

TSID

Lease #1
5/1/2006-7/15/2006

Name	Acres Leased	Priority Date	AcFt Leased Instream	
Schaad	148.5	1895		
Chelew	18.5	1895		
Patterson	32	1895		
Angel (Brown Property)	65	1895		
Taylor	15	1887		
POOLED TOTAL	279		829.00	5.57 cfs
Split Season Lease (Instream 5/1/06-7/15/06, Existing Use 7/16/06-10/15/06)				
Tumalo Farms	408	1895	1228.00	8.16 cfs
TOTAL ACRES	687			

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WATER RESOURCES DEPT
SALEM, OREGON



State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900

Application for Short-Term Instream Lease Pooled Lease Form

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

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: Mitigation Project
Lease Agreement Number (assigned by WRD): L-701 / MP-59

This Lease Agreement is between:

Lessor #2: Irrigation District or Other Water Purveyor

(Name) Three Sisters Irrigation District
(Mailing address) P.O. Box 2230
(City, State, Zip Code) Sisters, Oregon 97759
(Telephone number) 541-549-8815
(Email address) tsid@uci.net

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

Lessee (if different than Oregon Water Resources Department):

(Name) DWE Groundwater Mitigation Bank
(Mailing address) 700 NW Hill Street
(City, State, Zip Code) Bend, Oregon 97701
(Telephone number) 541-382-4077
(Email address) gen@deschutesrc.org

Trustee:

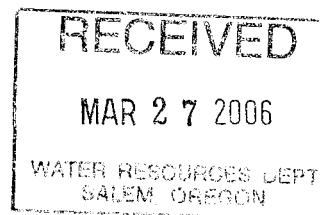
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
(503) 986-0900

~I~ Ownership and Water Right Information

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

- 1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 74135



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

1.5 **Subject water rights.** Lessor proposes to lease the water rights listed in 1.3.

The right(s) to be leased are further described as follows:

Certificate No.: 74135

Priority date: 1895 & 1887 Type of use: Irrigation

Legal Season of Use: N/A

If an irrigation right, total number of acres to be leased: ~~278.5~~ 279.0 *MM*

Total acre-feet of storage to be leased, if applicable: _____

Maximum rate associated with subject water rights (cfs) being leased: 5.57 cfs

If there is more than one rate associated with a water right, describe below:

Season 1 (cfs) _____ Time period: _____

Season 2 (cfs) _____ Time period: _____

Season 3 (cfs) _____ Time period: _____

Maximum duty associated with subject water rights (ac-ft): N/A

Conditions or other limitations, if any: _____

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

~II~ Instream Water Right Information

2.1 **Public use.** This lease will increase streamflows, which 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:

Whychus (formerly Squaw) Creek

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 will 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): From POD at RM 23.5 of Whychus Creek to Lake Billy Chinook

Maximum volume in acre-feet: 829 acre feet

Rate in cfs: 5.57

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

Rate in cfs: _____

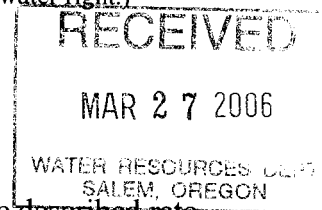
Rate in cfs: _____

Conditions to prevent injury, if any:

None

The instream flow will be allocated on a daily average basis up to the described rate from 5/1/06 through 7/15/06.

Other (describe): Instream water delivery will be percentaged the same as delivery to TSID members during short water.

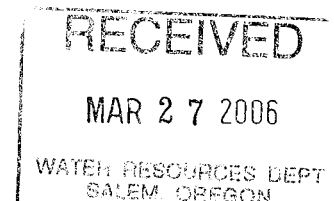


If you need to enter more instream uses, please use the additional water rights form.

- 2.3 Term of lease.** This lease shall terminate on July 15, 2006.
- 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, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.
- 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- 0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term 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 owner 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. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.
- 3.5 Termination provision.**
- For multiyear leases, lessor shall have the option of terminating the lease each year, prior to the lease being exercised (_____), with 30 day written notice to the Department.
 - For multiyear leases, lessor shall not have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.
- 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.** Effective October 1, 2003, pursuant to ORS 536.050 (1)(v) (2003 SB 820), the following fee is included:

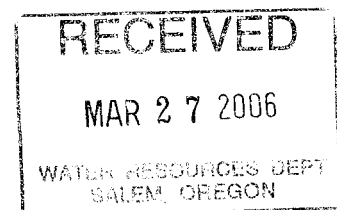
- \$200 for an application with four or more landowners or four or more water rights.
- \$100 for all other applications.

Lessor #2: *Mar Haluk* Date: *3/16/06*

Lessee: *Genevieve Hubert* Date: *3/23/06*
DRC - Deschutes Water Exchange

Other Attachments as Needed:

- Attachment 1: Tax Lot Map of Lessor's Property (required if landowner is not the sole landowner to lands for which the subject water rights are appurtenant)
- Attachment 2: Detailed map illustrating lands under subject rights to be leased (required if only part of a right is being leased instream).
- 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
- Attachment 5: Pooled Lease Landowner Form





State of Oregon
Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1271
 (503) 986-0900

Application for Short-Term Instream Lease

Attachment 5: Pooled Landowner Form

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: Mitigation Project
 Lease Agreement Number (assigned by WRD): 1 C-7017MP-59

This Lease Agreement is between:

Lessor #1 (Landowner):

(Name) John Schaad
 (Mailing address) 1170 McLean Blvd.
 (City, State, Zip Code) Eugene, OR 97405
 (Telephone number) 541-344-5217

If additional landowners, enter landowner information below

Note: The numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Landowner" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

~I~ Ownership and Water Right Information

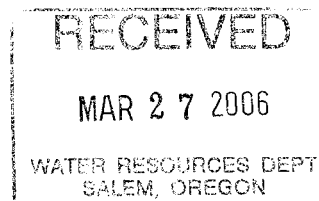
- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15, Range 11, Section 07 and Tax Lot number 600. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.

- 1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

 Certificate No. 74135

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

- 1.5 **Subject Water Rights.** Landowner proposes to lease the water rights shown on the map attached as Exhibit 5-B (this information may be included on Exhibit 5-A, or an additional map may be attached). (Crosshatch the area of water rights being leased). Attached map(s) must identify property owner, Township, Range, Section and 1/4 1/4, tax lot number, map orientation and scale.



T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	15	11	06 07	NE. SE	600	38.50	IRR	74135	10	1895
2.	15	11	06 07	NE. SE	600	0.50	POND	74135	10	1895
3.	15	11	06 07	NW. SE	600	30.50	IRR	74135	10	1895
4.	15	11	06 07	SW. SE	600	40.00	IRR	74135	10	1895
5.	15	11	06 07	SE. SE	600	39.00	IRR	74135	10	1895

Total number of acres, if for irrigation, by certificate and priority date: 148.5 1895
Acre-feet of storage, if applicable: _____

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the Additional Landowner 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 owner's 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 owner's 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

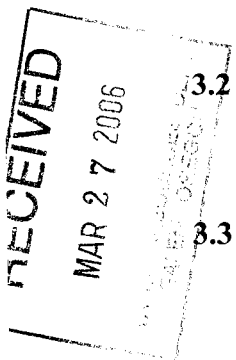
2.3 Term of lease. This lease shall terminate on July 15, 2006. (If there is a conflict between the Pooled District Form and this form, the Pooled District Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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. All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.

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- 0070 or OAR 690-077-0075 a



new injury review shall be required, and a prior short term 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 owner 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. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

3.5 Termination provision.

For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised (_____), with 30 day written notice to the Department provided by the Irrigation District, Other Water Purveyor or Lessee (if different than Department). The lessor must contact the Irrigation District, Other Water Purveyor, or Lessee (if different than Department) to indicate their interest in terminating the lease agreement.

For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

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.

Lessor #1: John S. Schraad Date: 3/16/2006

For additional Lessors, type in space for signature and date

Lessee: Genevieve Hubert Date: 3/23/06

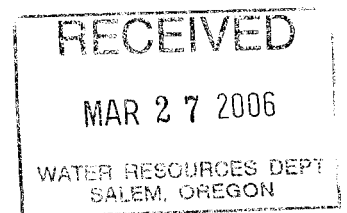
Other Attachments As Needed:

Exhibit 5-A: Tax Lot Map of Landowner's Property

Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased [Exhibits 5-A and 5-B may be combined into a single map]

Exhibit 5-C: 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 of this form is checked)

Exhibit 5-D: Split Season Instream Use Form





**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

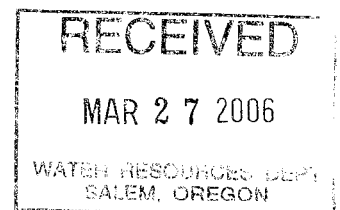
Participating landowners represent and warrant that they own the land to which the water rights are appurtenant, that they have the authority to lease the water rights, that the water rights are free and clear of liens, claims or encumbrances that restrict landowner's ability to enter into the lease and that, to the best of their knowledge, the water rights have been beneficially used over the past five years and are valid and eligible to be leased.

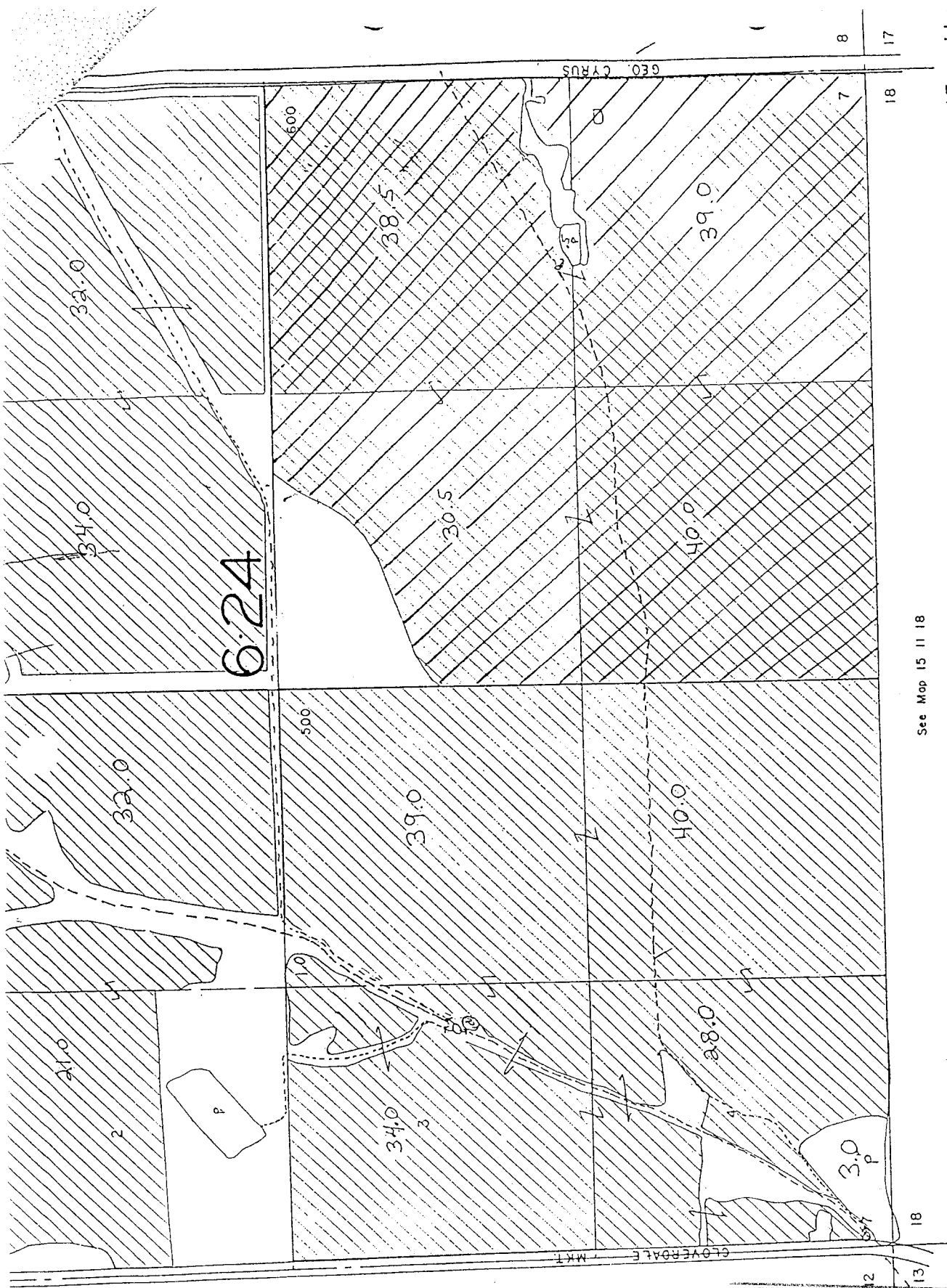
Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes River Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

Payment will be made by the DRC to the District upon approval of the lease by the Water Resources Department. The District shall thereupon promptly credit the landowner's account.

Landowner John A. Johnson

Date: 3/16/2006





See Map 15 10 12

See Map 15 11 18

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15-11-7 Taxlot 600
 Schaad

JAN 2004



State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900

Application for Short-Term Instream Lease

Attachment 5: Pooled Landowner Form

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: Mitigation Project
Lease Agreement Number (assigned by WRD): 06-701 / RD-59

This Lease Agreement is between:

*Brown
property*

Lessor #1 (Landowner):
(Name) Joseph Angel
(Mailing address) P O Box 14908
(City, State, Zip Code) Portland, OR 97293-0908
(Telephone number) 503-525-9100

If additional landowners, enter landowner information below

Note: The numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Landowner" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

-I- Ownership and Water Right Information

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 13, Range 11, Section 04 and Tax Lot number 101. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.
- 1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.
Certificate No. 74135
- 1.4 Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No
- 1.5 **Subject Water Rights.** Landowner proposes to lease the water rights shown on the map attached as Exhibit 5-B (this information may be included on Exhibit 5-A, or an additional map may be attached). (Crosshatch the area of water rights being leased). Attached map(s) must identify property owner, Township, Range, Section and 1/4 1/4, tax lot number, map orientation and scale.

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SALEM, OREGON

	R	Sect	1/4	1/4	Acres	Priority	Certificate	Priority	Priority	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	15	11	04	NW. NE	101	25.00	IRR	74135	9	1895
2.	15	11	04	SW. NE	101	40.00	IRR	74135	9	1895
3.										
4.										
5.										

Total number of acres, if for irrigation, by certificate and priority date: 65.0 (1895) mu
 Acre-feet of storage, if applicable: _____

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the Additional Landowner Water Rights Form.

1.6 Validity of rights. Lessor(s) attests (mark one) that:

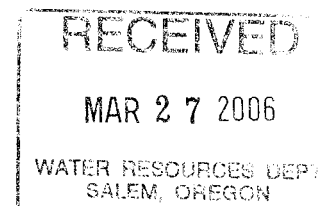
- The water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or
- The water has not been used over the past five years according to the terms and conditions of the owner's water right certificate, however 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

2.3 Term of lease. This lease shall terminate on July 15, 2006. (If there is a conflict between the Pooled District Form and this form, the Pooled District Form will be the official term of the lease.)

~III~ Other Information

- 3.1 Accuracy.** The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.
- 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 690-077-0070 or OAR 690-077-0075 a



new injury review shall be required, and a prior short term 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 owner 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. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

3.5 **Termination provision.**

- For multiyear leases, lessor shall have the option of terminating the lease each year, prior to the lease being exercised (_____), with 30 day written notice to the Department provided by the Irrigation District, Other Water Purveyor or Lessee (if different than Department). The lessor must contact the Irrigation District, Other Water Purveyor, or Lessee (if different than Department) to indicate their interest in terminating the lease agreement.
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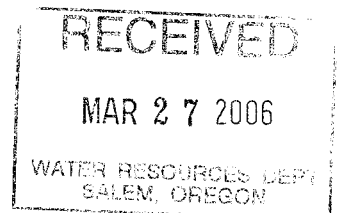
Lessor #1: _____ Date: 3/15/06

For additional Lessors, type in space for signature and date

Lessee: Genevieve Hubert Date: 3/23/06

Other Attachments As Needed:

- Exhibit 5-A: Tax Lot Map of Landowner's Property
- Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased [Exhibits 5-A and 5-B may be combined into a single map]
- Exhibit 5-C: 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 of this form is checked)
- Exhibit 5-D: Split Season Instream Use Form



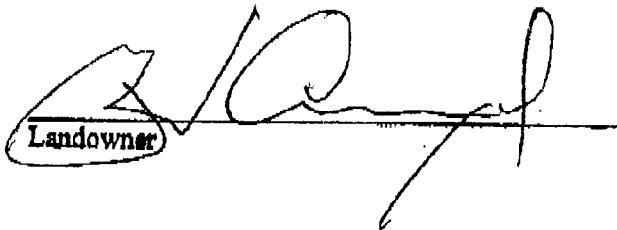


**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

Participating landowners represent and warrant that they own the land to which the water rights are appurtenant, that they have the authority to lease the water rights, that the water rights are free and clear of liens, claims or encumbrances that restrict landowner's ability to enter into the lease and that, to the best of their knowledge, the water rights have been beneficially used over the past five years and are valid and eligible to be leased.

Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes River Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

Payment will be made by the DRC to the District upon approval of the lease by the Water Resources Department. The District shall thereupon promptly credit the landowner's account.


 Landowner

Date: 3/15/06

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Signed: *Joseph Angel*

Dated:

3/15/06

Denotes Place of Use to be Leased

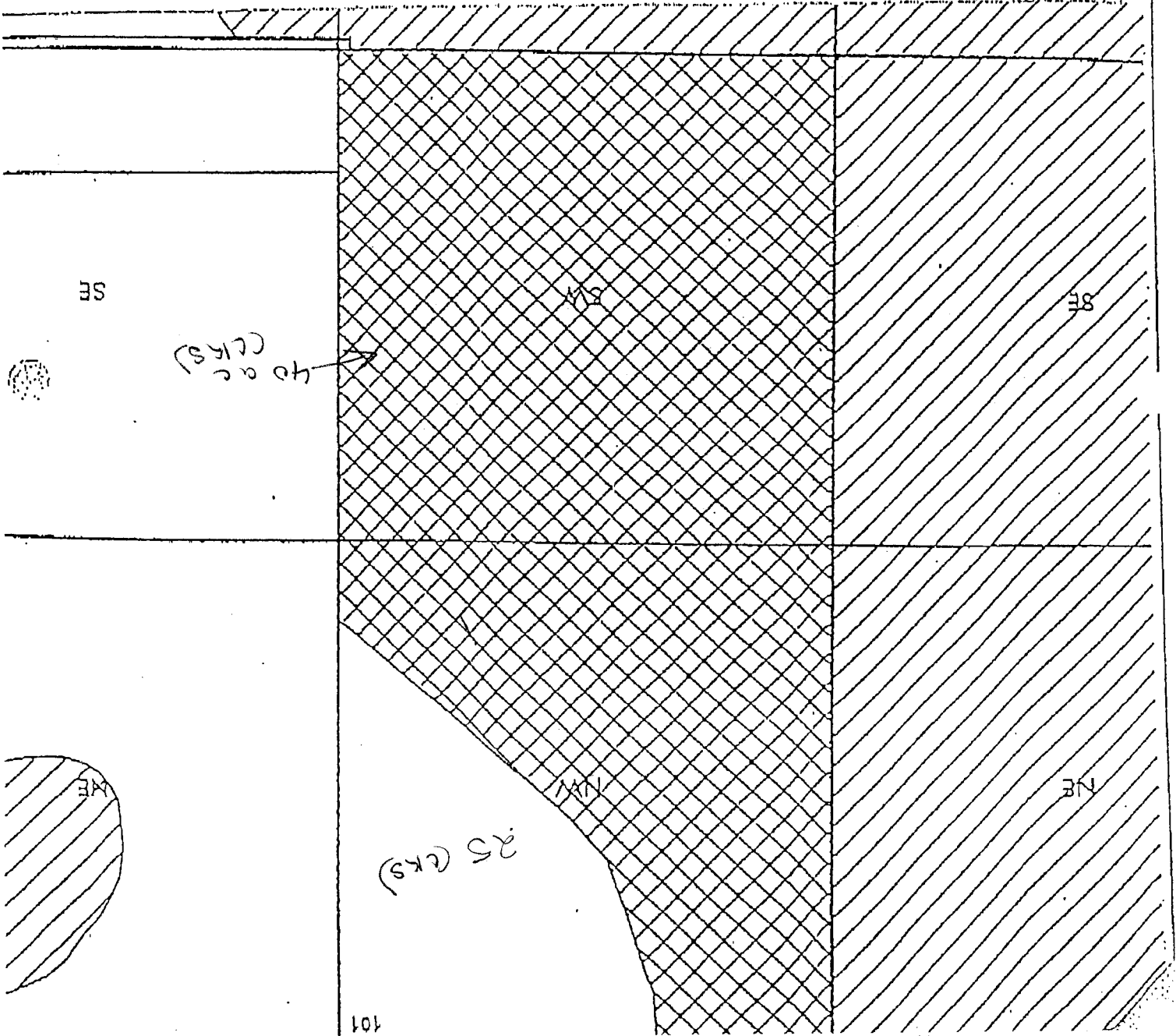


1 inch equals 400 feet



Total Acres: 65 ac. (1895)

Property Owner: Angel, Joseph
Legal Description(s): 15-11-04-NW/NE-00101, 15-11-04-SW/NE-00101



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SALEM, OREGON



State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900

Application for Short-Term Instream Lease

Attachment 5: Pooled Landowner Form

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: MITIGATION CREDIT PROJECT
Lease Agreement Number (assigned by WRD): L-701 / MP-59

This Lease Agreement is between:

Lessor #1 (Landowner):

(Name) Robert & Dolinda Taylor
(Mailing address) 69015 Hurtlely Ranch Road
(City, State, Zip Code) Sisters, OR 97759
(Telephone number) 541-771-6333

If additional landowners, enter landowner information below

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~I~ Ownership and Water Right Information

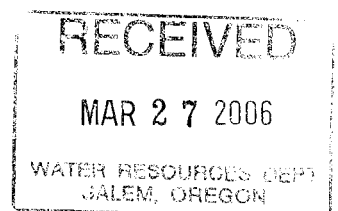
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Certificate No. 74135

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

1.5 Subject Water Rights. Landowner proposes to lease the water rights shown on the map attached as Exhibit 5-B (this information may be included on Exhibit 5-A, or an additional map may be attached). (Crosshatch the area of water rights being leased). Attached map(s) must identify property owner, Township, Range, Section and 1/4, tax lot number, map orientation and scale.



T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	15	11	06	NE/S W	1200	15	IRR	74135	10	1887
2.										
3.										
4.										
5.										

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SALEM, OREGON

Total number of acres, if for irrigation, by certificate and priority date: 15.0 acres (1887)
 Acre-feet of storage, if applicable: _____

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the Additional Landowner 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 owner's 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 owner's 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

2.3 Term of lease. This lease shall terminate on July 15, 2006. (If there is a conflict between the Pooled District Form and this form, the Pooled District Form will be the official term of the lease.)

~III~ Other Information

- 3.1 Accuracy.** The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.
- 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- 0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term 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 owner 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. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.

3.5 Termination provision.

- For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised (_____), with 30 day written notice to the Department provided by the Irrigation District, Other Water Purveyor or Lessee (if different than Department). The lessor must contact the Irrigation District, Other Water Purveyor, or Lessee (if different than Department) to indicate their interest in terminating the lease agreement.
- For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

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.

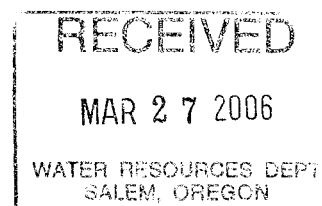
Lessor #1: Robert E. Taylor Date: 3/6/02

For additional Lessors, type in space for signature and date

Lessee: Genevieve Hubert Date: 3/23/06

Other Attachments As Needed:

- Exhibit 5-A: Tax Lot Map of Landowner's Property
- Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased [Exhibits 5-A and 5-B may be combined into a single map]
- Exhibit 5-C: 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 of this form is checked)
- Exhibit 5-D: Split Season Instream Use Form





**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

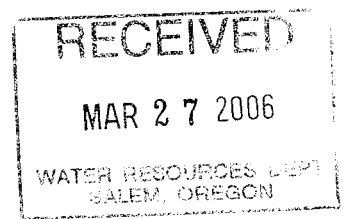
Participating landowners represent and warrant that they own the land to which the water rights are appurtenant, that they have the authority to lease the water rights, that the water rights are free and clear of liens, claims or encumbrances that restrict landowner's ability to enter into the lease and that, to the best of their knowledge, the water rights have been beneficially used over the past five years and are valid and eligible to be leased.

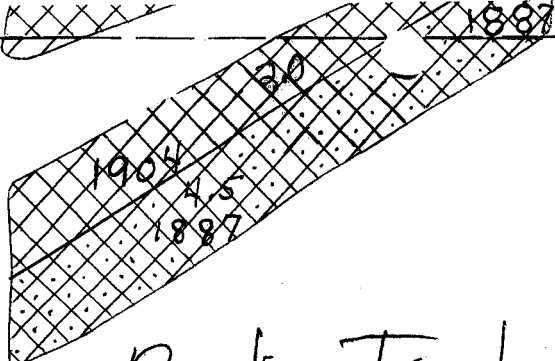
Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes Resources Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

Payment will be made by the DRC to the District upon approval of the lease by the Water Resources Department. The District shall thereupon promptly credit the landowner's account.

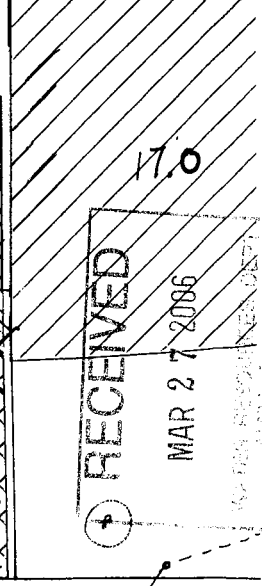
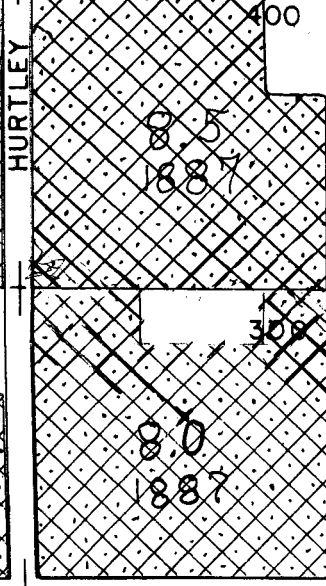
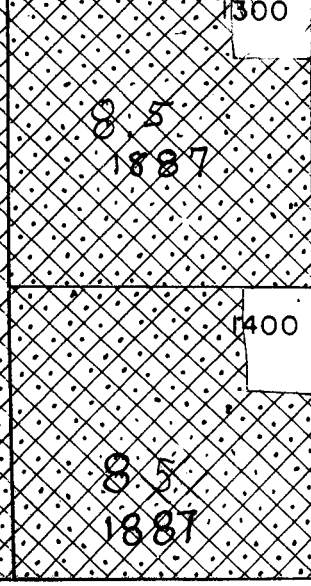
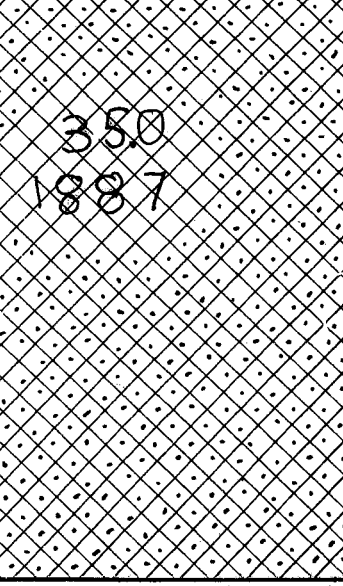
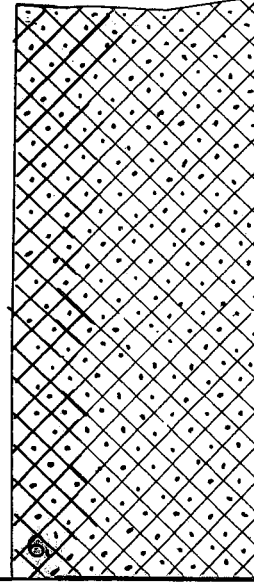
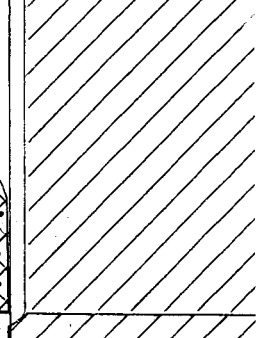
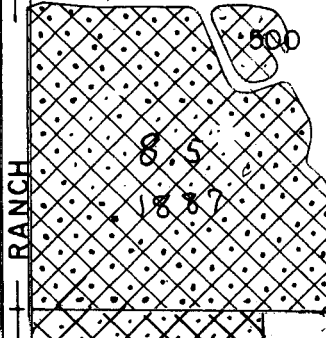
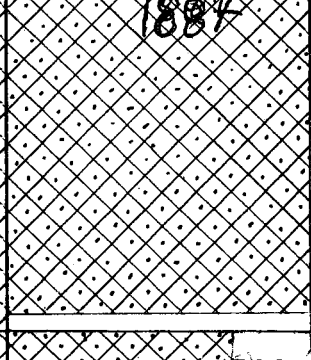
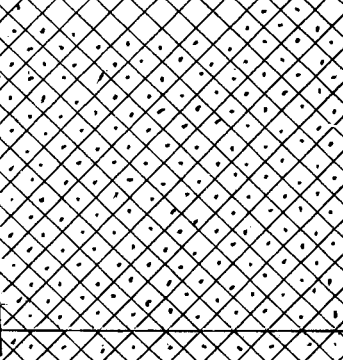
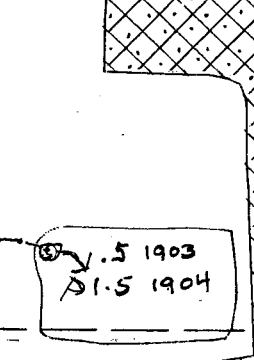
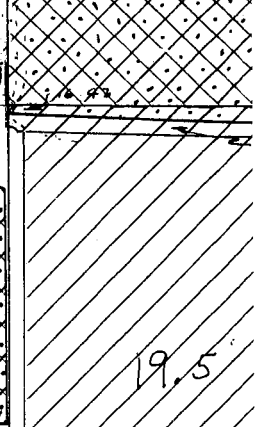
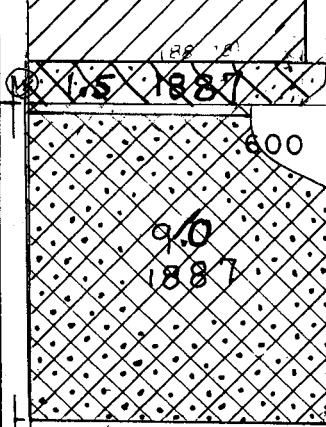
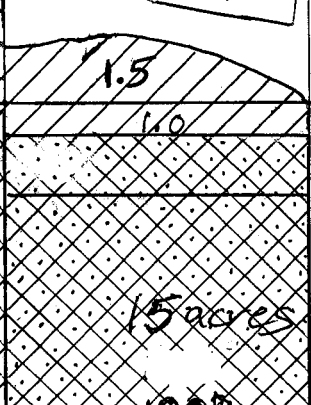
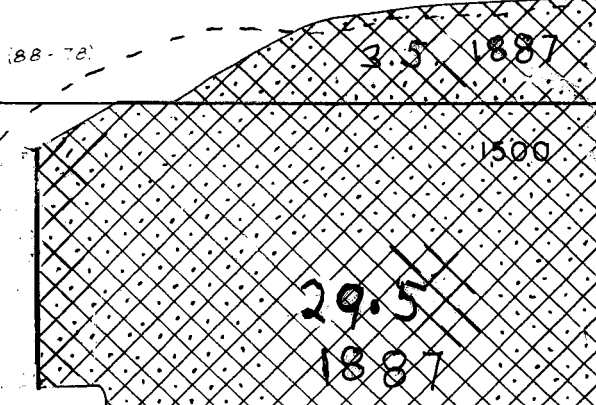
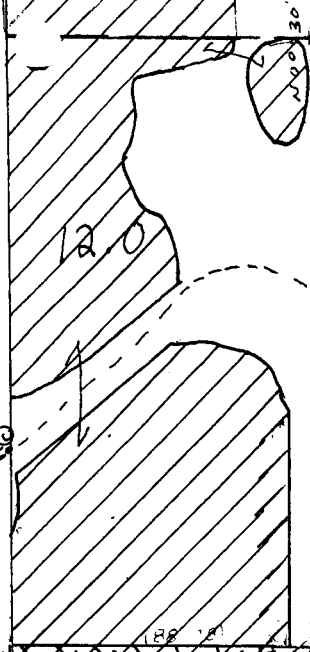
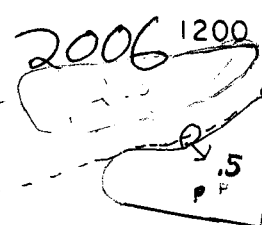
Robert E Taylor
Landowner

Date: 3/6/06





Bob Taylor
Inst-rem Lease
15-11-6 Taxlot 1200



C/L WESTON ROAD VAC. 1-18-78

HURLEY RANCH

MC KENZIE

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State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900

Application for Short-Term Instream Lease

Attachment 5: Pooled Landowner Form

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: Mitigation Project
Lease Agreement Number (assigned by WRD): L-701 / MP-59

This Lease Agreement is between:

Lessor #1 (Landowner):

(Name) Kay Patterson
(Mailing address) P.O. Box 1839
(City, State, Zip Code) Sisters, OR 97759
(Telephone number) 541-549-1215

If additional landowners, enter landowner information below

Note: The numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Landowner" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

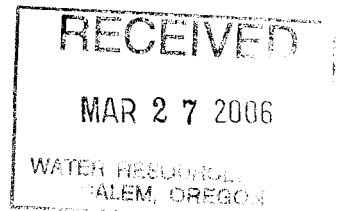
~I~ Ownership and Water Right Information

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15, Range 10, Section 24 and Tax Lot number 200. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.
- 1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 74135

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

- 1.5 **Subject Water Rights.** Landowner proposes to lease the water rights shown on the map attached as Exhibit 5-B (this information may be included on Exhibit 5-A, or an additional map may be attached). (Crosshatch the area of water rights being leased). Attached map(s) must identify property owner, Township, Range, Section and 1/4 1/4, tax lot number, map orientation and scale.



T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	15	10	24	NW. NW	200	32	IRR	74135	8	1895
2.										
3.										
4.										
5.										

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SALEM, OREGON

Total number of acres, if for irrigation, by certificate and priority date: 32.0 (1895) MH
 Acre-feet of storage, if applicable: _____

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the Additional Landowner 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 owner's 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 owner's 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

2.3 Term of lease. This lease shall terminate on July 15, 2006 . (If there is a conflict between the Pooled District Form and this form, the Pooled District Form will be the official term of the lease.)

~III~ Other Information

- 3.1 Accuracy.** The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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.** All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.
- 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- 0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.




**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

Participating landowners represent and warrant that they own the land to which the water rights are appurtenant, that they have the authority to lease the water rights, that the water rights are free and clear of liens, claims or encumbrances that restrict landowner's ability to enter into the lease and that, to the best of their knowledge, the water rights have been beneficially used over the past five years and are valid and eligible to be leased.

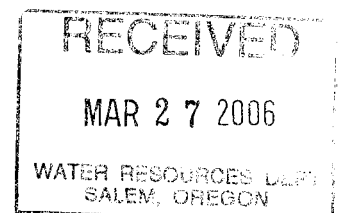
Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes River Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

Payment will be made by the DRC to the District upon approval of the lease by the Water Resources Department. The District shall thereupon promptly credit the landowner's account.



Landowner

Date: 3-21-06



SUNRAY MEADOWS
(C-400)

FART

See Map 15 10 12

14
23

13

24

200

100

105.17

951.44

584.44

450

120

32.0

29.0

3.0

LOT 3

7.5

7.0

120

18.0

481.08

853.11

300

N. 30° 34' 32" W.
S. 37° 36' 03" E. 1344.96

N. 89° 40' 33" W. 759.12

(90-124) 1333.03
H. 0° 25' 15" E. (245.49)

(90-124)
(90-147)

(90-124)

(90-124)
(90-50)

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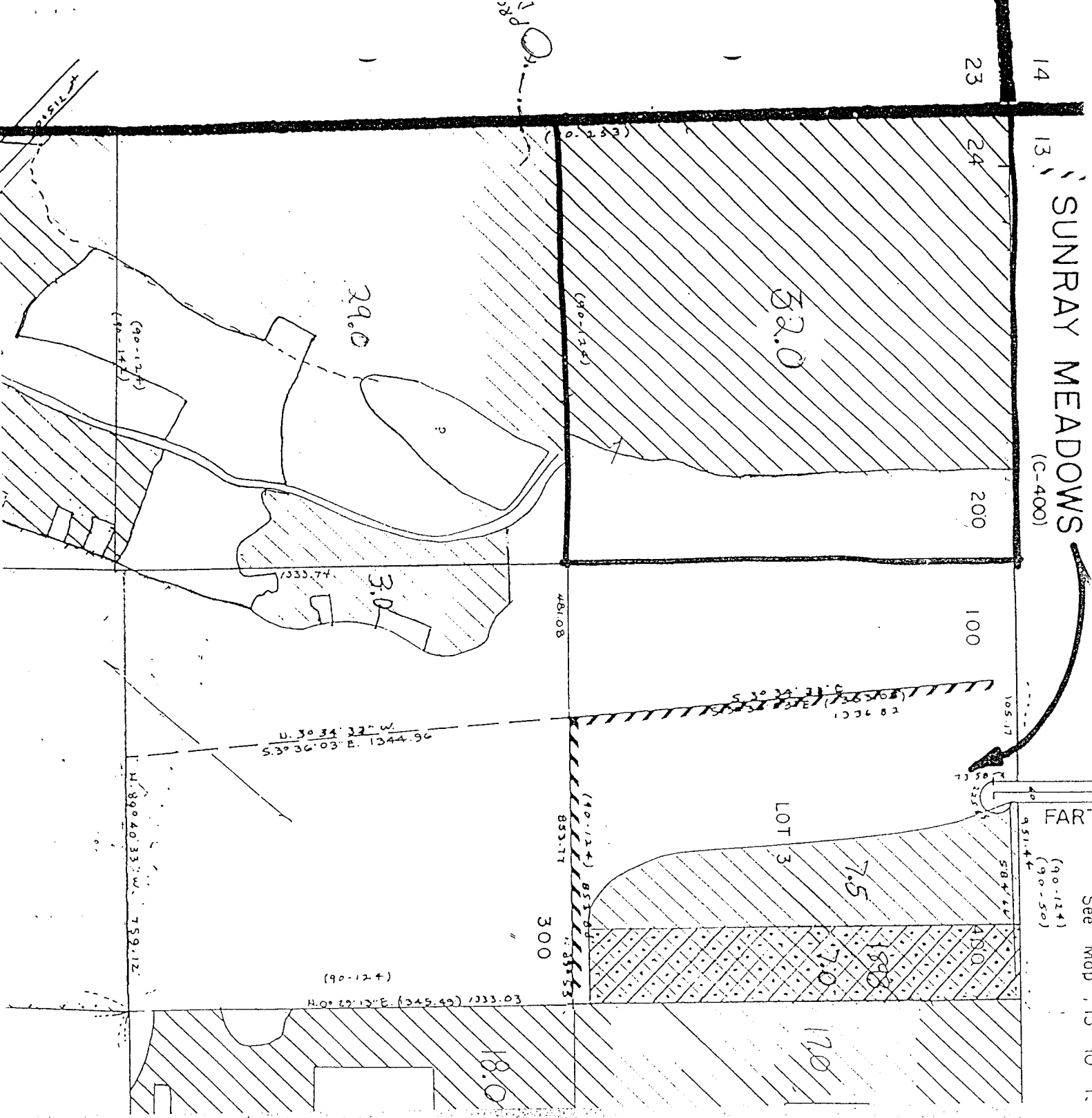
MAR 27 2006

WATER RESOURCES DEPT
SALEM, OREGON

1 Day
Patterson

32.0

1895





State of Oregon
Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1271
 (503) 986-0900

Application for Short-Term Instream Lease

Attachment 5: Pooled Landowner Form

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

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: Mitigation Project
 Lease Agreement Number (assigned by WRD): C-701 / MP-59

This Lease Agreement is between:

Lessor #1 (Landowner):

(Name) Don & Barbara Chelew
 (Mailing address) 68020 Cloverdale Rd
 (City, State, Zip Code) Sisters, OR 97759
 (Telephone number) (541) 923-4554
 (Email address) _____

If additional landowners, enter landowner information below

Note: The numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Landowner" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

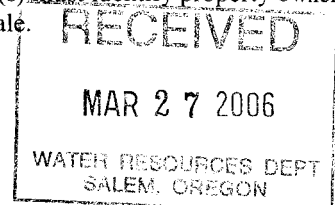
~I~ Ownership and Water Right Information

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15, Range 11, Section 18 and Tax Lot number 2100. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.

- 1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.
 Certificate No. 74135

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

- 1.5 **Subject Water Rights.** Landowner proposes to lease the water rights shown on the map attached as Exhibit 5-B (this information may be included on Exhibit 5-A, or an additional map may be attached). (Crosshatch the area of water rights being leased). Attached map(s) must identify property owner, Township, Range, Section and ¼ ¼, tax lot number, map orientation and scale.



T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	15	11	18	sw sw*	2100	15.75	Irrigation	74135	12	1895
2.	15	11	18	se sw	2100	2.75	Irrigation	74135	12	1895
3.										
4.										
5.										

* SW SW is all in tax lot 2100 ... some in past (SW ¼ SW ¼) was tax lot 2000. *ADH*
 Total number of acres, if for irrigation, by certificate and priority date: 18.50 (1895) *ADH*
 Acre-feet of storage, if applicable: _____

Conditions or other limitations, if any: _____

If you need to enter another leased right, please use the Additional Landowner 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 owner's 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 owner's 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

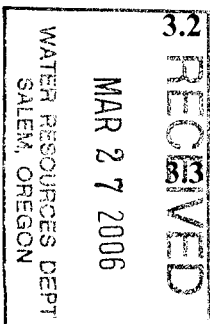
2.3 Term of lease. This lease shall terminate on July 15, 2006 . (If there is a conflict between the Pooled District Form and this form, the Pooled District Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor/s, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This 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.

Lease. All Lessors agree to lease the water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077-0077.

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- 0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.



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For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised (_____), with 30 day written notice to the Department provided by the Irrigation District, Other Water Purveyor or Lessee (if different than Department). The lessor must contact the Irrigation District, Other Water Purveyor, or Lessee (if different than Department) to indicate their interest in terminating the lease agreement.

For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.

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.

Lessor #1: Don Chelun Date: 3/16/06

For additional Lessors, type in space for signature and date

Lessee: Memene Hubert Date: 3/23/06

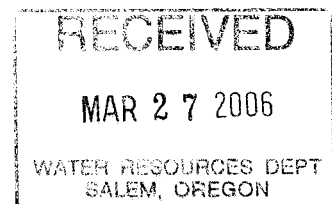
Other Attachments As Needed:

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Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased [Exhibits 5-A and 5-B may be combined into a single map]

Exhibit 5-C: 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 of this form is checked)

Exhibit 5-D: Split Season Instream Use Form





**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

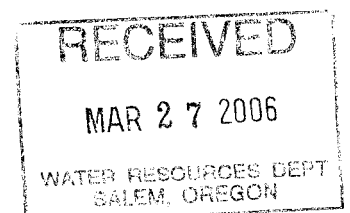
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Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes River Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

Payment will be made by the DRC to the District upon approval of the lease by the Water Resources Department. The District shall thereupon promptly credit the landowner's account.

Donald G. Chelms
Landowner

Date: 3/16/06



"ON" MAP

FOR A PARCEL OF LAND SITUATED IN THE SE 1/4, SW 1/4 AND THE SW SECTION 18, T15S, R11E, W.M.; DESCHUTES COUNTY, OREGO

LEASE NW ② $440 \times 150 + 390 \times 479 = (67500) + (186,800) = 254,300$

③ $200 \times 180 + 325 \times 775 + 262 \times 74 = (36000) + (253,750) + (19,388) = 177,263 = 4.08 \text{ AC}$

④ $310 \times 750 = 232,500 = 5.34 \text{ AC}$

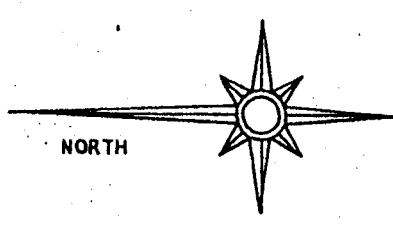
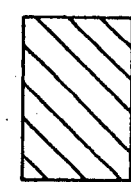
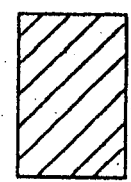
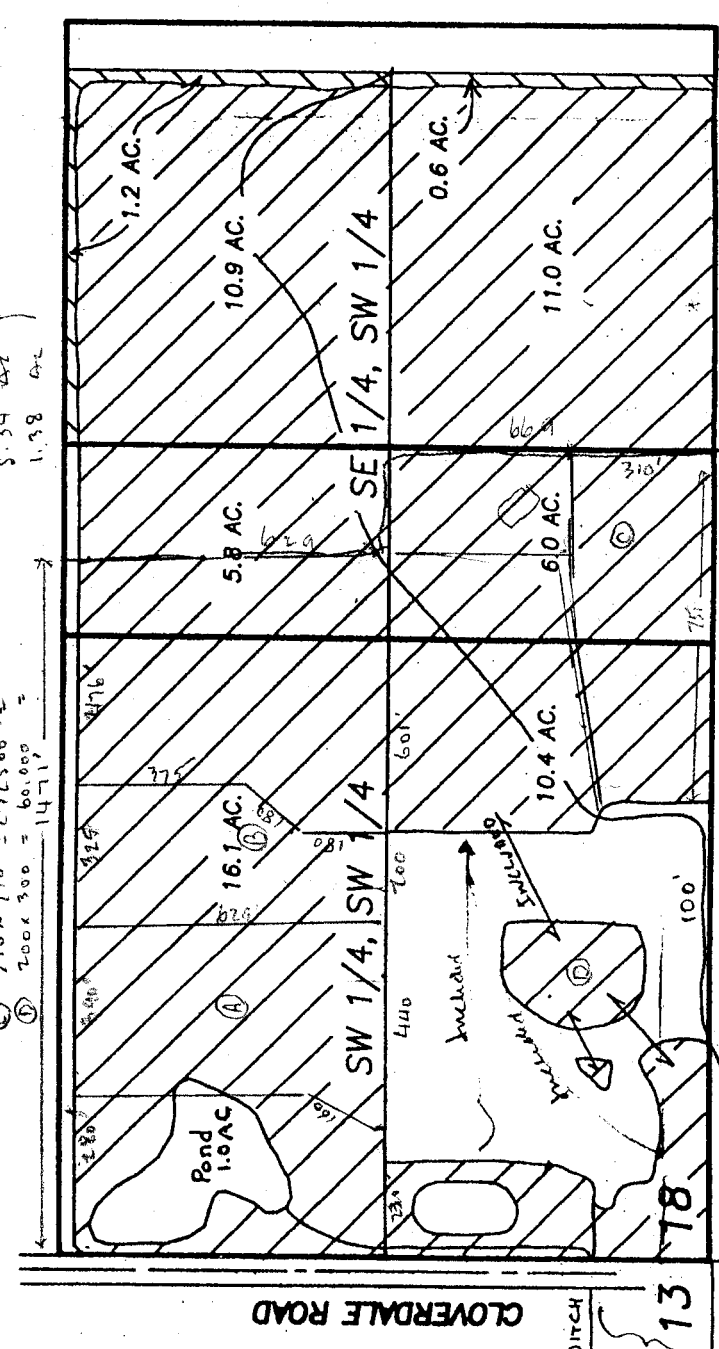
⑤ $200 \times 300 = 60,000 = 1.38 \text{ AC}$

⑥ $1471'$

⑦ 5.85 AC

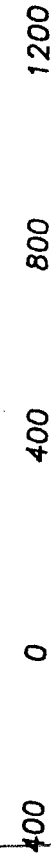
⑧ 16.65 AC

NW QUAD 16.1 AC
 Pond 1.0
 NE QUAD 5.80
 SW QUAD 10.4
 Present Total 36.67



6 AC
 261,000

400
 700



GRAPHIC SCALE - FEET

RECEIVED
 MAR 27 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

- Don Chelew -
**60820 Cloverdale Rd.
Sisters, OR 97759**

March 16, 2006

To Whom It May Concern:

For my property located at 15-11-18 tax lot 2100. Served by Three Sisters Irrigation District:

All lands were irrigated in 2000 (see attached affidavit). Severe droughts in 2001 & 2005 prevented us from irrigating every acre. 540.610(J)* applies due to the drought years.

The water delivery system used to apply water as authorized by the right is described as:

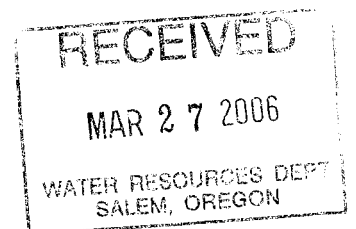
To irrigate I have used hand lines, a wheel line and a water gun along with a 40hp pump. My main line is 1800' long and 6 inches in diameter

Applicant was and is ready, willing, and able to irrigate.

Thank you,



Don Chelew



* **540.610 Use as measure of water right; presumption of forfeiture of right for nonuse; basis for rebutting presumption; confirmation of rights of municipalities.**

(j) The owner or occupant of the property to which the water right is appurtenant was unable to make full beneficial use of the water because water was not available. A water right holder rebutting the presumption under this paragraph shall provide evidence that the water right holder was ready, willing and able to use the water had it been available.

EMERALD RANCH LLC 68020 CLOVERDALE ROAD, SISTERS OR 97759

March 6, 2006

Marc Thalacker
Three Sisters Irrigation District
P.O. Box 2230
Sisters, OR 97759

Dear Marc,

Enclosed is the affidavit regarding water usage signed by Jay & Heidi Smith prepared in connection with my application to lease water for the 2006 season.

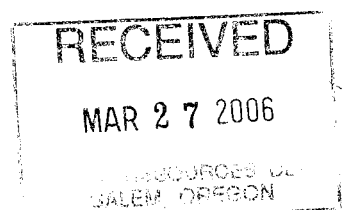
Thanks for your assistance.

Regards,



Don Chelew
Managing Member

Ph: 541-504-1284 Fax: 541-923-7118
Email: EmeraldRanch@bandeable.com
Web: EmeraldRanchSisters.com



OWRD Transfer # _____

STATE OF OREGON)

) ss.

COUNTY OF DESCHUTES)

I/we, JAY SMITH and HEIDI SMITH, declare that I/we have not abandoned nor did I/we ever intend to abandon the water right to be transferred in the accompanying application and that I/we have not ceased nor failed to use the water right at least once in the last five years while I/we owned 15South-11EWM-Section18 tax lot 2100 in Deschutes county Oregon. I/we watered the property in 2000.

JAY SMITH
Previous Owner
Jay Smith 2/17/06
Signature Date

HEIDI SMITH 2/17/06
Previous Owner

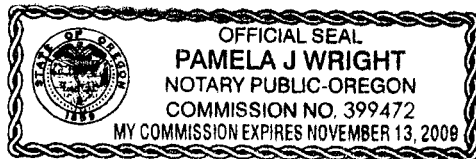
Heidi Smith 2/17/06
Signature Date

STATE OF Oregon)

) ss.

COUNTY OF COOK)

On this 24th day of Feb, 2006, personally appeared the above named Jay Smith and Heidi Smith, acknowledged the foregoing instrument to be its voluntary act and deed. Before me:



Pamela J Wright
Notary Public for _____

My Commission Expires 11-13-2009

