STATE OF OREGON

COUNTY OF WASHINGTON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

OREGON CANADIAN FOREST PRODUCTS, INC. PO BOX 279
NORTH PLAINS, OREGON 97133

503-647-5011

to use the waters of ONE WELL in the McKAY CREEK BASIN for LUMBER MILL INDUSTRIAL PURPOSES.

This permit is issued approving Application G-12086. The date of priority is APRIL 25, 1990 FOR 0.45 CFS AND JULY 18, 1990 FOR 0.5 CFS. The use is limited to not more than 0.95 CUBIC FOOT PER SECOND, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

NE 1/4 SE 1/4, SECTION 2, T 1 N, R 3 W, W.M.; SOUTH 07 DEGREES 53 MINUTES 35 SECONDS WEST, 2561 FEET FROM NE CORNER, DLC 39.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the proposed place of use under the permit is as follows:

N 1/2 SW 1/4 SECTION 1 TOWNSHIP 1 NORTH, RANGE 3 WEST, W.M.

The well shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure guage adequate to determine water level elevations in the well at all times. When required by the department, the permittee shall install and maintain a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Use of water from the well shall not be allowed under this permit if the well displays an (A) average water level decline of 3 or more feet per year for 5 consecutive years, or (B) a water level decline of 15 or more feet in fewer than 5 consecutive years, or (C) a water level decline of 25 or more feet, or (D) a hydraulic interference decline of 25 or more feet in any neighboring well with senior priority which provides water for an authorized use.

The Water Resources Department has determined that the initial water level in the well was 95 feet below land surface on March 27, 1990. That is the level from which previously cited declines will be referenced. As much as possible, future levels shall reflect annual high levels which are usually found in the spring of each year.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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Actual construction work shall begin on or before November 19, 1991, and shall be completed on or before October 1, 1992. Complete application of the water shall be made on or before October 1, 1993. By $\frac{1991}{1000}$

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

This permit is for beneficial use of water without waste. The water user is advised that new regulations may require 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 granted herein may be made only at times when sufficient water is available to satisfy all prior rights.

Issued this date, November 19, 1990.

/s/ WILLIAM H. YOUNG

Water Resources Department William H. Young Director

