

**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 June 14, 2004, 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
Anna Morrison Spencer Trust 1997
2839 Apache Ln.
Provo, UT 84604

Lessor #2
Swalley Irrigation District
64672 Cook Ave.
Bend, OR 97701

Lessee
Deschutes Resources Conservancy
PO Box 1560
Bend, OR 97709

2. The Department assigned this lease agreement number L-578.
3. The lease application contained a provision allowing the Lessor to terminate the lease in any year of the lease, prior to the lease being exercised.
4. The lease application requested to protect water instream for five years, terminating on October 31, 2008. A Final Order approving this lease was issued by the Department on July 26, 2004.
3. On February 28, 2005, the Department received a request from Lessor #2 to terminate the lease prior to the 2005 irrigation season.
4. The lease was exercised during the 2004 water use period ending on October 31, 2004.

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.

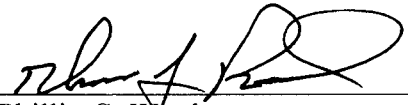
CONCLUSIONS OF LAW

The Department concludes that terminating the lease in advance of the 2005 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Therefore, it is ORDERED that the Short-Term Lease described herein is TERMINATED and no longer in effect.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 3rd day of March, 2005.


For Phillip C. Ward,
Director