



State of Oregon
Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1266
 (503) 986-0900

Application for Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD_PUBS_forms.shtml.

Pursuant to ORS 537.348(2) and OAR 690-077

Optional Identification by Lessor/Lessee: T11347
 Lease Application Number (assigned by WRD): IL-1204 MP-167

The water right to be leased is located in Crook County.

This Lease is between:

Lessor #1:

Name Butler Ranch, Inc
 Mailing address 5294 NW Lone Pine Road
 City, State, Zip Code Terrebonne, OR 97760
 Telephone number 541-548-6070
 E-mail address** % johnshort@usa.com (541)389-2837

Lessor #2, 3, etc. (provide same information as identified above)

Lessee (if different than Oregon Water Resources Department):

Name Deschutes River Conservancy Mitigation Bank
 Mailing address 700 NW Hill Street
 City, State, Zip Code Bend, OR 97701
 Telephone number 541-382-4077
 E-mail address** gen@deschutesriver.org

**BY PROVIDING AN E-MAIL ADDRESS, CONSENT IS GIVEN TO RECEIVE ALL CORRESPONDENCE FROM THE DEPARTMENT ELECTRONICALLY. COPIES OF THE FINAL ORDER DOCUMENTS WILL ALSO BE MAILED.

Trustee:

Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1266
 (503) 986-0900

~I~ Water Right Holder and Water Right Information

- 1.1 Lessor #1 is the water right holder, or authorized agent for water right holder of the property located at: Township 14 S, Range 14 E, Section 15 & 22 and Tax Lot number 100. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

- 1.2 Lessor #2 is the (Check one):
 Not applicable
 Official representative of _____, the irrigation district which conveys water to the subject water rights.
 Another party with an interest in the subject water rights representing _____.

- 1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No(s). 87331

- 1.4 Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No or other Federal program: _____

1.5 Water Rights Proposed to be Leased Instream.

The first right to be leased identified in Section 1.3 is further described as follows:

Certificate No.: 87331

(If you need to enter another leased right, please use the additional water right form.)

Legal Season of Use: 7/23/1946

Is the entire water right certificate being leased? Yes No

If no, list below the acres of the subject water right by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

	T	R	Sect	1/4 1/4	Tax Lot	Acres	Type of Use	*Page #	*Priority Date	*Previous Lease #
*(Identify pertinent page numbers of certificate, if certificate is greater than 10 pages; identify priority date, if there is more than one on the certificate. If any portion of the right proposed to be leased was leased previously, the previous lease number may be identified. Identification of a previous lease is optional.)										
1.	14S	14E	15	nwse	100	0.8	IRR		1946	IL-
2.	14S	14E	15	nese	100	2.2	IRR		1946	IL-
3.	14S	14E	15	sese	100	16.6	IRR		1946	IL-
4.	14S	14E	22	nwnw	100	16.4	IRR		1946	IL-
5.										IL-

[Attached maps must identify the water right holder, township, range, section, 1/4 1/4, tax lot number, map orientation, and scale.]

Total number of acres being leased, if for irrigation (or other acre equivalent uses): 36.0

Acre-feet of storage, if applicable: _____

Maximum rate associated with the right to be leased (cfs): 0.025/ac = 0.90 cfs

(Use additional lines if there is more than one rate associated with the water right.)

Maximum duty associated with the right to be leased (ac-ft): 4 af/ac = 144

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: _____

- 1.6 **Validity of rights to be leased as described in Section 1.5 of this form and on any Additional Water Right Form.** Lessor(s) attests (mark one) that:

the water has been used over the past five years according to the terms and conditions of the water right certificate or as an instream water right or

the water has not been used over the past five years according to the terms and conditions of the water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)(____)(include necessary supporting documentation as Attachment 3).

~II~ Instream Water Right Information

2.1 **Public use.** This lease will increase streamflows that will benefit:

- Conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat
- Pollution abatement
- Recreation and scenic attraction

2.2 **Instream use created by lease of the water right described in Section 1.5.**

The instream use to be created is described as follows:

In the Crooked River
Tributary to Deschutes River in the Deschutes Basin.

Instream volume in acre-feet (may be up to the same as the duty identified in Sec 1.5): 144

Instream rate in cfs (may be up to the same as the rate identified in Sec 1.5): 0.71

(If not certain of the instream rate or volume, please contact the Department for more information on how to fill out this section of the application).

- Instream use protected at the point of diversion (POD).
- Or within a proposed reach.

Describe the proposed reach (an instream reach generally begins at the POD and generally ends at the mouth of the source creek/river). If possible list the reach by river mile): From POD 47A at 1300' south of northeast corner of section 22, T14S, R14E, WM to Lake Billy Chinook

Please check this box if you are not sure of the proposed reach and want water to be protected within a reach below the POD, if possible.

(If no reach is identified or the above box is not checked, and there is only one POD listed on the certificate, the lease may be processed to be protected at the POD.)

If the POD is not described on the Certificate or if there is more than one POD listed on the certificate, then the specific POD must be described: _____

Conditions to prevent injury, if any (use this section to indicate a more restrictive period of use than allowed by the water right):

- None
- The instream flow will be allocated on a daily average basis up to the described rate from July 1 through October 15.
- Other (describe): Instream lease period has been set to mimic the pending instream transfer T-11347

(Note: The Department may identify additional conditions to prevent injury and/or enlargement.)

If you need to enter more instream uses, please use the additional water rights form.

2.3 **Term of lease.** This lease shall terminate on November 1, 2016.

2.4 **Flow protection.** The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see Section 2.2). As part of regulation activities the watermaster or a designee has access to the point of

diversion and place of use for the water rights involved in this lease. No party is required to continuously measure the flow of the waterway described in Section 2.2.

~III~ Other Information

- 3.1 Accuracy.** The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The lease only exercises the water rights being leased, for the term of the lease. It shall not be construed to overcome any claim that the water right may otherwise be subject to forfeiture for nonuse pursuant to ORS 540.610 during the period of time prior to the execution of the lease.
- 3.2 Lease.** Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.
- 3.3 Precedent.** If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077 a new injury review shall be required, and a prior lease shall not set a precedent for the amount of water to be leased or transferred instream.
- 3.4 Suspension of original use.** During the period of the lease, the water right holder agrees to suspend use of water allowed under the subject water rights and under any water right that is supplemental to the subject water rights.
- 3.5 Termination provision.**
- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
 - Written notice to the Department;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
 - For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.
- 3.6 Modification to prevent injury.** Allocation of water to the instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.

3.7 Fees. Pursuant to ORS 536.050, the following fee is included:

- \$400 for an application with four or more landowners or four or more water rights.
 \$250 for all other applications.

Lessor #1: _____

Butler Ranch, Inc

Date: _____

3-14-2012

For additional Lessors, type in space for signature and date

Lessee: _____

Deschutes River Conservancy

Date: _____

3/15/2012

Other Attachments as Needed:

Attachment 1: Tax Lot Map. (See instructions.)

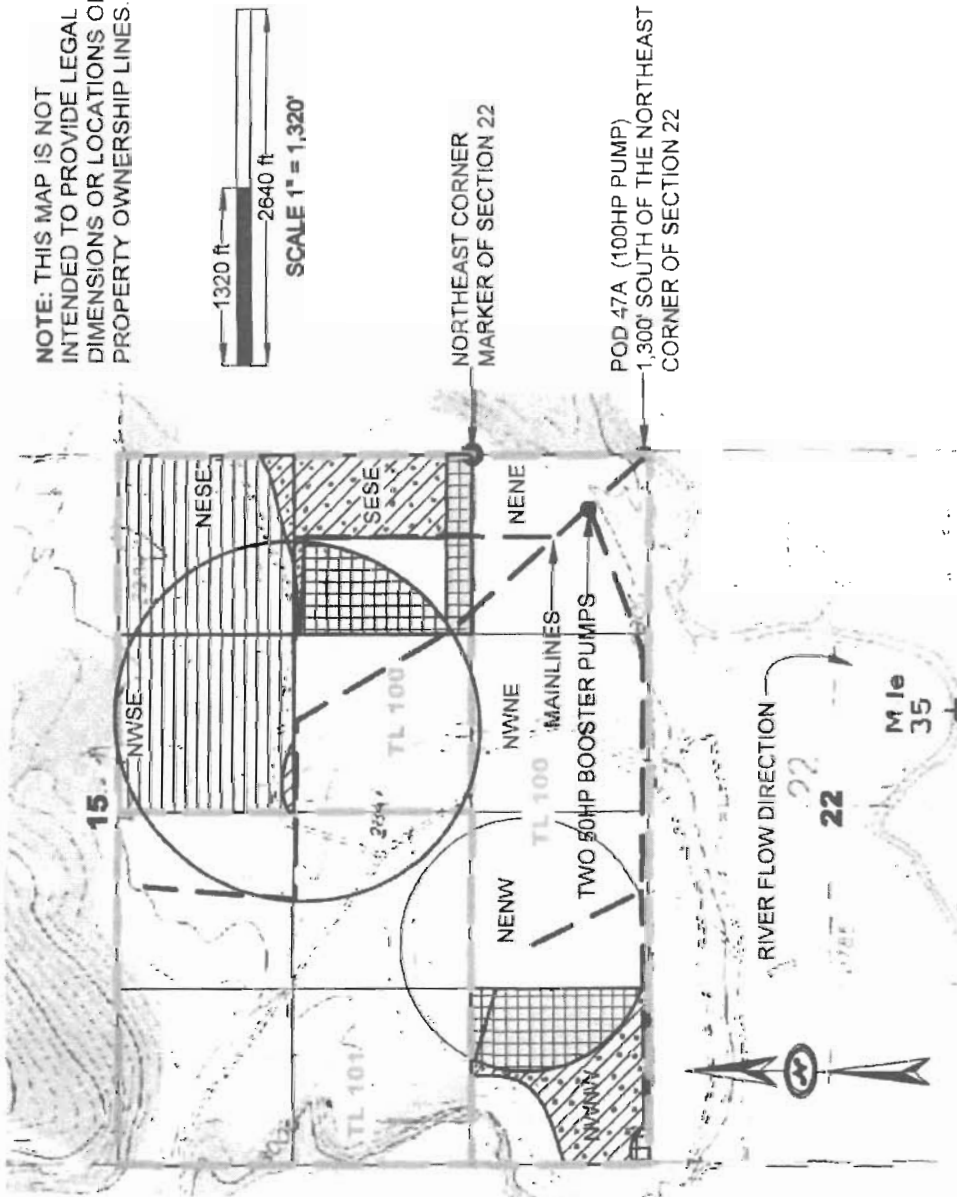
Attachment 2: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. (See instructions.)

Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.6 is checked).

Attachment 4: Split Season Instream Use Form

An affidavit of use is on-file at the dept. with transfer T-11347 (of those same water rights)

NOTE: THIS MAP IS NOT INTENDED TO PROVIDE LEGAL DIMENSIONS OR LOCATIONS OF PROPERTY OWNERSHIP LINES.



TOWNSHIP 14 S RANGE 14 E
WILLAMETTE MERIDIAN
CROOK COUNTY, OREGON

LEASED
INSTREAM

	FROM	REMAINING
CERT 87331 SECTION 15		
NWSE	0.8	0.0
NESE	2.2	0.0
SESE	16.6	17.6
SECTION 22		
NWNW	16.4	15.2
TOTAL	36.0	32.8

CERT 2734 (NO MAP EXISTS) PARTIAL DIMINISHMENT TO SUPPLEMENTAL AND MOVED UNDER SEPARATE TRANSFER.

SECTION 22	NWNW	14.3	15.2
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CERT 83850 (NO CHANGES)

SECTION 15	NWSE	PRI	40.9
	NESE	PRI	38.3
	SESE	PRI	0.2
	SESE	SUPP	5.7

RECEIVED

JAN 27 2012

WATER RESOURCES DEPT
SALEM, OREGON

CERT 87331 PRIMARY AND SUPPLEMENTAL "REMAINING" CERT 83850 SUPPLEMENTAL "REMAINING" (T-10734)

CERT 87331 PRIMARY AND SUPPLEMENTAL "FROM" LEASED INSTREAM TAX LOT BOUNDARY

CERT 83850 PRIMARY "REMAINING" TL 100 TAX LOT NUMBER

INSTREAM TRANSFER MAP for BUTLER RANCH, INC.

WATER RIGHT SERVICES, LLC WWW.OREGONWATER.US
P.O. BOX 1830, BEND OR 97708 (541) 389-2837

DATE JAN 2012 JOHNSHORT@USA.COM SHEET 1 OF 1 REV

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