

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of the Proposed Short-Term)	TERMINATION OF
Lease of Existing Water Rights for Instream)	INSTREAM LEASE
Use, Certificate 74145, Deschutes County,)	& FINAL ORDER
Oregon)	

FINDINGS OF FACT

1. On July 1, 2003, a Short-Term Lease Application, which proposed to lease a portion of certificate 74145 for instream purposes was submitted to the Department by:

Lessor #1
John and Rebecca Marshall
11228 NE 67th Street
Kirkland, WA 98033

Lessor #2
Swalley Irrigation District
P.O. Box 5126
Bend, OR 97708-5126

Lessee
Deschutes Resources Conservancy
P.O. Box 1560
Bend, OR 97709

2. The Department assigned this lease agreement number L-465.
3. The lease application contained a provision allowing the Lessor to terminate the lease in any year of the lease, 30 days prior to the lease being exercised.
4. The lease application requested to protect water instream for five years, terminating on October 31, 2007. A Final Order approving this lease was issued by the Department on July 31, 2003.
5. On February 12, 2004, the Department received a request from the Lessee to terminate the lease prior to the 2004 irrigation season.
6. The lease was exercised during the 2003 water use period ending on October 31, 2003.

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

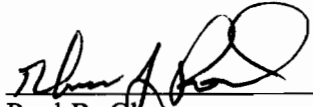
CONCLUSIONS OF LAW

The Department concludes that terminating the lease in advance of the 2004 irrigation season is consistent with OAR 690-077.

ORDER

Therefore, it is ORDERED that the Short-Term Lease described herein is TERMINATED and no longer in effect.

Dated at Salem, Oregon this 12th day of February, 2004.



Paul R. Cleary
Director