Application for Use of State-owned Aquatic Lands

Applicant Name: Northwest Alloys, Inc.
County: Cowlitz County
Water Body: Columbia River
Type of Authorization - Use: Right of Entry – Maintenance Dredging
Authorization Number: 23-086565
Term: 1 year

Description: This agreement will allow the use of State-owned Aquatic Lands for the sole purpose of maintenance dredging. It is located on the Columbia River, in Cowlitz County, Washington.
Northwest Alloys, Inc.
Authorization No. 23-086565
Authorized Use: Maintenance Dredging
Location: Cowlitz County

Vicinity Map

Every attempt was made to use the most accurate and current geographic data available. However, due to multiple sources, scales, and the currency of the data used to develop this map Washington Department of Natural Resources cannot accept responsibility for errors and omissions in the data. Furthermore, this data is not survey grade information and cannot be substituted for an official survey. Therefore, there are no warranties that accompany this material.

Legal Description

Lat: 46.13768N, Long: 123.00464W
Section 36, Township 08, Range 03W W.M.

Prepared By: RH Date: 10/06/2010
APPLICATION FOR AUTHORIZATION 
TO USE STATE-OWNED AQUATIC LANDS

No work can be started on the project area until a use authorization has been granted by the state Department of Natural Resources

I. SUBMISSION OF APPLICATION

This application form will be reviewed by the state Department of Natural Resources upon receipt at the address given below, and also posted on the DNR website as public information. Applicants will be notified in writing if the application will be accepted for further review. However, this application may be rejected at any time before signed execution of a use authorization.

APPLICATION MUST BE FILLED OUT IN BLUE OR BLACK PEN

Please send the completed application form to your region land manager at:

Washington Department of Natural Resources
Rivers District
601 Bond Road
PO Box 280
Castle Rock, WA 98611-0280

Enclose a $25.00 non-refundable application processing fee with the application. (This fee is not required for local, state, and other government agencies).

II. APPLICANT INFORMATION

Date of Application: September 30, 2010

Authorization to be Issued To (how name is to appear in the lease document): Mark Stiffler, Northwest Alloys, Inc.

Applicant’s Representative: Rebecca Desrosiers, Anchor QEA, LLC

Relationship to Applicant: Consultant

Address: 4029 Industrial Way          City: Longview          State: WA          Zip Code: 98632-9461
Telephone: (206) 287-9130          Fax: (206) 287-9131          E-Mail: rdesrosiers@anchorqea.com

FOR OFFICIAL USE ONLY  Support staff: Application Fee Received ☐ JARPA Received ☐ Date: ________
Land Manager: ☐ New Application; ☐ Renewal Application
Land Manager: Type: (20, 21, 22, 23, 31, 51)
Land Records: New Application Number__________; Trust__________; County__________; AQR Plate No.__________

Nature Use Code__________
II. APPLICANT INFORMATION cont'

Department of Revenue Tax *Registration Number (Unified Business Identifier) is Required: 600-083-968-5

Which of the following applies to Applicant (Check One and Attach written authority to sign - bylaws, power of attorney, etc):

- Corporation ☒
- Limited Partnership ☐
- General Partnership ☐
- Sole Proprietorship ☐
- Marital Community Spouse: ☐
- Government Agency ☐
- Other ☐ (Please Explain:)

Has the site use been authorized before or is it currently under lease? ☒ Yes ☐ Lease Number: 20-B09222
- No ☐ Don’t Know ☐

III. LOCATION

The Body of Water on which the state property is located:
- Columbia River

County in which the state property is located: Cowlitz

<table>
<thead>
<tr>
<th>Government Lot: N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section: 36</td>
</tr>
<tr>
<td>Township: 8N</td>
</tr>
<tr>
<td>Range: 3W</td>
</tr>
<tr>
<td>E ☐ or W ☒</td>
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</table>

Note: A legal property survey including the legal description and other information about the property is required to obtain a use authorization. WA DNR survey requirements are attached to this form. The survey plat will be attached to the lease/easement as Exhibit A. **DO NOT HAVE THIS SURVEY CONDUCTED UNTIL YOU HAVE BEEN NOTIFIED IN WRITING THAT THE APPLICATION HAS BEEN ACCEPTED FOR PROCESSING.**

Physical description of Project Area (For example, Marsh, Tideflat adjacent to the Chehalis River, etc.):

The project area is located waterward of the Columbia River Channel shoreline and consists of navigable waterways and shallow submerged aquatic lands (Lease #20-B09222). Please refer Attachment A.

Name of Owner(s) of Uplands, Shorelands, and/or Tidelands shoreward and adjacent to the Property:

Owner: Washington State Department of Natural Resources (WDNR).

The adjacent upland property owner and applicant is Northwest Alloys, Inc. (NWA). Chinook Ventures, Inc. currently leases the upland area from NWA. Access to upland property is not necessary for this project. See Section II of this application for contact information.

Address: 601 Bond Road

City: Castle Rock State: WA Zip Code: 98611-0280

Phone Number: (360) 577-2025 Fax Number:

E-mail: aquaticleasing.rivers@dnr.wa.gov
**Note:** Except for property located within established Harbor Areas, proof of ownership, or authorization to use the adjacent tideland, shoreland, or upland property may be required. If the applicant is the owner of the adjacent land, attach a copy of the deed.

**County Parcel No(s).** for adjacent properties, upland, and/or adjacent tideland properties:

State-owned aquatic tidelands managed by WDNR (Lease #20-B09222) contain no parcel number; adjacent upland properties owned by NW Alloys (leased by Chinook) include parcels 61950, 61953, and 6195302.

## IV. USE OF PROPERTY

Describe, in detail, the proposed use of the Property:

Access is being requested from DOE for the purpose of conducting maintenance dredging near Berth 1, which is at the end of the pier that extends into the Columbia River from the shoreline of the NWA property. There are no changes to the proposed uses of the property.

Is or will the Property be subleased to another party?  **Yes ☐ No ☒**

If yes, submit a copy of the sublease agreement.

Chinook subleases the aquatic lands from NW Alloys; however, no other subleases exist.

What are the current and past uses of the site?

The site is currently used as a bulk materials handling facility and includes both marine and upland facilities. Current import and export activities are conducted by CVI using ship or barge, railroad, and truck. The property is also currently being used for storage of a variety of materials and equipment not related to bulk handling operations.

The adjacent upland property was initially developed as a primary aluminum smelter by Reynolds Metals Company (assets of which were later acquired by NW Alloys) beginning operation in 1941. The facility operated as an aluminum smelter until 2001. Thereafter, the site remained inactive until December 2004 when CVI began leasing the property and operating the site as a bulk material storage, shipping, and transport facility.

Do you have any knowledge of contamination of the site by toxic or hazardous substances, or of past uses or practices that might have lead to contamination by such substances?  **Yes ☒ No ☐**

If so, please explain:

CVI is currently investigating the area in response to Ecology Administrative Order No. 7392, which requires Chinook to investigate the potential impact to sediment adjacent to the existing pier due to incidental spills that have occurred.

Do you know if any fill material has been placed on the property in question?  **Yes ☒ No ☐**

If yes, please explain:

CVI is in the process of resolving violations associated with fills adjacent to the proposed maintenance dredging project location.
V. IMPROVEMENTS
Physical improvements are structures placed on the land that cannot be removed without damage to the land. Examples of such structures include: pilings, dolphins, piers, wharves, piling-supported buildings, structures built on fill or concrete foundations, buried pipelines and cables, and support structures for bridges.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
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<tbody>
<tr>
<td>What physical improvements currently exist on the site? (Photos may be required.)</td>
<td>Physical improvements that currently exist on the site include an approximately 1,750-foot pier supported by piles that extends from the shoreline into the submerged aquatic land. The upland portion of the property owned by NWA contains numerous other structures and buildings which will not be impacted by this project.</td>
</tr>
<tr>
<td>If there are physical improvements currently on the site, who owns them?</td>
<td>The pier is owned by NWA. Upland buildings are owned and operated by CVI.</td>
</tr>
<tr>
<td>If there are physical improvements currently on the site, describe their condition:</td>
<td>The existing pier is intact and is currently used in daily operations on the adjacent upland property.</td>
</tr>
<tr>
<td>Which, if any, of the existing physical improvements will be removed, remodeled, or reconstructed?</td>
<td>None.</td>
</tr>
<tr>
<td>Describe any physical improvements that the applicant is proposing to construct on the site:</td>
<td>None.</td>
</tr>
<tr>
<td>Has any fill material been placed on the site? Yes ☒ No ☐ If Yes, please describe:</td>
<td>Chinook is in the process of resolving violations associated with fills adjacent to the project location.</td>
</tr>
</tbody>
</table>
VI. LOCAL, STATE, AND FEDERAL REGULATORY PERMITS

Copies of all Government Regulatory Permits, or Permit Waivers Are Required Before Issuance of a DNR Use Authorization. Your project may require all or some of the following:

Please include the following permit applications, permits, or waivers with the application:

JARPA (Joint Aquatic Resource Permit Application) - This one form is used to apply for all of the following individual permits:

1. **Section 10 Permit** (Required by the US Army Corps of Engineers for any work in or affecting navigable waters, e.g., floats, docks, piers, dredging, pilings, bridges, overhead power lines.)
2. **Shoreline Substantial Development, Conditional Use, Variance Permit or Exemption** (Issued by Local Government, and is required for work or activity in the 100 year flood plain, or within 200 feet of the Ordinary High Water mark of certain waters; and which included any one of the following: dumping, drilling, dredging, filling, placement or alteration of structures or any activity which substantially interferes with normal public use of the waters.)
3. **Hydraulic Project Approval** (Required by the Department of Fish and Wildlife if the project includes work that will use, divert, obstruct, or change the natural flow or bed of any fresh or salt water of the state.)
4. **Section 404 Permit** (Required by the US Army Corps of Engineers if your project will discharge or excavate any dredged or fill material waterward of the Ordinary High Water mark or the Mean Higher High Tide Line in tidal areas.)
5. **Section 401 Water Quality Certification** (Required by the Department of Ecology if a Section 404 permit is required.)

NPDES (National Pollutant Discharge Elimination System Permit) - Required by the Department of Ecology under delegated authority from the Federal Environmental Protection Agency for projects that include the discharge of fluid on or into surface water.

SEPA (State Environmental Policy Act) Checklist and Environmental Assessments - When you submit a permit application to any agency, if the project is not exempt, the lead agency will ask you to fill out an environmental checklist. Based on checklist answers and the reviewers knowledge of the project site, agency personnel will determine the types of impacts the project may have on the environment. The agency assessments may be the following forms: Determination of Non-significance, Determination of Significance, scoping documents, draft or final Environmental Impact Statements (EIS) or others prepared for the purpose of compliance.

Describe any habitat mitigation required by any of the permitting agencies identified above and identify where such mitigation is proposed to occur:

At this time, no formal dredging or improvement plans have been established; therefore, a JARPA, mitigation plan, and other documents have not yet been prepared. However, a comprehensive SEPA is in development and is scheduled to be submitted to Cowlitz County in early June 2010. The remainder of the required permit applications will be prepared thereafter, at which time a copy will also be provided to WDNR.

All answers and statements are true and correct to the best of my knowledge.

<table>
<thead>
<tr>
<th>Applicant Name (please print):</th>
<th>Title:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Stiffler</td>
<td>President</td>
<td>9/25/2010</td>
</tr>
</tbody>
</table>

Applicant or Authorized Signature:

[Signature]