



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

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

Optional Identification by Lessor/Lessee: MITIGATION CREDIT PROJECT
413 Acres w/ acres of 386.5 acres supplemental
 Lease Agreement Number (assigned by WRD): L-494 (MP-20)

This Lease Agreement is between:

Lessor #1:

(Name) Kelldano Ranch, LLC
 (Mailing address) PO Box 3323
 (City, State, Zip Code) Sunriver, OR 97707
 (Telephone number) 541-480-0962

Lessor #2, 3, etc.

N/A

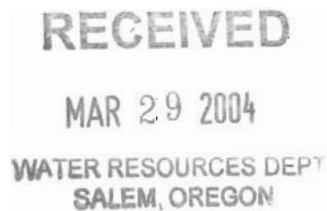
The water right to be leased is located in Deschutes County.

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes Water Exchange
 (Mailing address) PO Box 1560
 (City, State, Zip Code) Bend, Or 97709
 (Telephone number) 541-322-4079

Trustee:

Oregon Water Resources Department
 725 Summer Street N.E., Suite "A"
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~I~ Ownership and Water Right Information

- 1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township 21 S, Range 11 E, Section 19, 29 & 30 and Tax Lot number 900 & 903. 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 _____, 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. 6,7, 8, 10, 11, 12 and Supplemental 2004 ,2006, 2007, 2008

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.: 6

Priority date: 1901 Type of use: Irrigation & domestic use

Legal Season of Use: April 1 to August 15

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 21 S, R 11 E, Section , ¼ ¼ - 49.50 acres to be leased

Enter additional places of use here, using format above:

Section 19 tax lot 900

12 Acres NW SW

7 Acres SWSW

16.5 Acres SESW

Section 30

14 Acres NWNW

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

Number of acres being leased, if for irrigation: 49.5

Acre-feet of storage, if applicable:

Maximum rate associated with subject water rights (cfs): 0.71

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

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

(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

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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:

Paulina Creek and Little Deschutes River
Tributary to Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Maximum volume in acre-feet: 148.5

Rate in cfs: 0.71

(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 See attached spreadsheet.
- Other (describe): 3.0 acre foot per acre limitation

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 30, 2008.

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.

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- 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 (March 1), 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: Patrick Hill Kelldano Ranch LLC Date: 3/24/04
 Member, Patrick Hill, Kelldano Ranch, LLC
 by Patrick Hill
 Authorized Representative

For additional Lessors, type in space for signature and date

Lessee: Jammy Sailors Date: 3/24/04
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 1.5 is checked)
 - Attachment 4: Split Season Instream Use Form

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Additional Water Right Form Standard Application for Short-Term Instream Lease

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~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.: 7

Priority date: 1900 Type of use: irrigation & domestic use

Legal Season of Use (if not listed on the certificate): April 1 to November 1

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 30, 1/4 1/4 - 125.50 acres to be leased

Enter additional places of use here, using format above:

Tax lot 900

24 Acres in the NWNE, 25 Acres in the SWNE, 39 Acres in the SENE, 37.5 Acres in the NENW

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

Number of acres, if for irrigation: 125.5

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 01.79

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any:

*1.79 cfs
per acre*

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 376.5

Rate in cfs: 1.79

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation

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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.: 8

Priority date: June 1899 Type of use: irrigation & domestic use

Legal Season of Use (if not listed on the certificate): April 1 to November 1

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 19, _____ 1/4 _____ 1/4 - 81.00 acres to be leased

Enter additional places of use here, using format above:

Tax lot 900

21 Acres NENW, 23 Acres SWNW, 20 Acres SE NW, 17 Acres NWSW

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

Number of acres, if for irrigation: 81.0

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 1.16

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any: _____

*WR has
94.5 ac
(0.014 cfs)
1.1845*

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 243

Rate in cfs: 1.16

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation

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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:

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Certificate No.: 10

Priority date: 1908 Type of use: irrigation & domestic use

Legal Season of Use (if not listed on the certificate): April 1 to December 1

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 30, 1/4 1/4 - 26.50 acres to be leased

Enter additional places of use here, using format above:

Tax lot 900 NE SE 21 Acres and NW SE 5.5 Acres

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

Number of acres, if for irrigation: 26.5

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): .038

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any:

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 79.5

Rate in cfs: 0.38

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation



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Section 1.5 continued from Standard Application for Short-Term Instream Lease. WATER RESOURCES DEPT SALEM, OREGON

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.: 11

Priority date: 1900 Type of use: irrigation & domestic use

Legal Season of Use (if not listed on the certificate): April 1 to August 30

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 29, 1/4 1/4 - 34.00 acres to be leased

Enter additional places of use here, using format above:

Tax lot 903 0.5 Acres SE SW, 12 Acres NESE, 14 Acres NWSE, 7.5 Acres SWSE

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

Number of acres, if for irrigation: 34.0

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 0.49

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any:

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 102

Rate in cfs: 0.49

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation



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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.: 12

Priority date: 1900 Type of use: irrigation & domestic use

Legal Season of Use (if not listed on the certificate): April 1 to August 30

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 29, _____ 1/4 _____ 1/4 - 96.50 acres to be leased

Enter additional places of use here, using format above:

Tax lot 9003

22.5 Acres SWNW, 15.5 Acres SENW, 37.5 Acres NESW, 21 Acres NWSW

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

Number of acres, if for irrigation: 96.5

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 1.38

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any: _____

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 289.5

Rate in cfs: 1.38

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation

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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.: 2004

Priority date: 1899 Type of use: Supplemental irrigation use

Legal Season of Use (if not listed on the certificate):

Is the entire water right certificate being leased? [X] Yes [] 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 21, R 11, Section, 1/4 1/4 - 175.00 acres to be leased

Enter additional places of use here, using format above:

Section 30: Tax lot 900

24 Acres in NWNE, 25 Acres SWNE, 39 Acres SENE, 37.5 Acres NENW, 14 Acres NWNW

Section 19: Tax lot 900 12 Acres NESW, 7 Acres SWSW, 16.5 Acres SESW

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

Number of acres, if for irrigation: 175.0

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 2.50

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

Duty associated with leased rights (AF):

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

Conditions or other limitations, if any:

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 525

Rate in cfs: 2.5

Conditions to prevent injury, if any:

[] None

[X] The instream flow will be allocated on a daily average basis up to the described rate from

_____ through see attached spreadsheet _____.

Other (describe): 3.0 acre feet per acre limitation

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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.: 2006

Priority date: 1899 Type of use: Supplemental irrigation use

Legal Season of Use (if not listed on the certificate): _____

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 29, _____ 1/4 _____ 1/4 - 96.50 acres to be leased

Enter additional places of use here, using format above:

Tax lot 903

15.5 Acres in SE NW, 22.5 Acres in SW NW, 37.5 Acres in NE SW, 21 Acres in NWSW

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

Number of acres, if for irrigation: 96.5

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 1.38

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any: _____

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 289.5

Rate in cfs: 1.38

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 see attached spreadsheet .
 Other (describe): 3.0 acre feet per acre limitation

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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.: 2007

Priority date: 1899 Type of use: Supplemental irrigation use

Legal Season of Use (if not listed on the certificate): _____

Is the entire water right certificate being leased? Yes 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 21, R 11, Section 29, _____ 1/4 _____ 1/4 - 34.00 acres to be leased

Enter additional places of use here, using format above:

Tax lot 903

0.5 Ace in SESW, 12 Acres in NESE, 14 Acres in NWSE, 7.5 Aces in SWSE

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

Number of acres, if for irrigation: 34.0

Acre-feet of storage, if applicable: NA

Rate associated with leased rights (cfs): 0.49

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

Duty associated with leased rights (AF): N/A

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

Conditions or other limitations, if any: _____

~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:

Paulina Creek and Little Deschutes 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 102

Rate in cfs: 0.49

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 see attached spreadsheet.

Other (describe): 3.0 acre feet per acre limitation

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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

~I~ Ownership and Water Right Information

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

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Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3.

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

Certificate No.: 2008

Priority date: 1899 _____ Type of use: Supplemental irrigation use _____

Legal Season of Use (if not listed on the certificate): _____

Is the entire water right certificate being leased? Yes 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 21 ____, R 11 ____, Section 19 ____, _____ 1/4 _____ 1/4 - 81.00 acres to be leased

Enter additional places of use here, using format above:

Tax lot 900

21 Acres in NENW, 23 Acres in SWNW, 20 Acres in SENW, 17 Acres in NWSW

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

Number of acres, if for irrigation: 81.0 _____

Acre-feet of storage, if applicable: NA _____

Rate associated with leased rights (cfs): 1.16 _____

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

Duty associated with leased rights (AF): N/A _____

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

Conditions or other limitations, if any: 3.0 acre feet per acre limitation

See cert
8

~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:

Paulina Creek and Little Deschutes _____ 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): Paulina Lake to where Hwy 97 crosses Paulina Creek

Total volume in acre-feet: 243 _____

Rate in cfs: 1.16 _____

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 see attached spreadsheet _____.

Other (describe): 3.0 acre feet per acre limitation



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Duty (AF)	Full Rate
376.5	1.76

7/15/2004

4/1/2004 105 day use period

3.49 AF/day
107.8 Days

5/15/2004

8/28/2004

1.81 Adjusted cfs/acre/day

Kelldano

Cert #	Acres	Duty	Rate	DUP	Instream Period
6	49.5	148.5	0.71	105.9	July 19 to Oct 31
7	125.5	376.5	1.79	106	May 15 to Aug 28
8	81	243	1.16	105.6	May 15 to Aug 27
10	26.5	79.5	0.38	105.5	July 19 to Oct 31
11	34	102	0.49	104.9	July 20 to Oct 31
12	96.5	289.5	1.38	105.8	May 15 to Aug 27
2004 S6	49.5	148.5	0.71		Only instream if not met by primary right
2004 S7	125.5	376.5	1.79		Only instream if not met by primary right
2006	96.5	289.5	1.38		Only instream if not met by primary right
2007	34	102	0.49		Only instream if not met by primary right
2008	81	243	1.16		Only instream if not met by primary right

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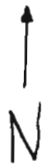
Kelldano

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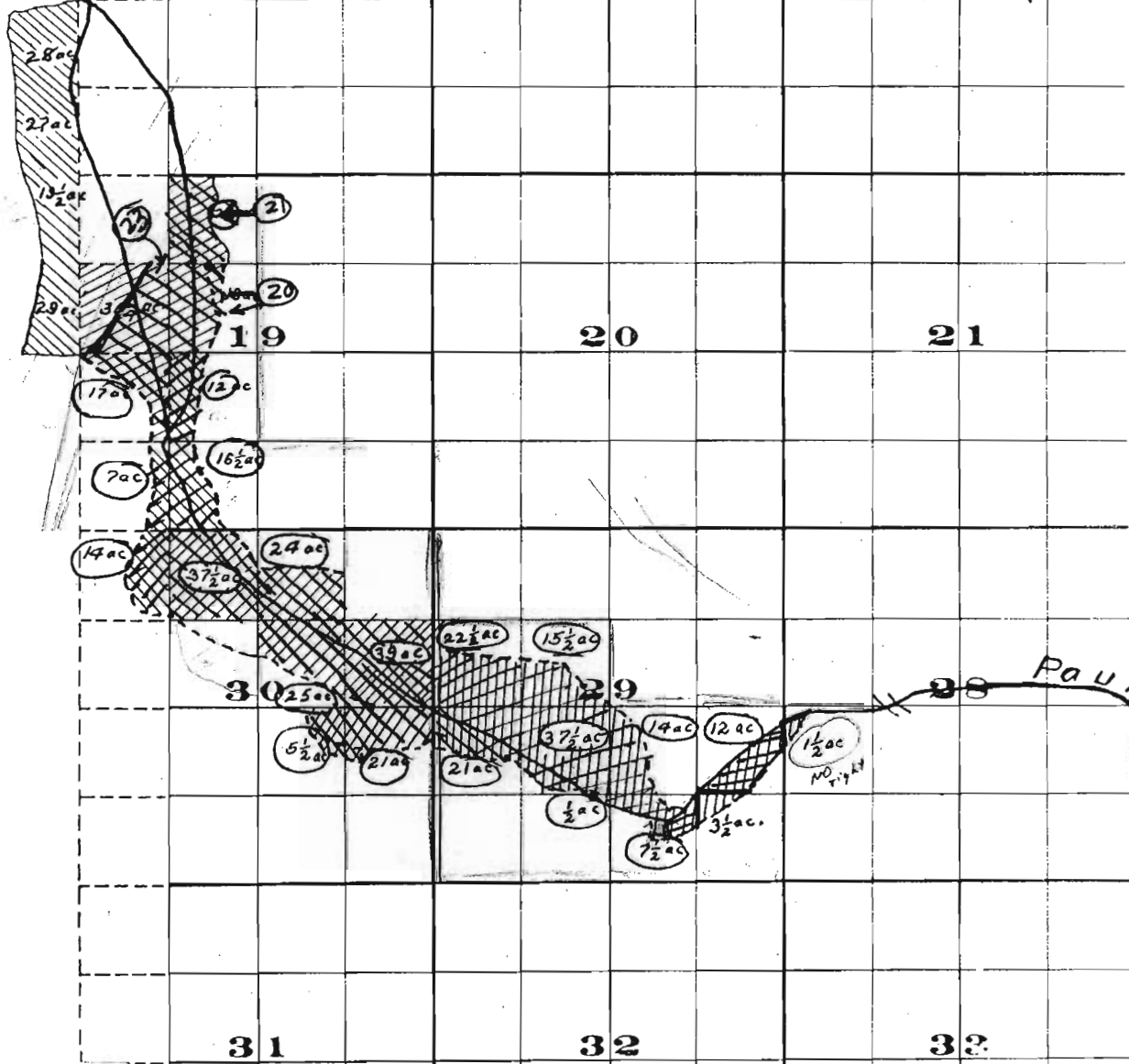
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SALEM, OREGON




21 S. R. 10 E.

7 Deschutes County 9

Kelldano Ranch, LLC
Mitigation Credit Project
T-21S R 11E



 413 Acres
Leased In-stream
386.5 Acres of supplemental

(Acreages totals
circled if WR
leased

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MAR 11 2004

Surveyed by H. K. Donnelly Oct. - 1909
Examined December 1 1909
John H. Lewis - State Engineer.

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