

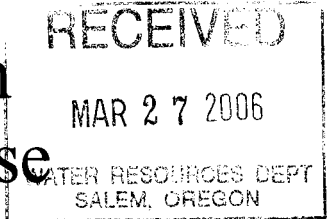


State of Oregon
 Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1271
 (503) 986-0900

S-6 (MP-60)

Nov 2004

Application for Split Season Instream Lease



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.

- Attachment 4 (Standard Leasing Form).
- Attachment 5-D (Pooled Leasing Form).

The standard instream water right form pursuant to ORS 537.348(2) and OAR 690-077-0077 must also be filled out before a Split Season Use Instream Lease Application can be processed.

Note: The terms of all split season use leases are limited to one year, with renewability. Split season use lease applications must be submitted to the Department two weeks prior to water being used either for the existing purpose or for the proposed instream purpose. (OAR 690-077-0079)

1. Existing and Instream Use Periods

For the water right being leased instream, as described in Section 1.4, include monthly or partial season rate or duty limitations, if appropriate.

This section replaces the "Total volume, Rate in cfs, and Allowed period of use" portions of Section 2.2 on the standard instream leasing form.

The water right will be used for its existing purpose from 7/16/2006 to 10/15/2006.
 The water right will be used for instream use period is from 5/1/2006 to 7/15/2006.

	Rate (cfs)		Conversion Factor 1 cfs = 1.983471 ac-ft/day		Number of days		Duty (ac-ft)
Existing Use		*	1.983471	*		=	0.00
use if needed	8.16	*	1.983471	*	90	=	1456.66
use if needed		*	1.983471	*		=	0.00
Instream Use	8.16	*	1.983471	*	76	=	1213.88 1228
use if needed		*	1.983471	*		=	0.00
use if needed		*	1.983471	*		=	0.00
Total	n/a		n/a		n/a		2672.08

2684.66

2. Measurement and Reporting

The water right lessor or lessee shall contact the watermaster to determine the necessary measurement and reporting requirements associated with leasing a water right.

The holders of the water rights shall measure and report the use of the existing water right and instream water right to the satisfaction of the Director, or provide for third party measurement and reporting to the satisfaction of the Director. Pursuant to ORS 537.332(3), the Department holds instream water rights in trust for the benefit of the people of the State of Oregon.

- (a) Location(s) and type(s) of measuring device(s): Three foot Ciopolletti and OWRD Instream Whychus Creek Gauging Station. The Ciopolletti serves Tumalo Farms Only.
- (b) Frequency of measurement: Daily
- (c) Parties responsible for the respective measurements: Three Sisters Irrigation District



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

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: Groundwater Mitigation Credit.
Lease Agreement Number (assigned by WRD): S-G IMP-60

This Lease Agreement is between:

Lessor #1:

(Name) Becky Jones (Tumalo Farms)
(Mailing address) 61475 West Ridge Ave
(City, State, Zip Code) Bend, OR 97702
(Telephone number) 541-382-3489
(Email address)

Lessor #2, 3, etc.

Three Sisters Irrigation District

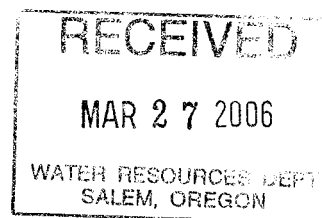
The water right to be leased is located in Deschutes County.

Lessee (if different than Oregon Water Resources Department):

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

Trustee:

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



~I~ Ownership and Water Right Information

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 15 N, Range 11 W, Section 08 and Tax Lot number 100,200,300. 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.
1.2 Lessor #2 is the (Check one):
[] Not applicable
[X] 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

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: 20 acres of 1889, 388 acres of 1895, Type of use: Irrigation

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 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.

Place of use: T 15, R 11, Section 8, 1/4 1/4 - _____ acres to be leased

Enter additional places of use here, using format above:

SEE ATTACHED

Page 10 & 11 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: 408

Acre-feet of storage, if applicable: _____

Maximum rate associated with subject water rights (cfs): 8.16

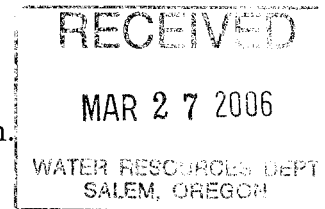
(Use additional lines if there is more than one rate associated with the water right.)

Maximum duty associated with subject water rights (ac-ft): na

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

Conditions or other limitations, if any: _____

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 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

2.1 **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.

RECEIVED

MAR 27 2006

WATER RESOURCES DEPT
SEASIDE, OREGON

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

Maximum volume in acre-feet: 1214

Rate in cfs: 8.16

(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 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 7/15/2006. 10/31/2006 *HH*

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.

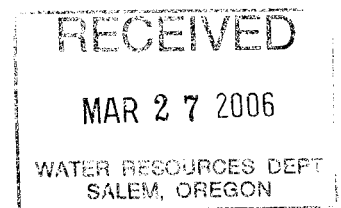
Lessor #1: Rebecca Jones Date: 3-16-06

Lessor #2: John Holman 3-16-06
For additional Lessors, type in space for signature and date

Lessee: Genevieve Hubert Date: 3-17-2006

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



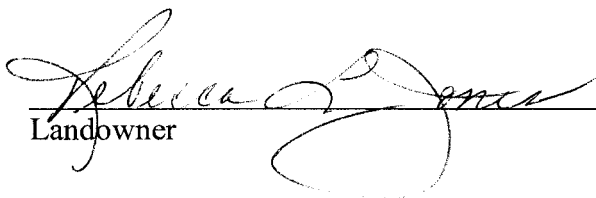


**Deschutes Water Exchange
Mitigation Water Leasing Program 2006
Three Sisters Irrigation District**

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.

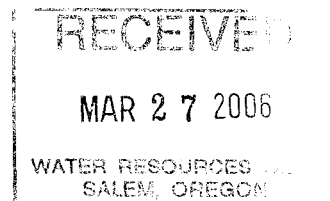
Landowner agrees to lease their water rights to the Deschutes Water Exchange - a project of the Deschutes River Conservancy - for use as a groundwater mitigation lease under OAR Chapter 690, Division 515 for the 2006 irrigation season in consideration of a payment of \$7.00 per acre foot delivered instream.

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: 3-16-06



Tumalo Farms

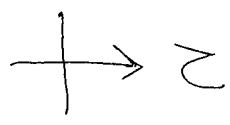
15-11-8 Tax lots 200 + 100 + 300

SQUAW CREEK IRRIGATION DISTRICT

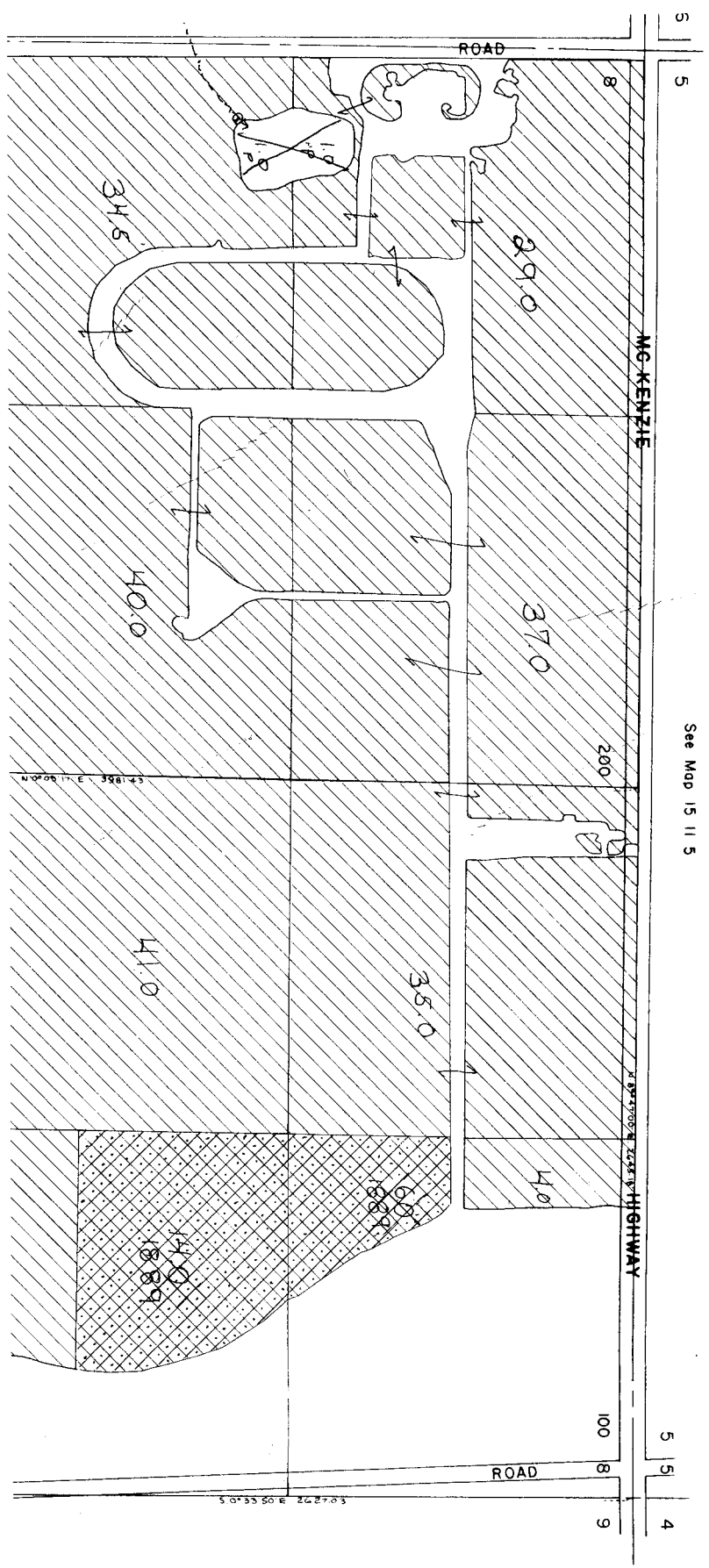
SECTION 8 T15S. R11E.W.M.

DESCHUTES COUNTY

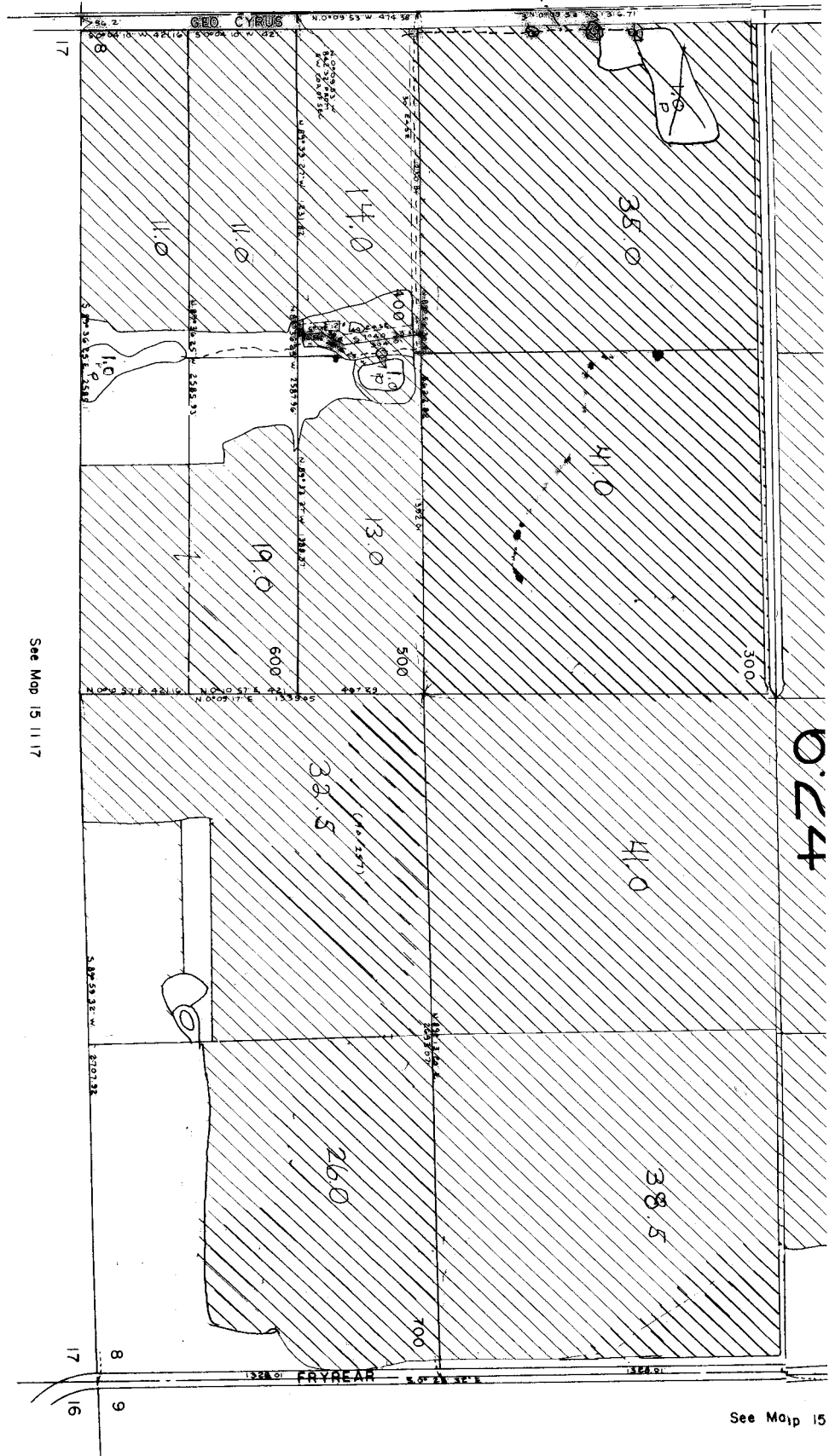
1"=400'



15 11



See Map 15 11 5



See Map 15 11 17

See Map 15

15 11 8

RECEIVED
 MAR 27 2006
 WATER RESOURCES DEPT.
 SALEM, OREGON