates numbered 81192.