STATE OF OREGON

COUNTY OF COLUMBIA

PERMIT TO CONSTRUCT A RESERVOIR AND STORE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

RSG FOREST PRODUCTS, INC. 69480 BANZER RD MIST OR 97016

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: R-86688

SOURCE OF WATER: AN UNNAMED STREAM AND NEHALEM RIVER, TRIBUTARIES TO

NEHALEM BAY

STORAGE FACILITY: RSG RESERVOIR MAXIMUM VOLUME: 28.0 ACRE FEET

DATE OF PRIORITY: SEPTEMBER 26, 2006 PURPOSE OR USE: MULTIPLE PURPOSE

PERIOD OF USE: NOVEMBER 1 - SEPTEMBER 30

Dam Location/Authorized Point of Diversion:

	Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates	
UNNAMED STREAM	6 N	5 W	WM	16	NE SE	1420 FEET NORTH AND 510 FEET WEST FROM SE CORNER, SECTION 16	
NEHALEM RIVER	6 N	5 W	WM	15	SE NW	2860 FEET NORTH AND 1375 FEET EAST FROM SW CORNER, SECTION 15	
CENTER OF DAM	6 N	5 W	WM	16	NE SE	2050 FEET NORTH AND 440 FEET WEST FROM SE CORNER, SECTION 16	

The Area To Be Submerged:

Twp	Rng	Mer	Sec	Q-Q
6 N	5 W	WM	16	NE SE

Measurement, recording and reporting conditions:

A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. The permittee shall maintain the meter or measuring device in good working order.

- B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The Director may require the permittee to keep and maintain a record of the amount (volume) of water used, and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water-use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the permittee to submit alternative reporting procedures for review and approval.

The permittee has installed a fish screen on the Nehalem River point of diversion, which was approved by Oregon Department of Fish and Wildlife (ODFW). The permittee shall maintain the fish screen according to ODFW standards.

The storage of water allowed herein is subject to the installation and 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 permittee shall pass all live flow outside the storage season described above.

This permit does not provide for the appropriation of water for out-of-reservoir uses, the maintenance of the water level or maintaining a suitable freshwater condition. If any water is used for out-of-reservoir purposes, 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

- 1. 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.
- 2. This permit 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.
- 3. 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.
- 4. 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.
- 5. This permit does not authorize the permit holder to pursue this right in such a way as to interfere with or affect adjacent property not under the ownership of the permit holder.
- 6. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2012.
- 7. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use to the Oregon Water Resources Department.

R-86688.jme Page 2 of 2 Permit R-14492

- 8. The claim of beneficial use shall be prepared by a Certified Water Right Examiner in conformance with the requirements of OAR 690-014 if an associated secondary permit exists for the use of stored water under this permit, or if the reservoir capacity is equal to or greater than 9.2 acre-feet.
- 9. If no secondary permit exists and the reservoir capacity is less than 9.2 acre-feet of water, the claim of beneficial use need not be prepared by a Certified Water Right Examiner. The information submitted to the Oregon Water Resources Department shall include:
 - a. the dimensions of the reservoir;
 - b. the maximum capacity of the reservoir in acre-feet; and
 - c. a map identifying the location of the reservoir prepared in compliance with Water Resource Department standards.

Issued Nov 23

2007.

for Phillip C. Ward, Director Water Resources Department