

STATE OF OREGON

COUNTY OF COLUMBIA

PERMIT TO APPROPRIATE THE 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: S-86690

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

PURPOSE OR USE: INDUSTRIAL USES

MAXIMUM RATE: 0.82 CUBIC FOOT PER SECOND

PERIOD OF USE: NOVEMBER 1 THROUGH JULY 31

DATE OF PRIORITY: SEPTEMBER 26, 2006

POINT OF DIVERSION LOCATIONS:

UNNAMED STREAM: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SECTION 16, T6N, R5W, W.M.; 1420 FEET NORTH AND 510 FEET WEST FROM SE CORNER, SECTION 16

NEHALEM RIVER: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 15, T6N, R5W, W.M.; 2860 FEET NORTH AND 1375 FEET EAST FROM SW CORNER, SECTION 15

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$
SE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$
SECTION 15

SE $\frac{1}{4}$ NE $\frac{1}{4}$
NE $\frac{1}{4}$ SE $\frac{1}{4}$
SECTION 16

TOWNSHIP 6 NORTH, RANGE 5 WEST, W.M.

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. 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 use may be restricted if the quality of the source stream or downstream waters decrease to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

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.

STANDARD CONDITIONS

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

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 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.

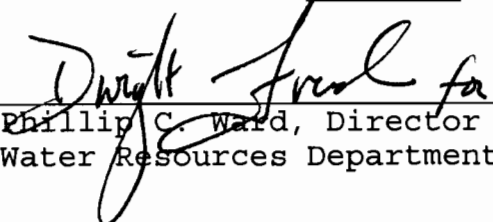
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

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.

Completion of construction and complete application of the water to the use shall be made on or before October 1, 2012. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee must submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued November 23, 2007


Phillip C. Ward, Director
Water Resources Department

