

DAVIS WRIGHT TREMAINE

LAW OFFICES

2300 FIRST INTERSTATE TOWER · 1300 SW FIFTH AVENUE · PORTLAND, OR 97201-5682  
(503) 241-2300  
FAX: (503) 778-5299 · TELEX 185224

Richard M. Glick  
(503) 778-5210

December 29, 1992

RECEIVED

DEC 29 1992

WATER RESOURCES DEPARTMENT  
SALEM, OREGON

VIA HAND DELIVERY

Martha O. Pagel, Director  
Water Resources Department  
3850 Portland Road NE  
Salem, Oregon 97310

Re: **Smurfit Newsprint Corporation: Water Rights  
Registration, Our File No.: 29522-3**

Dear Ms. Pagel:

In accordance with ORS 539.240, Smurfit Newsprint Corporation submits the enclosed Registration Statement for Industrial Process Water Rights at its Oregon City Mill. Enclosed also is Smurfit's check for \$2500, the filing fee specified in ORS 539.081(1)(c).

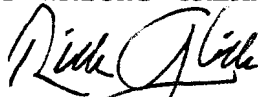
The water rights claimed in this Registration Statement are independent of, but coextensive with, the water rights claimed in the joint registration statement submitted by Portland General Electric Company, Simpson Paper Company and Smurfit Newsprint Corporation. Smurfit seeks indorsement of its water rights as described in both this and the joint registration statements.

Please date-stamp the enclosed copy of this letter and return it to the messenger. Notices should be sent to the undersigned and to Mr. Jerry Newville, Smurfit Newsprint Corporation, 419 Main Street, Oregon City, Oregon 97045. <sup>OK AW</sup> 12/30/92

Thank you for your consideration. Please advise if there is further information that you require.

Very truly yours,

DAVIS WRIGHT TREMAINE



Richard M. Glick

RMG:la  
Enclosures  
cc/w/o/encl.: Mr. Jerry Newville  
Mr. Larry Magura

f:\2\29522\3\Pagel01.ltr

## SMURFIT NEWSPRINT CORPORATION

0303328

DATE	DESCRIPTION	AMOUNT
12-28-92	FEES	\$2,500.00

**DETACH AND RETAIN THIS STATEMENT**

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE.  
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

Attachment A

**Summary Table: Date of first use, use, and water development information.**

Smurfit industrial process use on the east side of the Willamette River at Willamette Falls.

<u>Date Of First Use</u>	<u>Quantity</u>	<u>Date on Which Development was Initiated</u>	<u>Party That Initiated Development</u>
1865 <sup>1</sup>	46.4 cfs used by Smurfit's predecessors in 1916 in fulfillment of a plan for the development of process use at the Woolen Mill.	1864	Oregon City Manufacturing.

RECORDED  
MAY 20 1987  
WA  
SIXTH, C. 11

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<sup>1</sup> Oregon City Manufacturing Company acquired land for its woolen mill on January 30, 1864. It began using water for industrial purposes on July 13, 1865.

Attachment B

**Narrative description of the development of water on the east side of the Willamette River at Willamette Falls.**

The Flouring Mill Grants

Dr. John McLoughlin, one of Oregon's earliest settlers, possessed a large land claim in Oregon City. Dr. McLoughlin's son-in-law, Daniel Harvey, became one of the first appropriators of the Willamette River water. Harvey built what was referred to as the Imperial Flouring Mill after the great Willamette River flood in December of 1861.

On December 23, 1863, George LaRoque purchased from Harvey one-third of the Harvey's Grist Mill, its surrounding property and water power sufficient to drive six run of stone and connecting machinery. LaRoque also gained access to a tail race from the basin. This race would furnish great quantities of water to a new woolen mill in 1864.

On October 2, 1883, David Burnside and his wife sold the Imperial Mills, its land and water to the Oregon City Flouring Mills Company, which owned the near by Brick Mill. On March 5, 1885, the bankrupt Oregon City Flouring Mills was sold, along with the Imperial Mills to Portland Flouring Mills Company. Imperial Mills became Portland Flouring Mill I and the bankrupt company's Brick Mill became Portland Flouring Mill II.

In January 1908, W.P. Hawley formed a new company and put three paper machines in the former Imperial Mills. By April of 1908, the former Imperial Mill no longer had any flour milling machinery. Its specially built 122-inch paper machine 1, could make either 18 or 20 tons of paper daily.

Hawley added paper machine 2 in 1910 to manufacture light tissue and fruit wrap, and paper machine 3 in the period 1912 through 1913 to produce fruit wrap and bread paper. To make newsprint, another building was erected in 1916 for paper machine 4. While the Portland Flouring Mill properties were not officially deeded to Hawley until April 28, 1910, it is clear that Hawley was producing paper prior to that date. News accounts in 1908 commonly spoke of a "lease" that Hawley had secured from the mill owners. William Ladd and Theodore Wilcox, the principal owners of the old flouring mills were also principals in Hawley's new paper company which probably ensured that the agreement had been struck before the formal 1910 conveyance.

As mentioned above, the Portland Flouring Mills sold the former Imperial Mill and its property and water rights along with the Brick Mill, its properties and water rights to the Hawley Pulp and Paper Company. Hawley acquired additional flouring mills constructed in the 1860s and later converted them to paper production.

### The Woolen Mill Grant

Daniel Harvey sold to the Oregon City Manufacturing Company on January 30, 1864, certain lots in Block 1 of Oregon City and the right and right-of-way to build a race or flume across the Harvey's land from the basin to any mill or buildings the company would erect. The deed guaranteed enough water to "run ten full sets of woollen machinery equal at the maximum to seven hundred inches of water" either through the flume or race or by an alternative route the Harveys might later arrange. The manufacturing company began constructing its building in June of 1864. Manufacturing began on July 13, 1865.

Its first floor was occupied by 19 looms, with space for an additional 11 looms. A separate structure housed the furnace and boiler, which furnished steam for washing. The mill race, entering through the basement, turned a five foot waterwheel. A pump, tank, and hose system were located in a four story tower on the main street side of the building. Late in 1865, the owners added an 80' by 50' addition, affording room for three more sets of machinery.

The mill used water for many functions apart from powering the wheel and machinery. Huge amounts of water were needed to clean the wool and to create steam to dry it, to dye solid colors and to shrink and wash coarse cloth. Water was also

used to protect against fires.

By 1871, wool purchases had reached 500,000 lbs. a year. After a fire, the mill was rebuilt and reopened in 1873 with six sets of cards and 24 broad looms. In 1875, 1877, 1882 and 1883, the Oregon City Manufacturing Company acquired more lots in Block 1 as sites for mill additions. It installed a temporary flume to the basin during improvements there in July of 1877. By 1881, the mill employed 250 workers and operated during day time, except for the 24-hour spindle room. It was the state's largest wool purchaser, consuming over a million pounds annually. Throughout 1889, the mill ran night and day, except for a one week close down for alterations and additions. Factory improvements - construction of a big three story addition along Main Street for picking and sorting and, elsewhere on the site, a new small soap making unit marked 1890. Wool purchases stood at a million pounds that year and in 1891.

Fire destroyed the new pullery in May of 1905. Partial operations continued. After a several week closure, the Woolen Mill reopened in February 1907 with 350 employees. It was expected to run continuously. Meanwhile the company and city's waterworks jointly installed a new 15 foot wide, 8 foot deep, enclosed flume out into the basin.

Through the 1910s and 1920s the mill continued to grow in

size and hire more employees. The Great Depression of 1929-1932 seriously effected the Woolen Mill. Major changes took place during the 1930s when certain manufacturing processes were altered to meet new competition. In 1954, the Oregon City Manufacturing Company sold all of its land, building and water rights to Publishers Paper Company. Woolen manufacturing was then converted to pulp and paper production. Publishers Paper Company is the predecessor in interest to the land of Smurfit Newsprint Corporation.



Attachment C

**Affidavit of Lawrence Magura, P.E., Engineering Consultant for Smurfit Newsprint Corporation.**

STATE OF OREGON            )  
  ) ss.  
COUNTY OF CLACKAMAS )

DEC 29 1992

I, Lawrence Magura, being duly sworn, depose and say:

1. I am a registered engineer in the State of Oregon employed by HDR Engineering Inc. ("HDR"). HDR has been engaged by Smurfit Newsprint Corporation ("Smurfit") to assist in preparation of surface water registration statements for its mill in Oregon City, Oregon. I have personal knowledge of the matters set forth in this affidavit.

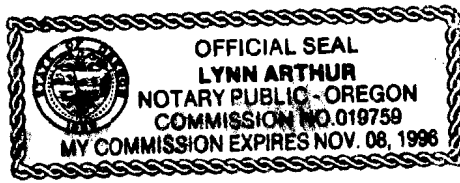
2. Attachment C-1 is a table showing the total quantity of water diverted from the Willamette River for industrial process use during the years 1864-1916, expressed in cubic feet per second. The water quantities described in attachment C-1 were used in the process of manufacturing wool. Water usage estimates are based on the amount of wool that was produced at the Woolen Mill and the equipment in place in the same years. Wool production estimates are based on records found by professional historian Harry Stein, Ph.D.

3. Pursuant to these senior water rights, Smurfit currently diverts 46.4 cfs for use in industrial process use at Smurfit's Paper Mills.

*Lawrence Magura*  
\_\_\_\_\_  
Lawrence Magura, P.E.  
Engineering Consultant for  
Smurfit Newsprint Corporation

SUBSCRIBED and SWORN to before me this 29th day of December, 1992.

*Lynn Arthur*  
\_\_\_\_\_  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: \_\_\_\_\_



## Attachment C-1

SUMMARY OF GRANT PROCESS WATER USAGE  
AT THE SMURFIT MILL

<u>YEAR</u>	<u>TOTAL ESTIMATED WATER CFS</u>	<u>YEAR</u>	<u>TOTAL ESTIMATED WATER CFS</u>	<u>YEAR</u>	<u>TOTAL ESTIMATED WATER CFS</u>
1864	15.5	1909	30.9	1954	0.0
1865	15.5	1910	30.9	1955	46.4
1866	15.5	1911	30.9	1956	46.4
1867	15.5	1912	30.9	1957	46.4
1868	15.5	1913	30.9	1958	46.4
1869	15.5	1914	30.9	1959	46.4
1870	15.5	1915	30.9	1960	46.4
1871	15.5	1916	46.4	1961	46.4
1872	15.5	1917	46.4	1962	46.4
1873	15.5	1918	46.4	1963	46.4
1874	15.5	1919	46.4	1964	46.4
1875	12.4	1920	46.4	1965	46.4
1876	12.4	1921	46.4	1966	46.4
1877	12.4	1922	46.4	1967	46.4
1878	12.4	1923	46.4	1968	46.4
1879	12.4	1924	46.4	1969	46.4
1880	12.4	1925	46.4	1970	46.4
1881	30.9	1926	46.4	1971	46.4
1882	30.9	1927	46.4	1972	46.4
1883	30.9	1928	46.4	1973	46.4
1884	30.9	1929	46.4	1974	46.4
1885	30.9	1930	46.4	1975	46.4
1886	30.9	1931	46.4	1976	46.4
1887	30.9	1932	46.4	1977	46.4
1888	30.9	1933	0.0	1978	46.4
1889	30.9	1934	0.0	1979	46.4
1890	30.9	1935	0.0	1980	46.4
1891	30.9	1936	0.0	1981	46.4
1892	30.9	1937	0.0	1982	46.4
1893	30.9	1938	0.0	1983	46.4
1894	30.9	1939	0.0	1984	46.4
1895	30.9	1940	0.0	1985	46.4
1896	30.9	1941	0.0	1986	46.4
1897	30.9	1942	0.0	1987	46.4
1898	30.9	1943	0.0	1988	46.4
1899	30.9	1944	0.0	1989	46.4
1900	30.9	1945	0.0	1990	46.4
1901	30.9	1946	0.0	1991	46.4
1902	30.9	1947	0.0	1992	46.4
1903	30.9	1948	0.0		
1904	30.9	1949	0.0		
1905	30.9	1950	0.0		
1906	30.9	1951	0.0		
1907	30.9	1952	0.0		
1908	30.9	1953	0.0		

**SURFACE WATER REGISTRATION CHECKLIST**

(received after July 18, 1990)

CHECK BASIN MAP DEX NAME Lowndes # 2C UNADJUDICATED AREA ? yes  
WILKINSON  
RECEIPT # 95619 S W R NUMBER 317  
CHECK ENCLOSURES DEX PRELIMINARY DATA BASE ENTRY DWR  
ACKNOWLEDGEMENT LETTER DEX ENTER ON STREAM INDEX \_\_\_\_\_  
CHECK QUADRANGLE MAP \_\_\_\_\_ CHECK GLO PLATS \_\_\_\_\_  
WATERMASTER CHECKLIST \_\_\_\_\_ PUBLIC NOTICE PUBLICATION J. 9/1

**FORM REVIEW**

\_\_\_\_\_ blanks filled in  
\_\_\_\_\_ signed  
\_\_\_\_\_ date received stamped

**MAP REVIEW**

source and trib  
 diversion point location  
\_\_\_\_\_ conveyances (pipes, ditch, etc.)  
 place of use  
 scale  
 township, range, section  
 north arrow  
 CWRE stamp  
 disclaimer  
\_\_\_\_\_ date survey was performed  
 P.O.B. of survey  
 dimensions and capacity of diversion system  
 "beneficial use" type title  
 "permanent-quality" paper

SEE SWR-385  
IN NAME OF PGE  
FOR FURTHER  
INFORMATION

WATER RIGHT RECORD CHECK \_\_\_\_\_ FIELD INSPECTION \_\_\_\_\_  
FINAL FILE REVIEW \_\_\_\_\_ FINAL DATA BASE ENTRY \_\_\_\_\_  
ENTER ON PLAT CARDS \_\_\_\_\_

March 3, 1993

MR JERRY NEWVILLE  
SMURFIT NEWSPRINT CORPORATION  
419 MAIN ST  
OREGON CITY OR 97045

Dear MR NEWVILLE,

This will acknowledge that your Surface Water Registration Statement in the name of SMURFIT NEWSPRINT COROPORATION has been received by our office. The fees in the amount of \$2500.00 have been received and our receipt #95619 is enclosed. Your registration statement has been numbered SWR-317.

Our office will review your form and map in the near future. If necessary we will schedule a meeting with you that will include a site inspection. If there are problems with your form we are usually able to take care of them during our visit. We will be able to answer any questions you might have about the adjudication process at that time.

Please feel free to contact this office if you have any questions.

Sincerely,



Don Knauer  
Adjudication Specialist

Enclosure

C:\WP51\SWR\CLAIMANT\SWR-0317.001

March 3, 1993



3850 Portland Rd NE  
Salem, OR 97310  
(503) 378-3739  
FAX (503) 378-8130

## WATER RESOURCES DEPARTMENT

RECEIPT # 95619

3850 PORTLAND ROAD NE

SALEM, OR 97310

378-8455/378-8130 (FAX)

RECEIVED FROM:	<u>Sandy's Pumping</u>	APPLICATION	
BY:	<u>Corp.</u>	PERMIT	
		TRANSFER	
CASH:	CHECK: #	OTHER: (IDENTIFY)	
<input type="checkbox"/>	<input checked="" type="checkbox"/> 780 0710	<input type="checkbox"/>	
			TOTAL REC'D \$ 7500.00

**01-00-0 WRD MISC CASH ACCT**

842.010	ADJUDICATIONS	\$ 7500.00
831.087	PUBLICATIONS/MAPS	\$
830.650	PARKING FEES Name/month	\$
	OTHER: (IDENTIFY)	\$

**REDUCTION OF EXPENSE**

	CASH ACCT.	\$
	VOUCHER #	

COST CENTER AND OBJECT CLASS

**03-00-0 WRD OPERATING ACCT****MISCELLANEOUS:**

840.001	COPY FEES	\$
850.200	RESEARCH FEES	\$
880.109	MISC REVENUE: (IDENTIFY)	\$
520.000	OTHER (P-6): (IDENTIFY)	\$

**WATER RIGHTS:**

	EXAM FEE		RECORD FEE
842.001	\$	842.002	\$
842.003	\$	842.004	\$
842.005	\$	842.006	\$
	EXAM FEE		LICENSE FEE
842.022	\$	842.023	\$
842.016	\$	842.019	\$
		842.024	\$

**06-00-0 WELL CONST START FEE**

842.013	WELL CONST START FEE	\$	CARD #	
	MONITORING WELLS	\$	CARD #	

**45-00-0 LOTTERY PROCEEDS**

864.000	LOTTERY PROCEEDS	\$
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**07-00-0 HYDRO ACTIVITY**

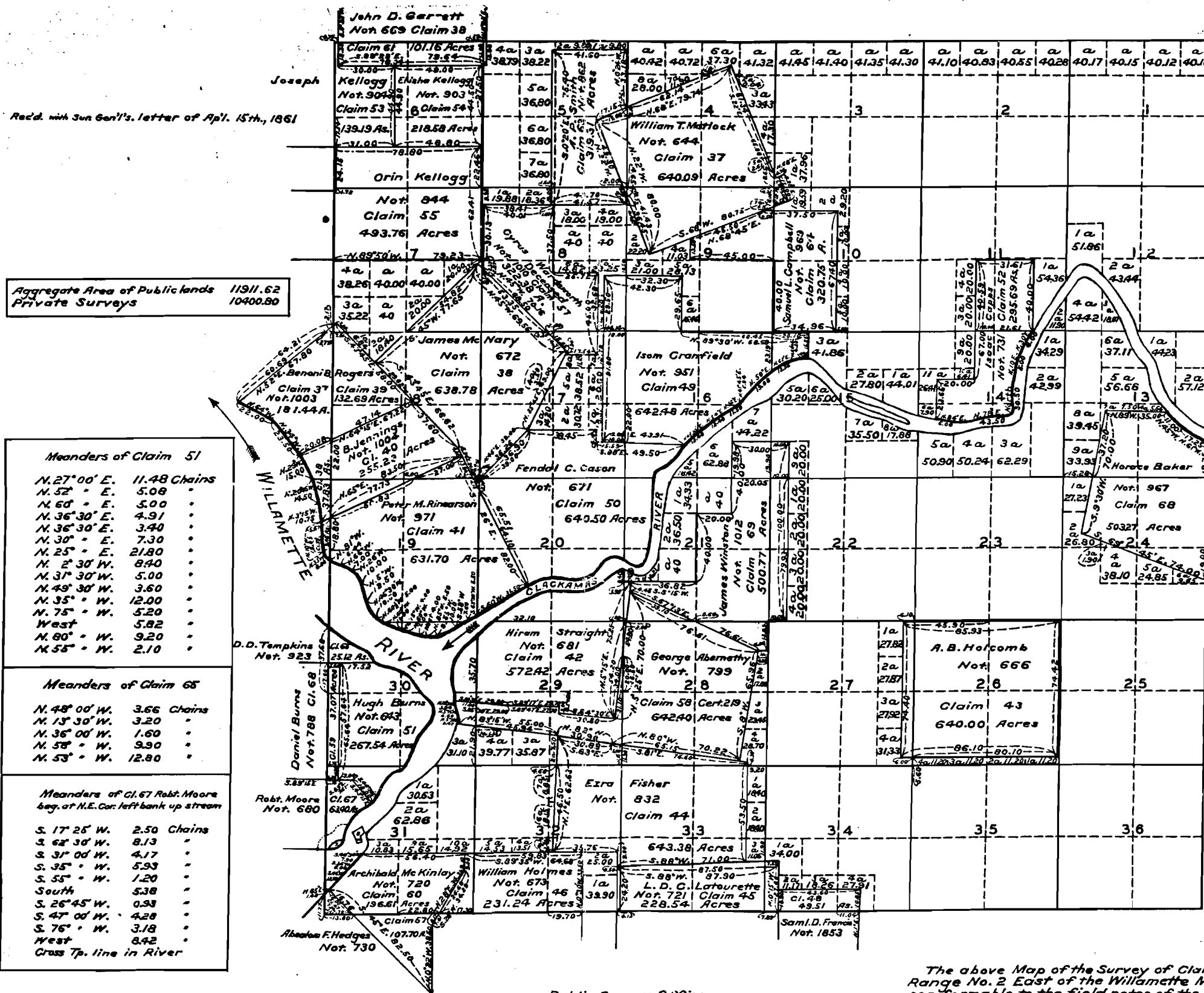
	LIC NUMBER	
842.011	POWER LICENSE FEE(FW/WRD)	\$
842.115	HYDRO LICENSE FEE(FW/WRD)	\$
	HYDRO APPLICATION	\$

RECEIPT # 95619

DATED: 12/10/10

BY: C. Taylor

# TOWNSHIP N° 2 SOUTH RANGE N° 2 EAST WILLAMETTE MERIDIAN OREGON



**Meanders of Claim 51**

N. 27° 00' E.	11.48 Chains
N. 52° E.	5.08 "
N. 60° E.	5.00 "
N. 36° 30' E.	4.91 "
N. 36° 30' E.	3.40 "
N. 30° E.	7.30 "
N. 25° E.	21.80 "
N. 2° 30' W.	8.40 "
N. 31° 30' W.	5.00 "
N. 49° 30' W.	3.60 "
N. 35° W.	12.00 "
N. 75° W.	5.20 "
West	5.82 "
N. 80° W.	9.20 "
N. 55° W.	2.10 "

**Meanders of Claim 65**

N. 48° 00' W.	3.66 Chains
N. 13° 30' W.	3.20 "
N. 36° 00' W.	1.60 "
N. 58° W.	9.90 "
N. 53° W.	12.80 "

**Meanders of Cl. 67 Robt. Moore**  
beg. at N.E. Cor. left bank up stream

S. 17° 25' W.	2.50 Chains
S. 62° 30' W.	8.13 "
S. 31° 00' W.	4.17 "
S. 35° W.	5.93 "
S. 55° W.	1.20 "
South	5.38 "
S. 26° 45' W.	0.93 "
S. 47° 00' W.	4.28 "
S. 76° W.	3.18 "
West	8.42 "
Crass Tp. line in River	

**Meanders of Claim 50**

S. 51° 30' W.	17.50 Chains
S. 3° 30' W.	5.00 "
S. 46° 00' W.	1.42 "
S. 3° W.	25.88 "
S. 24° 15' W.	16.30 "
S. 44° 30' W.	10.84 "
N. 58° 30' W.	7.50 "
N. 89° 00' W.	10.50 "
S. 20° W.	9.84 "
S. 78° 30' W.	1.87 "
S. 78° 00' W.	15.34 "
N. 79° 30' W.	12.50 "
S. 43° 00' W.	6.96 "
S. 44° W.	4.41 "

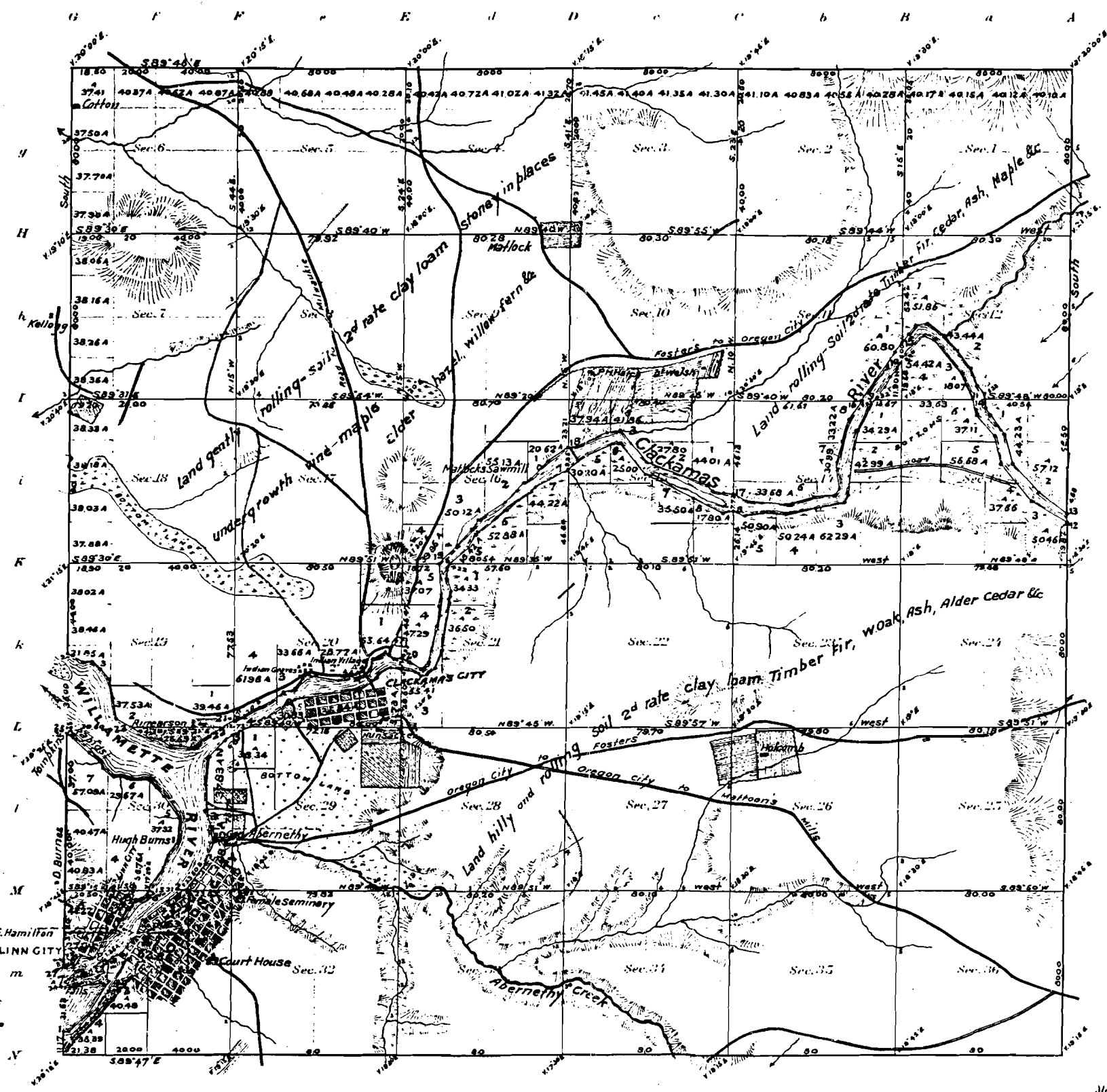
**Meanders of Claim 42**

N. 85° 00' W.	5.40 Chains
S. 56° 30' W.	6.70 "
S. 20° 00' W.	2.90 "
S. 60° W.	9.50 "
S. 84° W.	7.20 "
S. 78° W.	24.50 "
S. 58° W.	24.00 "
S. 80° W.	0.58 "
S. 61° 45' W.	8.90 "
S. 61° 30' W.	7.90 "
S. 26° 00' W.	9.50 "
S. 5° 30' W.	13.60 "
S. 10° 45' E.	13.60 "
S. 3° 30' E.	2.65 "

Public Survey Office,  
Portland, Oregon, December 1, 1931.  
I hereby certify this to be a correct copy of  
the original plat on file in this office.  
*Joseph A. Young*  
Office Cadastral Engineer.

The above Map of the Survey of Claims in Township No. 2 South  
Range No. 2 East of the Willamette Meridian, Oregon is strictly  
conformable to the field notes of the Survey thereof on file in this  
Office, which have been examined and approved.  
Surveyor General's Office, (Signed)  
Eugene City April 13th, 1861. *W. W. Chapman*  
Surveyor Gen. of Oregon.

# Township No 2 South Range No 2 East Willamette Meridian



See R.I.E.

I certify this to be a correct copy of the Original Plat on file in this Office.  
 U.S. Surveyor General's Office  
 Portland, Oregon, Jan. 12, 1915  
*Edward G. Wright*  
 Surveyor General

Areas in Acres	
Public Land	
Indian Reservation	
Indian Allotments	
Mineral Claims	
Water Surface	
Total Area	

Scale 40 Chains to an inch  
 Mean Magnetic Declination

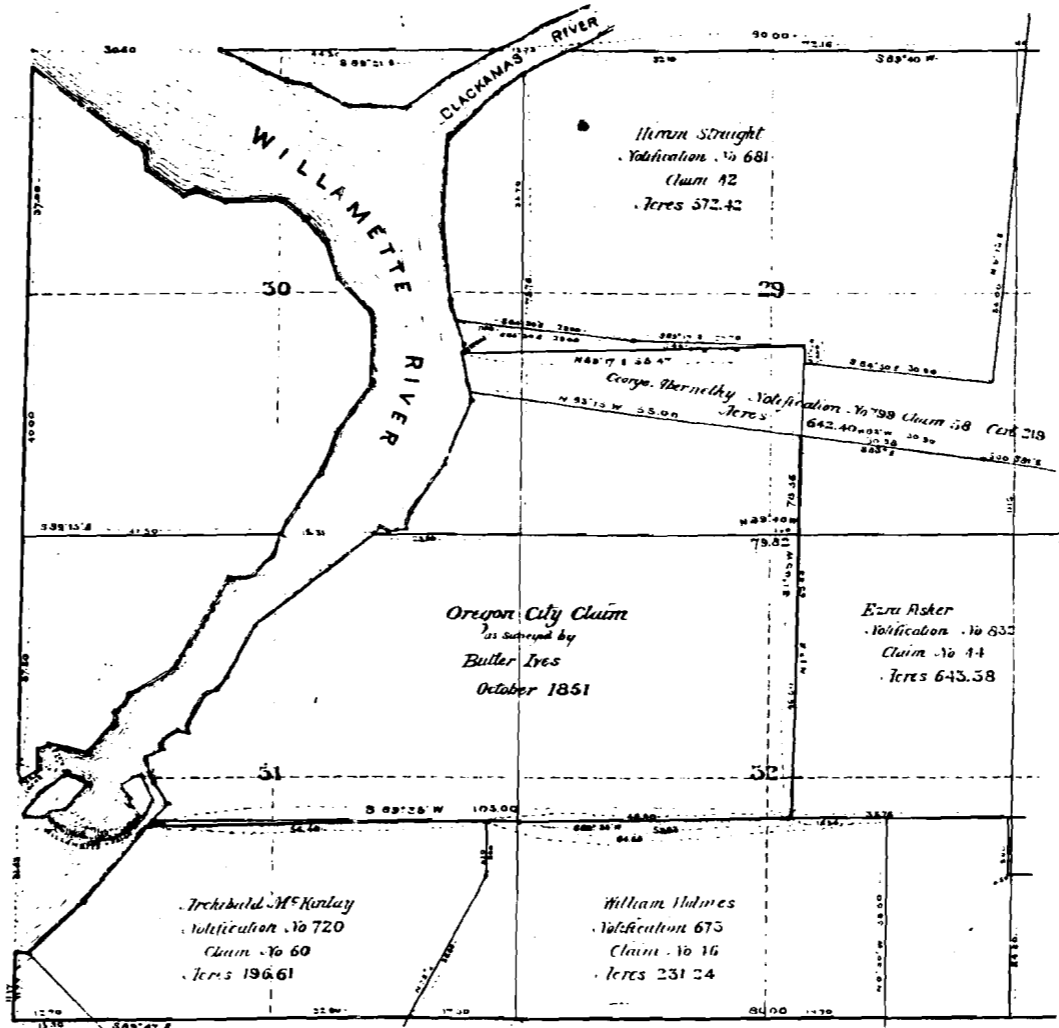
Survey Designated	By Whom Surveyed	Contract		Amount of Survey		When Surveyed	When changed in the Surveyor's Acc't
		No.	Date	Mls.	chs.		
Township Lines	Joseph Hunt	13	March 25 <sup>th</sup> 1852	12	1	38	May 10 <sup>th</sup> 1852 2 <sup>d</sup> Quarter 1852
Subdivisions	Joseph Hunt	17	May 13 <sup>th</sup> 1852	80	19	67	June 30 <sup>th</sup> 1852 2 <sup>d</sup> Quarter 1852
				1	30	92	3 <sup>d</sup> Quarter 1852

(2)  
 The above map of Township No 2 South Range No 2 East of the Willamette Meridian Territory of Oregon is strictly conformable to the field notes of the survey thereof on file in this office, which have been examined and approved  
 Surveyor General's Office  
 Oregon City June 30<sup>th</sup> 1852  
 (signed) *J. B. Preston*  
 Surv. Genl.

Fraction of Township No 2 South Range No 2 East Willamette Meridian Oregon

D. L. C.

1855



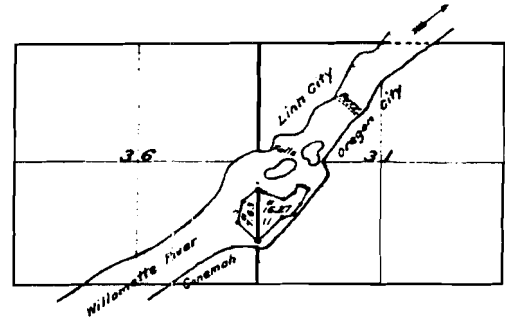
The above Map of a Fraction of Township No 2 South of Range No 2 East Willamette Meridian Oregon is strictly conformable to the field notes of the survey thereof on file in this Office which have been examined and approved

Surveyor General's Office  
Portland Oregon November 17<sup>th</sup> 1890

*W. H. B. B. B.*  
Sur. Gen. for Oregon



**Special Plat**  
of the Survey of  
a Rocky Island in the Willamette River  
lying in Sec. 31, T. 2 S. R. 2 E. and Sec. 36, T. 2 S. R. 1 E. Will. Mer. Oregon.  
*File in T. 2 S. R. 2 E.*



Meanders of Island, commencing at Meander Post on Town line, on South Side of Island, thence

N. 45° W.	3.80	Chains
N. 17° E.	7.27	"
N. 50° E.	4.50	" (Intersect M. Ran line
S. 71° E.	2.00	" bet. secs 31 and 36
S. 73° E.	7.17	"
N. 58° E.	4.00	"
N. 30° E.	3.38	"
East	1.50	"
S. 61° E.	2.00	"
S. 26° 45' W.	5.77	"
S. 25° W.	4.10	"
S. 76° W.	3.20	"
S. 16° W.	12.10	" to place of beginning.

[Scale 40 chs. to an inch]

The above Special plat of the Survey of a rocky Island in the Willamette River lying in Section 31, T. 2 S. R. 2 E. and Sec. 36, Town. 2 S. R. 1 East Will. Mer. Oregon, is strictly conformable to the field notes of the Survey thereof on file in this Office, which have been examined and approved.  
 Surveyor General's Office  
 Eugene City, Sep. 9, 1865

(Signed) **E. L. Applegate**  
 Surveyor General, of Oregon

I certify this to be a correct copy of the Original Special Plat on file in this Office.  
 U. S. Surveyor General's Office  
 Portland, Oregon, Jan. 12, 1915

*Edward Worth*  
 Surveyor General