

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

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

ORS 537.348 establishes the process in which a water right holder may submit a request to lease an existing water right for instream purposes. OAR Chapter 690, Division 077 implements the statutes and provides the Department's procedures and criteria for evaluating short-term instream lease applications.

**Lessor #1**  
White Rock LLC  
66280 White Rock Loop  
Bend, Oregon 97701

**Lessor #2**  
Swalley Irrigation District  
64672 Cook Avenue  
Bend, Oregon 97701

**Lessee**  
Deschutes Resources Conservancy  
PO Box 1560  
Bend, OR 97709

**FINDINGS OF FACT**

1. On April 29, 2004, White Rock LLC, Swalley Irrigation District, and the Deschutes Resources Conservancy (now known as the Deschutes River Conservancy) filed an application to lease a portion of Certificate 74145 to instream use.
2. The Department assigned this lease application number L-559.
3. 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 12, 2004, as evidenced by Special Order Volume 60, Page 447. On July 28, 2004, a Correcting Final Order was issued as evidenced by Special Order Volume 60, Page 883.
4. The Final Order contained a provision allowing the lease to be terminated in any year of the lease, prior to the lease being exercised that season.
5. On April 2, 2007, the Department received a request from the Deschutes River Conservancy to terminate the lease upon issuance of a final order approving Instream Transfer Application T-10356, which proposes to permanently transfer a portion of Certificate 74145 involved in this lease to instream use.

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 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

6. In order to prevent enlargement and injury, the lease is being terminated simultaneously with the issuance of a final order approving Instream Transfer Application T-10356.
7. The lease was exercised during the 2004, 2005, and 2006 water use periods ending October 31, and a portion of the 2007 water use period.

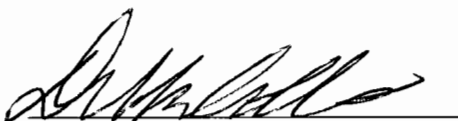
**CONCLUSIONS OF LAW**

The Department concludes that terminating the lease is consistent with OAR 690-077.

**ORDER**

Therefore, it is ORDERED that the Short-Term Lease described herein is TERMINATED.

Dated at Salem, Oregon this 28th day of September, 2007.

  
Phillip C. Ward  
Director

Date Mailed:            **OCT 02 2007**