

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

In the Matter of the Lease of Existing Water ) FINAL ORDER  
Right for Instream Use, Certificate 83653, ) TERMINATING INSTREAM LEASE  
Deschutes and Klamath Counties )

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 instream lease applications.

**Lessor**

Cascade Timberlands, LLC  
15 SW Colorado, Suite 3  
Bend, Oregon 97702

**Lessor #2**

LaPine Cooperative Water Association  
PO Box 97  
LaPine, OR 97736

**Lessee**

Deschutes River Conservancy (DRC)  
PO Box 1560  
Bend, OR 97709  
[gen@deschutesriver.org](mailto:gen@deschutesriver.org)

**Findings of Fact**

1. On June 7, 2007, Green Prairie Ranch, LLC, LaPine Cooperative Water Association, and the DRC filed an application to lease a portion of Certificate 72196 to instream use. The Department assigned the instream lease application number L-743.
2. The lease application requested to protect water instream for five years, terminating on October 31, 2011. A Final Order approving this lease was issued by the Department on July 13, 2007, as evidenced by Special Order Volume 72, Page 569.
3. The final order contained a condition allowing the Lessor to terminate the lease in any year of the lease, prior to March 1 of each year.
4. On November 26, 2007, Certificate 83653 was issued superseding Certificate 72196.
5. On January 4, 2010, the Department received a request from Reed Marbut, attorney for Cascade Timberlands, LLC (the new landowner and new Lessor #1) to terminate the lease prior to water being protected instream in 2010.
6. The lease was exercised during the 2007, 2008, and 2009 water use periods ending on October 31, 2009.

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.

## CONCLUSIONS OF LAW

The Department concludes that terminating the lease in advance of the 2010 irrigation season is consistent with OAR 690-077.

## ORDER

Therefore, it is ORDERED that the Instream Lease described herein is TERMINATED and no longer in effect.

Dated at Salem, Oregon this 14<sup>th</sup> day of January 2010.

  
By Phillip C. Ward, Director

Mailing date: JAN 19 2010