

L.A. 2.01



**WATER RIGHT LEASE AGREEMENT**

This LEASE AGREEMENT is made this 30 day of June, 1994, between Agnes Webb, by and through her attorney-in-fact, Wayne L. Webb ("Lessor") and The Oregon Water Resources Department ("Lessee").

I.

1.1 Lessor is the owner of certain real property in Section 2, T. 4 S, R. 14 E, and Section 35, T. 3 S, R. 14 E, Sherman County, described in Exhibit A.

1.2 The following water right is appurtenant to said Property:

Certificate No. 38374, Exhibit B.

Permit No. 28518.

1.3 Pursuant to the provisions of ORS 537.348(2), Lessee desires to lease water to increase the instream flow of the following described river/stream:

Buck Hollow Creek

From mile 0.8 to 0.

1.4 The following public uses will be served by the increased instream flow made available under this Lease:

Conservation maintenance and enhancement of aquatic and fish life, and fish habitat and recreation and scenic attraction.

II.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN,  
THE PARTIES AGREE AS FOLLOW:

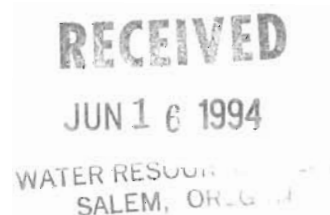
2.1 Lease. Lessor leases to Lessee the water right described in paragraph 1.2 for use as an instream water right. The water right is further described as follows:

Priority Date: December 10, 1962

Rate (cfs): 1/40th of 1 cfs per acre on 37.3 acres; .93 cfs (primary)

Duty (acre feet/season): 4 acre feet per acre on 37.3 acres; 149.2 acre feet (primary)

Period of Use: April 1 to November 1



Point of Diversion: 180' S and 2660' W; 1940' S and 2790' W; both from NE corner, Sec. 2, being within the NE 1/4 NW 1/4, SE 1/4 NW 1/4, Sec. 2, T. 4 S, R. 14 E, W.M. in the County of Sherman

Place of Use: Section 2, T. 4 S, R. 14 E, and Section 35, T. 3 S, R. 14 E, W.M.

- 2.2 Term. This Lease shall commence upon its execution by the parties and shall continue thereafter for a period of one (1) year unless terminated as provided herein.
- 2.3 Termination. Either party may terminate this Lease upon thirty (30) days' written notice; provided, however, this Lease may not be terminated during any irrigation season in which the lease is effective during a portion of such season.
- 2.4 Flow Protection. Lessor will not divert or use the water described in Paragraph 2.1 during the Term of this Lease. Neither party is required to measure the flow of the river/stream described in Paragraph 1.3. During the term of this Lease, Lessee will regulate all water rights for use of water from the river/stream described in Paragraph 1.3 according to the relative priority dates of such rights. The water right described in Paragraph 2.1, which is subject to this Lease, will be regulated along with all other rights for use of water from the river/stream described in Paragraph 1.3 in accordance with its relative priority date.
- 2.5 Watermaster Review. The Watermaster for the District where the reach of the river/stream described in Paragraph 1.3 is located shall review this lease to verify the following:
- 2.5.1 The Lessor is currently entitled to appropriate water under the water right described in Paragraph 2.1.
- 2.5.2 A suitable control device is in place so that use of water under the right described in Paragraph 2.1 may be regulated to insure that said water will not be diverted or otherwise withdrawn from the stream/river described in Paragraph 1.3.
- 2.5.3 Allocation of the water described in Paragraph 2.1 during the term of this Lease will not cause injury to other rights for use of water from the same source.

Watermaster: Larry Toll (District 3 6/22/94)

THE UNDERSIGNED LESSOR DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF THE INFORMATION CONTAINED IN THIS LEASE IS TRUE, CORRECT AND COMPLETE.

LESSOR: Wayne L Webb

LESSEE: Murtha D. Pugh

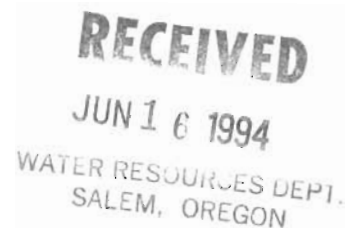


EXHIBIT B

Certif No 18374

Name Ernest O. Webb & Agnes M. Webb  
 Address P. O. Box 74  
 Tygh Valley, Oregon  
 Source of water supply <sup>Gravel</sup> Buck Hollow Creek, trib. of Deschutes River  
 Use Irrigation  
 Point of diversion 180' S. & 2660' W.; 1940' S. & 2790' W.; both from NE Corner, Sec.2, being within the NE $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , Sec.2, T.4 S., R.14 E., W.M., in the county of Sherman  
 Number of acres 37.3

DESCRIPTION OF LAND TO BE IRRIGATED OR PLACE OF USE

Twp.	Range	Sec.	NE $\frac{1}{4}$				NW $\frac{1}{4}$				SW $\frac{1}{4}$				SE $\frac{1}{4}$			
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$
3S	14E	35										0.1					9.4	14.7
4S	14E	2		7.4 Lot2	5.7													

Priority date December 10, 1962  
 Amount of water 0.93 c.f.s.  
 Time limit to begin construction  
 Time limit to complete construction extended to extended to  
 Time limit to completely apply water extended to extended to

Remarks: The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to one-fortieth of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 4 acre feet per acre for each acre irrigated during the irrigation season of each year, and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

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 JUN 16 1994  
 WATER RESOURCES DEPT.  
 SALEM, OREGON

EXHIBIT A

(Property Description)

W $\frac{1}{2}$ SE $\frac{1}{4}$ , Section 35, T. 3 S, R. 14 E and W $\frac{1}{2}$ E $\frac{1}{2}$ , Section 2,  
T. 4 S, R. 14 E, W.M.

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JUN 16 1994

WATER RESOURCES DEPT.  
SALEM, OREGON