STATE OF OREGON WATER RESOURCES DEPARTMENT

Short-Term Water Right Lease Agreement for Leases of Existing Water Rights for Instream Use

This Lease Agreement is between:

Lessor:

Stonecypher Ranch Inc. 94141 Stonecypher Road Sixes, OR 97476 (541) 348-2956

The water right to be leased is located in Curry County

Lessee: State of Oregon

Trustee:

Oregon Water Resources Department 158 12th Street. NE Salem OR 97310 (503) 378-8455

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- Lessor is the owner, or authorized agent for owner (Exhibit A), of property highlighted in Exhibit B.
- 1.2 Section 1.2 is not applicable.
- 1.3 Exhibit C contains copies of all certificated, decreed or permitted rights attached to the property in Exhibit B. Those rights are listed below as follows:

Certificate No. A portion of 68426 and 68427

1.4 **Subject Water Rights.** Lessor proposes to lease all of the water rights listed in 1.3, above.

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

Certificate No.: 68426

Source: Willow Creek and Floras Creek

Priority date: April 12, 1978 Type of use: Irrigation

Place of use (map of irrigated lands is in Exhibit D):

Willow Creek:

SW 1/4 NW 1/4, Section 15, T 31 S, R 15, W.M. - 2.4 acres (2.4 acres to be leased)
SE 1/4 NW 1/4, Section 15 T 31 S, R 15 W, W.M. - 22.4 acres (22.4 acres to be leased)

Floras Creek:

SW 1/4 SW 1/4, Section 3, T 31 S, R 15 W, W.M. - 3.0 acres (0 acres to be leased)
SE 1/4 SW 1/4, Section 3, T 31 S, R 15 W, W.M. - 2.8 acres (0 acres to be leased)
NE 1/4 NW 1/4, Section 10, T 31 S, R 15 W, W.M. - 3.6 acres (0 acres to be leased)
NW 1/4 NW 1/4, Section 10, T 31 S, R 15 W, W.M. - 34.9 acres (0 acres to be leased)

Number of acres, if for irrigation: Willow Creek: 24.8 (24.8 to be leased)

Floras Creek 44.3 (0 to be leased)

Rate: 0.31 cfs from Willow Creek (0.31 to be leased);

0.41 cfs from Floras Creek (0 cfs to be leased)

Duty: 172.75 ac-ft (62 ac-ft to be leased) (2.5 ft/acre)

Season of Use: March 1 - October 31

Point(s) of Diversion (POD):

Willow Creek: SE 1/4 NW 1/4, Section 15, T 31 S, R 15 W, W.M.; 1720 Feet

South and 680 Feet West from the N 1/4 Corner of Section 15.

Floras Creek: SE 1/4 SE 1/4, Section 4, T 31 S, R 15 W, W.M.; 560 Feet North

and 410 Feet West from SE Corner of Section 4.

Conditions or other limitations, if any: None

Certificate No.: 68427 Source: Willow Creek

Priority date: August 29, 1972

Type of use: Irrigation

Place of use (map of irrigated lands is in Exhibit D):

SE 1/4 SE 1/4, Section 9, T 31 S, R 15 W, W.M. - 6.7 acres (0 acres to be leased)

SW 1/4 SW 1/4, Section 10, T 31 S, R 15 W, W.M. - 10.0 acres (0 acres to be leased)

NE 1/4 NW 1/4, Section 15, T 31 S, R 15 W, W.M. - 31.6 acres (31.6 acres to be leased)

NW 1/4 NW 1/4. Section 15, T 31 S, R 15 W, W.M. - 31.2 acres (31.2 acres to be leased)

SE 1/4 NW 1/4, Section 15, T 31 S, R 15 W, W.M. - 9.4 acres (9.4 acres to be leased)

NE 1/4 NE 1/4, Section 16, T 31 S, R 15 W, W.M. - 3.9 acres (0 acres to be leased)

Number of acres, if for irrigation: 92.8 (72.2 acres to be leased)

Rate: 1.16 cfs (0.90 cfs to be leased) Duty: 232 ac-ft (180.5 ac-ft to be leased) Season of Use: March 1 - October 31

Point(s) of Diversion (POD):

SE 1/4 NW 1/4, Section 15, T 31 S, R 15 W, W.M.; 1720 Feet South and 680 Feet West from the N 1/4 Corner of Section 15.

Conditions or other limitations, if any: None

- 1.5 Validity of Rights. Lessor attests that the subject water rights are legally valid by having been beneficially used according to the terms of the right or permit. If the right is for irrigation, beneficial must have occurred in the last five years on all lands indicated in Exhibit D.
- 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 690-77-077.
- 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.
- 1.8 **Water use reporting.** The Trustee agrees to fulfill legal obligations related to water use reporting.

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2.1 **Public Use.** The public use served by the amount, timing and location of the instream use provided for under this lease is:

provided by evidence contained in Exhibit E, such as a signed statement by Lessee, or other party, explaining how the lease would benefit recreation, scenic attraction, aquatic and fish life, wildlife habitat and ecological values, pollution abatement, navigation or other public uses.

2.2 **Instream use created by lease.** The instream use to be created is described as follows:

A portion of Certificate No. 68426:

Willow Creek, tributary to Floras Creek in the South Coast Basin

Location: POD to the mouth of Willow Creek

Priority date: April 12, 1978

Use: Described in Section 2.1, above

Total volume: 62 ac-ft

Rate in cfs: 0.31

Period of use: March 1 - October 31

Conditions to prevent or mitigate injury, if any:

The instream flow will be allocated on a daily average basis up to the described rate from June 23 until September 30, or until such time that the total duty for the irrigation season is met. The instream use period has been diminished to 100 days to insure the duty limitation is not exceeded during the period of use described above.

A portion of Certificate No. 68427:

Willow Creek, tributary to Floras Creek in the South Coast Basin

Location: POD to the mouth of Willow Creek

Priority date: August 29, 1972

Use: Described in Section 2.1, above

Total volume: 180.5 ac-ft

Rate in cfs: 0.90

Period of use: March 1 - October 31

Conditions to prevent or mitigate injury, if any:

The instream flow will be allocated on a daily average basis up to the described rate from June 23 until September 30, or until such time that the total duty for the irrigation season is met. The instream use period has been diminished to 100 days to insure the duty limitation is not exceeded during the period of use described above.

- 2.3 **Term of lease.** This Lease shall commence on March 1, 2000 (not before execution by the parties) and continue through October 31, 2001.
- 2.4 **Compensation.** The Lessor has agreed to lease subject water right for the sum of \$1.00, or other valuable considerations and for the benefit of the state of Oregon.
- 2.5 **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). No party is required to continuously measure the flow of the waterway described in Section 2.2.

Optional Provisions

- 2.6 Additional monitoring. Lessor/Lessee intends to manage and participate in the protection of the instream use by: n/a
- 2.7 Modification or termination provisions.

Lessor shall have option of terminating lease for the 2001 irrigation season with written notice 30 days prior to March 1, 2001.

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- Watermaster review. By signature below, the watermaster for the district where the subject water right is located verifies that:
- 3.1 Lessor is currently entitled to appropriate water under the water rights described in Section 1.4.

- 3.2 A suitable control is/will be in place so that WRD staff may regulate use of water under the subject right to ensure water is not diverted or applied on lands to which subject right is attached.
- 3.3. Allocation of water to the new 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.
- 3.4 Necessary conditions to the proposed instream use:

Watermaster:	John Drolet	District: 19

John Drolet

John Drolet
Field Operations, WRD
Coos County Courthouse Annex
290 N. Central Street
Coquille, OR 97423
(541) 396-3121, Ext. 254 - Phone
(541) 396-6233 - Fax
John.P.DROLET@wrd state.or.us

Date: 06 July 00

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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.

Lessor: by: Joseph L. Sought Resided Date: Jul 30, 2000

So ordered by Trustee: Date: 7-31-2000

Exhibits:

Exhibit A: Copy of Property Deed/Power of Attorney Documentation (if needed)

Exhibit B: Tax Lot Map of Lessor's property

Exhibit C: Copies of certificates, permits and decreed rights to be leased Exhibit D: Detailed map illustrating lands under subject rights to be leased

Exhibit E: Identification of public use to be served by instream use