

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

In the Matter of the Proposed Short-Term)
Lease of Existing Water Rights for Instream)
Use, Certificates 72197 and 76714,)
Deschutes County, Oregon)

TERMINATION OF
INSTREAM LEASE
& FINAL ORDER

FINDINGS OF FACT

1. On June 19, 2003, a Short-Term Lease Application, which proposed to lease a portion of certificates 72197 and 76714 for instream purposes was submitted to the Department by:

Lessor #1
Charles G. and Carleen C. Hegele
7950 N Lone Pine Rd.
Terrebonne, OR 97760

Lessor #2
Crook County Improvement District
2598 N Highway 97
Redmond, OR 97756

Lessee
Deschutes Resource Conservancy
PO Box 1560
Bend, OR 97709

2. The Department assigned this lease agreement number L-446.
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, 2007. A Final Order approving this lease was issued by the Department on July 21, 2003, Special Order Volume 57, Page 1053, with a superseding correcting order on August 13, 2003, Special Order Volume 57, Page 1311.
5. On March 15, 2005, the Department received a request from Lessor #1 and Lessor #2 to terminate the lease prior to the 2005 irrigation season.
6. The lease was exercised during the 2003 water use period and 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.

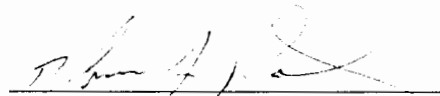
CONCLUSIONS OF LAW

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Therefore, it is ORDERED that the Short-Term Lease described herein is TERMINATED and no longer in effect.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 10th day of March, 2005.



for Phillip C. Ward,
Director