

STATE OF OREGON  
 COUNTY OF MORROW  
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

KINZUA CORP.  
 RT 2 BOX 2100  
 HEPPNER OR 97836

confirms the right to use the waters of TWO WELLS, BEING WELL 1 AND WELL 4, in the Umatilla Basin for INDUSTRIAL USES IN THE MILL COMPLEX, INCLUDING FIRE PROTECTION, SANITARY USE, DUST ABATEMENT, LOG DECK SPRINKLING, CO-GEN AND COOLING TOWER OPERATIONS.

This right was perfected under Permit G-10312. The date of priority is FEBRUARY 8, 1984 for the use of 90.0 GALLONS PER MINUTE (GPM) FROM WELL 1 AND 175.0 GPM FROM WELL 4, AND FEBRUARY 17, 1984 for the use of 140.0 GPM FOR THE USE FROM WELL 1. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 405.0 GPM, being 230.0 GPM from Well 1, and 175.0 GPM from Well 4, or its equivalent in case of rotation, measured at the wells.

The wells are located as follows:

|        | Twp | Rng  | Mer | Sec | Q-Q   | Survey Coordinates  |
|--------|-----|------|-----|-----|-------|---|
| WELL 1 | 2 S | 26 E | WM  | 21  | NE SW | 1460 FEET NORTH AND 3600 FEET WEST FROM SE CORNER, SECTION 21 |
| WELL 4 | 2 S | 26 E | WM  | 21  | SE SW | 970 FEET NORTH AND 2840 FEET WEST FROM SE CORNER, SECTION 21  |

A description of the place of use to which this right is appurtenant is as follows:

| INDUSTRIAL USES |      |     |     |       |
|-----------------|------|-----|-----|-------|
| Twp             | Rng  | Mer | Sec | Q-Q   |
| 2 S             | 26 E | WM  | 21  | NE SW |
| 2 S             | 26 E | WM  | 21  | SE SW |
| 2 S             | 26 E | WM  | 21  | NW SE |
| 2 S             | 26 E | WM  | 21  | SW SE |

The wells shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

**NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW**

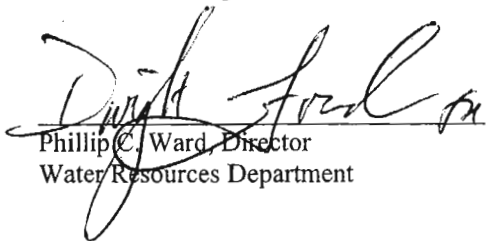
This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review 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.

The water user shall install and maintain a weir, meter, or other suitable measuring device and keep a complete record of the amount of ground water withdrawn.

The works shall include an airline and pressure gauge or an access port for a measuring line, adequate to determine the water level elevation in the well at all times.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

WITNESS the signature of the Water Resources Director, affixed MAR 16 2007



Phillip C. Ward, Director  
Water Resources Department