



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](http://www.wrd.state.or.us/OWRD/PUBS/forms.shtml).

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

Optional Identification by Lessor/Lessee: \_\_\_\_\_  
Lease Application Number (assigned by WRD): IL-859

This Lease is between:

#### Lessor #1:

Name The Daniels Group, LLC  
Mailing address 1111 Main Street, Ste 700  
City, State, Zip Code Vancouver, WA 98660  
Telephone number 360-694-5700 (contact: Greg Daniels, agent: John Short)  
Email address johnshort@usa.com

#### Lessor #2, 3, etc.

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

#### Lessee (if different than Oregon Water Resources Department):

Name Deschutes River Conservancy  
Mailing address P.O. Box 1560  
City, State, Zip Code Bend, OR 97709  
Telephone number 541-382-4077  
Email address gen@deschutesriver.com

#### 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 20 & 29 and Tax Lot number 200. 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 I (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. 81601 primary (80795 primary and supplemental not being leased)

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

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.: 81601

Priority date: 1895 Type of use: IRR

Legal Season of Use: N/A

Is the entire water right certificate being leased?  Yes  No

If no, list the acres of the subject water right by legal description of township, range, section, and ¼ ¼ which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

Place of use: T 14 S, R 14 E, Section 20, SW¼ SW¼ - 10.00 acres to be leased

Enter additional places of use here, using format above:

T 14 S, R 14 E, Sect 29, NWNW, 2.4 acres

T 14 S, R 14 E, Sect 29, SWNW, 3.0 acres

T 14 S, R 14 E, Sect 29, SENW, 8.0 acres

T 14 S, R 14 E, Sect 29, NENW, 5.0 acres

T 14 S, R 14 E, Sect 29, NWNW, 35.60 acres

Page \_\_\_\_\_ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: 64.0

Acre-feet of storage, if applicable: \_\_\_\_\_

Maximum rate associated with the right to be leased (cfs): 0.800 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): 256 AF

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

Conditions or other limitations, if any: None

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

1.6 **Validity of rights.** 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.** The instream use to be created is described as follows:

Crooked River

Tributary to Deschutes River in the Deschutes Basin.

Describe the point of diversion (POD) and any associated reach(es) of the instream use being created. If possible list the reach by river mile. If no reach is identified, and there is only one POD listed on the certificate, the lease may be processed to be protected at the POD. (If more than one POD is listed on the certificate, then the POD and any associated reach(es) must be identified): POD # 6: NWNW, Sect. 29, T 14 S, R 14 E, WM; 1085 feet South and 970 feet West from the North 1/4 Corner of Sect 29. Protected to Lake Billy Chinook

Maximum volume in acre-feet: 256 AF

Rate in cfs: 0.800 cfs

(Use the section below to indicate a more restrictive period of use than allowed by the water right.)

**Conditions to prevent injury, if any:**

- None
- The instream flow will be allocated on a daily average basis up to the described rate from April 1 through Nov 1.
- Other (describe): \_\_\_\_\_

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, 2007.

**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.

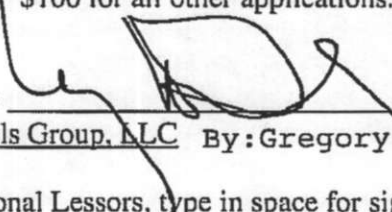
3.5 **Termination provision.**

- 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 with original signatures;
  - 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.

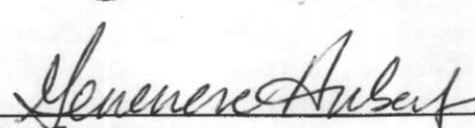
3.6 **Modification to prevent injury.** Allocation of water to the instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.

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

- \$200 for an application with four or more landowners or four or more water rights.  
 \$100 for all other applications.

Lessor #1:  Date: 6/29/07  
The Daniels Group, LLC By: Gregory W. Daniels, Managing Member

For additional Lessors, type in space for signature and date

Lessee:  Date: 6/29/07  
Deschutes River Conservancy

Other Attachments as Needed:

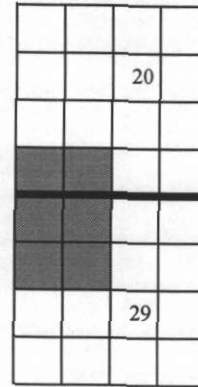
Attachment 1: Tax Lot Map. (See instructions.)

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.)

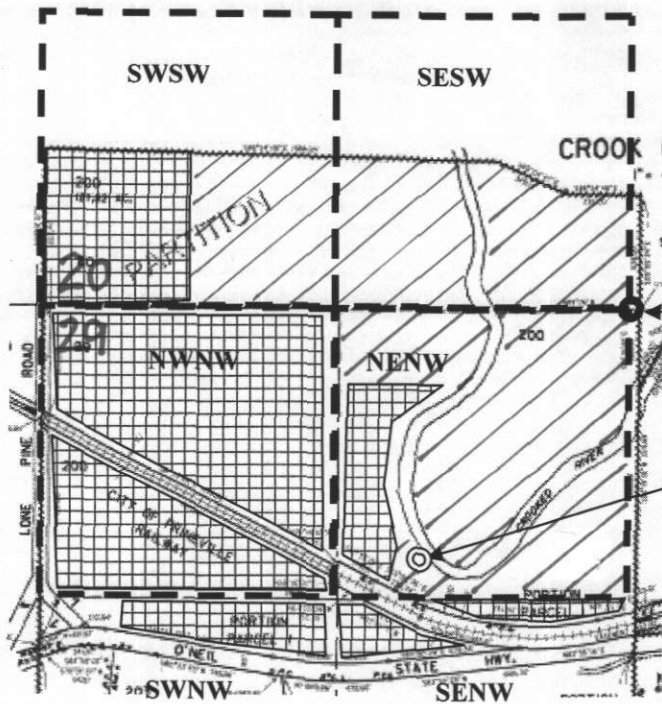
Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.6 is checked).

Attachment 4: Split Season Instream Use Form

Certificate 81601 Peoples Irrigation District  
 SWSW – 10.0 acres  
                   Section 20  
 NWNW – 38.0 acres  
 NENW – 5.0 acres  
 SWNW – 3.0 acres  
 SENW – 8.0 acres  
                   Section 29



T14S, R14E Sections 20 & 29



North Center Marker, T14S, R14E Section 29

POD 1085 feet South, 970 feet West of North Center Marker of Section 29, T14S, R14E

Surface Water Instream Lease Application Map  
 For  
 The Daniels Group, LLC

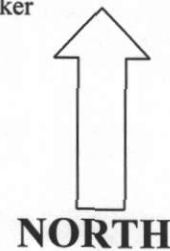
C-81601 Place of Use  
 Leased Instream

⊙ Approximate POD Location ● Corner Marker

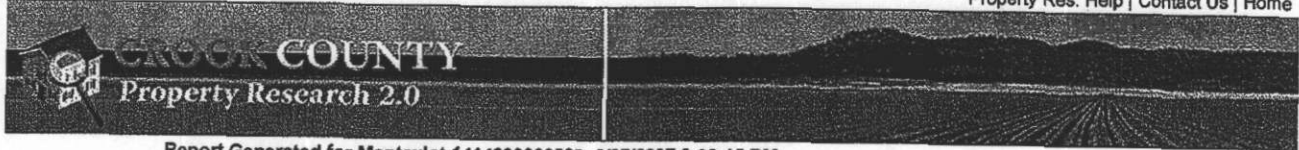
C-80795 Place of Use  
 Not-Leased Instream

T14S R14E Section 29, Tax Lot 200  
 § Section 20  
 1 inch equals 800 feet

June 28, 2007



**Deschutes Irrigation, LLC**  
 P.O. Box 1830  
 Bend, OR 97709  
 541-389-2837  
 waterrights@usa.com



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**General Account Information**

Account	Taxpayer (see Owners report)	Acres	Fire Patrol	Code Area	Remarks	Sen. Def.	DOR No.
16010	THE DANIELS GROUP LLC	127.820		21			

Account	Add1 (Taxpayer mailing address)	Add2	Add3	City	State	Zip	Country
16010	1111 MAIN ST STE 700			VANCOUVER	WA	98660	

Account	Subdivision	Block	Lot	Property Class	PC Description	Description
16010	PART PLAT YEAR & # NO PARCEL #	0	29	551	Farm Zone EFU Improved	Land &/or Buildings

**Site Address (SITUS)**

Address	Secondary Number
19221 NW O'NEIL HWY, UNKNOWN	
18305 NW O'NEIL HWY, UNKNOWN	

**Zoning Info. for Tax Lot**

Zone	Description	Proportion
EFU2	Exclusive Farm Use	1

**Owners History and Full Owners' List for Account**

Account	Owner	From date	To date
16010	THE DANIELS GROUP LLC	6/19/2007	
16010	RICH ROBIN	1/1/2004	12/31/2004
16010	DOVE MARILYN L	1/1/2004	6/18/2007
16010	RICH ROBIN & MARILYN	1/1/2001	12/31/2003
479	RICH ROBIN & MARILYN	1/1/2001	
479	RICH ROBIN & MARILYN	1/1/2000	12/31/2000
479	RICH MARILYN	1/1/1998	12/31/1999
479	BOURLAND BEN C	1/1/1998	12/31/1999
479	BOURLAND BEN C & PAMELA K	1/1/1996	12/31/1997
479	MORTON RICHARD E & LORI M	1/1/1995	12/31/1995
479	MORTON RICHARD E & LORI M	1/1/1993	12/31/1994

Account	Add1 (Owner mailing Address)	Add2	Add3	City	State	Zip	Country
16010	1111 MAIN ST STE 700			VANCOUVER	WA	98660	
16010	19221 NE ONEIL HWY			REDMOND	OR	97756	USA
16010	19221 NE ONEIL HWY			REDMOND	OR	97756	USA
16010	19221 NE ONEIL HWY			REDMOND	OR	97756	USA
479	19221 NE ONEIL HWY			REDMOND	OR	97756	USA
479	19221 NE ONEIL HWY			PRINEVILLE	OR	97754	USA
479	2584 NW GERKE RD			PRINEVILLE	OR	97754	USA
479	2584 NW GERKE RD			PRINEVILLE	OR	97754	USA
479	15515 SW HACKER			POWELL BUTTE	OR	97753	USA
479	346 POPPY AVENUE			UNDETERMINED CITY		926253023	USA
479	RT 1 BOX 125			REDMOND	OR	97756	USA

**Certified Values**

Account	Tax Year	Valuation Type	Initial Value	Initial Date	Modified Value	Modified Date
16010	2006	Improvements RMV	\$145,910.00	3/2/2007	\$145,910.00	3/2/2007
16010	2006	Special Assessment Portion (Improvement)	\$145,910.00	9/1/2006	\$145,910.00	9/1/2006
16010	2006	Special Assessment Portion (Land)	\$41,640.00	9/1/2006	\$41,640.00	9/1/2006
16010	2006	Special Assessment Portion (Total)	\$41,640.00	9/1/2006	\$41,640.00	9/1/2006
16010	2006	TAV	\$141,570.00	9/1/2006	\$141,570.00	9/1/2006
16010	2006	Land RMV	\$41,640.00	3/2/2007	\$41,640.00	3/2/2007
16010	2006	Total RMV	\$187,550.00	9/1/2006	\$187,550.00	9/1/2006

**Land Information for Tax Lot**

Account	Description	Soil	Acres	Base Rate	Tax Value	Effective Year	Last Updated
16010	VA 4 Class 3	Farm MSAV	49.38	\$450.00	\$22,220.00	1994	5/30/2007
16010	VA 4 Class 62	Farm (Market)	9.28	\$103.00	\$960.00	1994	5/30/2007
16010	VA 4 Class 5	Farm (Market)	28.45	\$147.00	\$4,180.00	1994	5/30/2007