

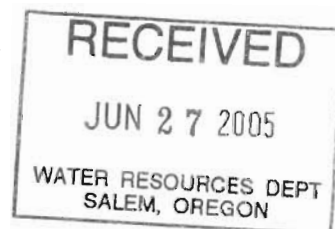


State of Oregon
Water Resources Department
 725 Summer Street NE, Suite "A"
 Salem, Oregon 97301-1271
 (503) 986-0900

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: _____
 Lease Agreement Number (assigned by WRD): L-675

This Lease Agreement is between:

Lessor #1:

(Name) Central Oregon Irrigation District
 (Mailing address) 2598 N Hwy 97
 (City, State, Zip Code) Redmond, OR 97756
 (Telephone number) 541-548-6047
 (Email address) transfers@coid.org

Lessor #2, 3, etc.

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

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes River Conservancy
 (Mailing address) 700 NW Hill
 (City, State, Zip Code) Bend, OR 97701
 (Telephone number) (541) 382-4077 ext 14
 (Email address) laura@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 _____ N, Range _____ W, Section _____ and Tax Lot number See Exhibit #1. 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
- Official representative of Central Oregon Irrigation District, the irrigation district which conveys water to the subject water rights.
- Another party with an interest in the subject water rights representing _____.

- Not applicable
- Official representative of Central Oregon Irrigation District, 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. 76358 & 76714

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.: 76358

Priority date: October 31, 1900 & December 2, 1907 Type of use: Irrigation

Legal Season of Use: April 1 to October 26

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 __, R __, Section __, ¼ ¼ - _____ acres to be leased

Enter additional places of use here, using format above:

SEE EXHIBIT #1

Page SEE EXHIBIT #1 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: POD #11- 3.32 acres irrigation POD #1 - 9.125 acres irrigation; 15.0 acres industrial

Acre-feet of storage, if applicable: 0

Maximum rate associated with subject water rights (cfs):

POD # 11 - Priority 10/31/1900 Season 1: 0.042 Season 2: 0.055 Season 3: 0.073

Priority 12/2/1907 Season 3: 0.029

POD # 1 - Irrig. Priority 10/31/1900 Season 1: 0.114 Season 2: 0.152 Season 3: 0.201

Priority 12/2/1907 Season 3: 0.081

POD # 1 - Industrial Priority 10/31/1900 Season 1: 0.188 Season 2: 0.250

Season 3: 0.330 Priority 12/2/1907 Season 3: 0.133

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

Maximum duty associated with subject water rights (ac-ft): #11: 32.90; #1 Irrig: 90.43; #1

Industrial: 148.65

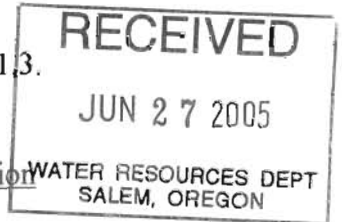
(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: None

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

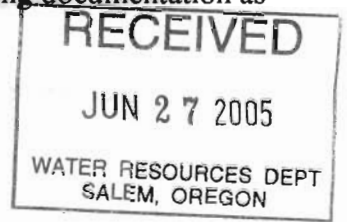
1.6 Validity of rights. Lessor(s) attests (mark one) that:

- the water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or



4/1 - 10/31

- 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:

Deschutes River

Tributary to Columbia 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# 1 & # 11 to Lake Billy Chinhook

Maximum volume in acre-feet: POD #11 - Priority 10/31/1900: 14.14 Priority 12/2/1907: 3.95 POD #1 Irrigation -Priority 10/31/1900: 38.88 Priority 12/2/1907: 10.86 POD #1 Industrial -Priority 10/31/1900: 63.91 Priority 12/2/1907: 17.85

Rate in cfs: POD # 11 - Priority 10/31/1900 Season 1: 0.023 Season 2: 0.030 Season 3: 0.040 Priority 12/2/1907 Season 3: 0.016

POD # 1 - Irrig. Priority 10/31/1900 Season 1: 0.063 Season 2: 0.084 Season 3: 0.110 Priority 12/2/1907 Season 3: 0.045

POD # 1 - Industrial Priority 10/31/1900 Season 1: 0.103 Season 2: 0.138 Season 3: 0.181 Priority 12/2/1907 Season 3: 0.073

(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 _____ through _____.
- 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, 2005.

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.

18.07
49.79



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

Additional Water Right Form
Standard 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.

~I~ Ownership and Water Right Information

Section 1.5 continued from Standard Application for Short-Term Instream Lease.

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.: 76714

Priority date: Feb. 28, 1913 Type of use: Irrigation

Legal Season of Use (if not listed on the certificate): April 1 through October 26

Is the entire water right certificate being leased? [] Yes [X] No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4, which will be dried up as part of this lease. Include a map (Attachment 3) showing the lands that will not receive water.

Place of use: T N, R W, Section, 1/4 1/4 - acres to be leased

Enter additional places of use here, using format above:

SEE EXHIBIT #1

Page 1 (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: POD #11- 3.32 acres irrigation POD #1 - 9.125 acres irrigation; 15.0 acres industrial

Acre-feet of storage, if applicable: 0

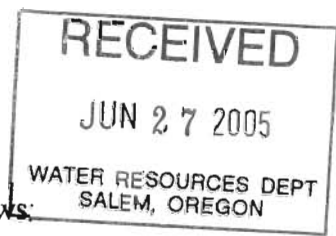
Rate associated with leased rights (cfs): 0

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

Duty associated with leased rights (AF): POD #11 32.90 POD #1 Irrigation 90.43 POD #1 Industrial 148.65

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

Conditions or other limitations, if any: None



~II~ Instream Water Right Information

Section 2.2 continued from Standard Application for Short-Term Instream Lease.

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

Crane Prairie Reservoir River

Tributary to Deschutes River in the Deschutes Basin.

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease may be processed to be protected at the point of diversion): POD # 1 & # 11 to Lake Billy Chinook.

Total volume in acre-feet: POD #11 3.22 POD #1 Irrigation 8.85 POD #1 Industrial 14.56

Rate in cfs: 0

Conditions to prevent injury, if any:

- [X] None
[] The instream flow will be allocated on a daily average basis up to the described rate from through
[] Other (describe):

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 (April 1st), 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.

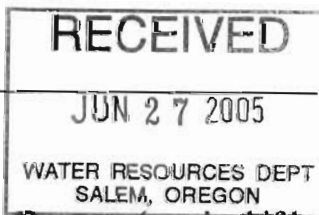
Lessor #1: [Signature]
Central Oregon Irrigation District

Date: 6-9-2005

For additional Lessors, type in space for signature and date

Lessee: [Signature]
Deschutes River Conservancy

Date: 6-9-2005



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)

CERTIFICATE # 76714

T S R	1/4 1/4	TAX LOT	ACRES	TYPE	POD	PAGE #	QUITCLAIM
14-13-06	NW SW	213*	0.12	IRRIG	11	410	2004-09131
14-13-16	SW SE	2400	0.3	IRRIG	11	12	2005-22067
15-13-09	NW NW	206	1.9	IRRIG	11	36	2005-07856
15-13-09	NW NW	300	1	IRRIG	11	36	2005-10380
SUB TOTAL			3.32				
15-15-06***	NE SE	502	0.35	IRRIG	1	51	195611(CROOK CO)
17-12-22	NE SW	400**	1	IRRIG	1	68	2004-49710
18-12-03	NE NE	200	1.5	IRRIG	1	95	2004-15588
18-12-03	NE NW	502	0.125	IRRIG	1	97	2004-75996
18-12-03	NW NE	1602	0.2	IRRIG	1	95	2005-03248
18-12-03	SE SE	200	1.8	IRRIG	1	100	2004-67351
18-12-07	NW SE	800	0.2	IRRIG	1	101	
18-12-07	SE NE	800	1.4	IRRIG	1	101	
18-12-07	SE NW	801	0.2	IRRIG	1	101	
18-12-07	SW NE	800	0.7	IRRIG	1	101	
18-12-07	SW NE	801	0.3	IRRIG	1	101	
18-12-10	SE SW	400	0.25	IRRIG	1	103	2004-52101
SUBTOTAL			8.025	IRRIG			
18-12-11	NW NW		15	INDUST	1	103	
TOTAL			27.445				

*HB3111 Tax Lot 2104 partitioned into multiple lots. Water did not change location

**HB3111 Tax Lot 1100 has been chg'd to 400. 2.80 transferred off on T# 9817

***Property located in Crook County

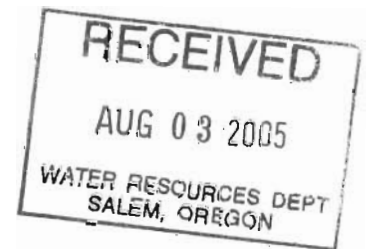


EXHIBIT #1

CERTIFICATE # 76358

T S R	1/4 1/4	TAX LOT	ACRES	TYPE	POD	PAGE	QUITCLAIM
14-13-06	NW SW	213*	0.12	IRRIG	11	411	2004-09131
14-13-16	SW SE	2400	0.3	IRRIG	11	11	2005-22067
15-13-09	NW NW	206	1.9	IRRIG	11	35	2005-07856
15-13-09	NW NW	300	1	IRRIG	11	35	2005-10380
SUB-TOTAL			3.32				
15-15-06***	NE SE	502	0.35	IRRIG	1	49	195611(CROOK CO)
17-12-22	NE SW	400**	1	IRRIG	1	66	2004-49710
18-12-03	NE NE	200	1.5	IRRIG	1	92	2004-15588
18-12-03	NE NW	502	0.125	IRRIG	1	94	2004-75996
18-12-03	NW NE	1602	0.2	IRRIG	1	92	2005-03248
18-12-03	SE SE	200	1.8	IRRIG	1	97	2004-67351
18-12-07	NW SE	800	0.2	IRRIG	1	98	
18-12-07	SE NE	800	1.4	IRRIG	1	98	
18-12-07	SE NW	801	0.2	IRRIG	1	98	
18-12-07	SW NE	800	0.7	IRRIG	1	98	
18-12-07	SW NE	801	0.3	IRRIG	1	98	
18-12-10	SE SW	400	0.25	IRRIG	1	99	2004-52101
SUBTOTAL			8.025	IRRIG			
18-12-11	NW NW		15	INDUST	1	99	
TOTAL			27.445				

*HB3111 Tax Lot 2104 partitioned into multiple lots. Water did not change location

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