

Lease Agreement Number: 296

**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:**

Farrell V. and Irene C. Larson  
4395 Heinz Blvd.  
Ontario, Oregon 97914  
(541) 889-6332

The water right to be leased is located in Malheur County

**Lessee:**

Bureau of Reclamation  
Pacific Northwest Region  
c/o Darryl Beckmann (Regional Manager)  
1150 North Curtis Road, Suite 100  
Boise, Idaho 83706-1234

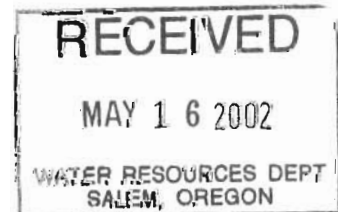
**Trustee:**

Oregon Water Resources Department  
158 12th Street NE  
Salem, Oregon 97301  
(503) 378-8455

~I~

- 1.1 Lessor is the owner (Exhibit A) of property highlighted in Exhibit B.
- 1.2 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.

Certificate No.	75566
Certificate No.	76944
Certificate No.	76948
Certificate No.	74024
Certificate No.	74023
Certificate No.	40574



RECEIVED  
 MAY 16 2002  
 WATER RESOURCES DEPT  
 SALEM, OREGON

**1.4 Subject Water Rights.**

Lessor proposes to lease a portion of the water rights listed in 1.3, above. The rights to be leased are further described as follows:

**Certificate No.: 75566**

Priority date: June 27, 1966  
 Type of use: irrigation  
 Place of use: Township 17 South, range 46 East, W.M., in portions of Sections 2, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23. A map of irrigated lands is attached as Exhibit D.  
 Number of acres: 3029.00 ( 2477.80 acres to be leased)

Place of use:		NE	1/4	SW	1/4	20.90	acres	(	20.90	acres to be leased)
		SE	1/4	SW	1/4	18.50	acres	(	18.50	acres to be leased)
		NW	1/4	SE	1/4	20.00	acres	(	20.00	acres to be leased)
		SW	1/4	SE	1/4	40.00	acres	(	40.00	acres to be leased)
		SE	1/4	SE	1/4	20.10	acres	(	20.10	acres to be leased)
<b>Section</b>	<b>2</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>119.50</b>			<b>119.50</b>	
		SE	1/4	SE		39.20	acres	(	39.20	acres to be leased)
<b>Section</b>	<b>10</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>39.20</b>			<b>39.20</b>	
		NE	1/4	NE	1/4	40.00	acres	(	40.00	acres to be leased)
		NW	1/4	NE	1/4	30.40	acres	(	30.40	acres to be leased)
		SW	1/4	NE	1/4	38.20	acres	(	38.20	acres to be leased)
		SE	1/4	NE	1/4	30.40	acres	(	30.40	acres to be leased)
		NE	1/4	NW	1/4	23.00	acres	(	23.00	acres to be leased)
		SE	1/4	NW	1/4	40.00	acres	(	40.00	acres to be leased)
		NE	1/4	SW	1/4	40.00	acres	(	40.00	acres to be leased)
		SW	1/4	SW	1/4	40.00	acres	(	40.00	acres to be leased)
		SE	1/4	SW	1/4	40.00	acres	(	40.00	acres to be leased)
		NE	1/4	SE	1/4	35.40	acres	(	35.40	acres to be leased)
		NW	1/4	SE	1/4	40.00	acres	(	40.00	acres to be leased)
		SW	1/4	SE	1/4	41.00	acres	(	41.00	acres to be leased)
		SE	1/4	SE	1/4	18.60	acres	(	18.60	acres to be leased)
<b>Section</b>	<b>11</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>457.00</b>			<b>457.00</b>	
		SW	1/4	SE	1/4	39.20	acres	(	39.20	acres to be leased)
		NW	1/4	NW	1/4	19.90	acres	(	19.90	acres to be leased)
		SW	1/4	NW	1/4	39.20	acres	(	39.20	acres to be leased)
		SE	1/4	NW	1/4	39.20	acres	(	39.20	acres to be leased)
		NW	1/4	SW	1/4	7.70	acres	(	7.70	acres to be leased)
		SW	1/4	SW	1/4	0.20	acres	(	0.20	acres to be leased)
		NW	1/4	SE	1/4	5.60	acres	(	5.60	acres to be leased)
<b>Section</b>	<b>12</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>151.00</b>			<b>151.00</b>	
		NW	1/4	SW	1/4	38.60	acres	(	38.60	acres to be leased)
<b>Section</b>	<b>13</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>38.60</b>			<b>38.60</b>	
		NW	1/4	NE	1/4	40.40	acres	(	40.40	acres to be leased)
		SW	1/4	NE	1/4	7.20	acres	(	7.20	acres to be leased)
		NE	1/4	NW	1/4	40.00	acres	(	40.00	acres to be leased)
		NW	1/4	NW	1/4	40.00	acres	(	40.00	acres to be leased)
		SW	1/4	NW	1/4	3.40	acres	(	3.40	acres to be leased)
		NE	1/4	SW	1/4	39.70	acres	(	39.70	acres to be leased)

RECEIVED  
 MAY 16 2002  
 WATER RESOURCES DEPT  
 SALEM, OREGON

		NE	1/4	NE	1/4	18.50	acres	(	18.50	acres to be leased)
		SE	1/4	NE	1/4	18.40	acres	(	18.40	acres to be leased)
		NE	1/4	SE	1/4	6.50	acres	(	6.50	acres to be leased)
<b>Section</b>	<b>29</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>43.40</b>			<b>43.40</b>	

Acre feet of storage: None  
 Rate: 15.82 cfs ( 10.27cfs to be leased)  
 Duty: 2531.6 acre feet (4 acre feet per acre) ( 1644.00 acre feet to be leased)  
 Season of Use: March 15 to October 31  
 Point(s) of Diversion (POD): Lot 1 (NE1/4 NW1/4), Section 21, T 17 S, R 47 E, WM;  
 350 Feet South and 1980 feet East from the NW corner, Section 21.  
 Conditions or other limitations, if any: None

**Certificate No.: 74024**

Priority date: October 8, 1965  
 Type of use: irrigation  
 Place of use: Township 17 South, range 46 East, W.M., in portions of Section 34  
 A map of irrigated lands is attached as Exhibit D.  
 Number of acres: 159 159.00 acres for lease)

		SE	1/4	NW	1/4	40.00	acres	(	40.00	acres to be leased)
		NE	1/4	SW	1/4	39.80	acres	(	39.80	acres to be leased)
		NW	1/4	SW	1/4	39.60	acres	(	39.60	acres to be leased)
		SW	1/4	SW	1/4	39.60	acres	(	39.60	acres to be leased)
<b>Section</b>	<b>34</b>	<b>T 17 s, R 46 E, W.M.</b>				<b>159.00</b>			<b>159.00</b>	

Acre feet of storage: None  
 Rate: 1.92 cfs (1.92 cfs to be leased)  
 Duty: 477 acre feet (3 acre feet per acre) (477.00 acre feet to be leased)  
 Season of Use: March 1 to October 31  
 Point of Diversion (POD): NE1/4 NE1/4, Section 10, T 18 S, R 46 E, WM; 510 feet  
 South and 600 feet West from the NE Corner, Section 10.  
 Conditions or other limitations, if any: None

**Certificate No.: 74021**

Priority date: October 25, 1968  
 Type of use: irrigation  
 Place of use: Township 17 South, range 46 East, W.M., in portions of Section 26, 29, 32.  
 A map of irrigated lands is attached as Exhibit D.  
 Number of acres: 75.10 0.00 acres for lease)

Place of use:

		NE	1/4	SW	1/4	25.20	acres	(	0.00	acres to leased)
		NE	1/4	SE	1/4	15.40	acres	(	0.00	acres to leased)
<b>Section</b>	<b>26</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>40.60</b>			<b>0.00</b>	
<b>Section</b>	<b>29</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>12.10</b>			<b>0.00</b>	
<b>Section</b>	<b>32</b>	<b>T 17 S, R 46 E, W.M.</b>				<b>22.40</b>			<b>0.00</b>	

**RECEIVED**  
 MAY 16 2002  
 WATER RESOURCES DEPT  
 SALEM, OREGON

Acre feet of storage: None  
 Rate: 2.24 cfs ( 0 cfs to be leased)  
 Duty: 225.3 acre feet (3 acre feet per acre) (118.8 acre feet to be leased)  
 Season of Use: March 1 to October 31  
 Point of Diversion (POD): NE1/4 NE1/4, Section 10, T 18 S, R 46 E, WM; 510 feet  
 South and 600 feet West from the NE Corner, Section 10.  
 Conditions or other limitations, if any: None

**Certificate No.:** 74021

Priority date: October 25, 1968  
 Type of use: irrigation  
 Place of use: Township 18 South, range 46 East, W.M., in portions of Section 5.  
 A map of irrigated lands is attached as Exhibit D.  
 Number of acres: 14.30 0.00 acres for lease)

Place of use:

	NE	1/4	NE	1/4	13.20 acres	(	0.00	acres to leased)
	NW	1/4	NE	1/4	<u>1.10</u> acres	(	<u>0.00</u>	acres to leased)
<b>Section</b>	<b>5</b>	<b>T 18 S, R 46 E, W.M.</b>			<b>14.30</b>		<b>0.00</b>	
<b>Total acres to be leased</b>								<b>3200.20</b>

Acre feet of storage: None  
 Rate: 2.24cfs ( 0 cfs to be leased)  
 Duty: 42.9 acre feet (3 acre feet per acre) ( 0 acre feet to be leased)  
 Season of Use: March 1 to October 31  
 Point of Diversion (POD): NE1/4 NE1/4, Section 10, T 18 S, R 46 E, WM; 510 feet  
 South and 600 feet West from the NE Corner, Section 10.  
 Conditions or other limitations, if any: None

**1.5 Validity of Rights.** Lessor #1 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
- that the water right is not subject to forfeiture under ORS 540.610.

**1.6 Lease.** Lessor agrees 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.

**1.7 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.

~II~

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

x 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:

**Certificate No.: 75566**

Location: POD to the Oregon/Washington state line on the Snake River, a tributary to the Columbia River, in the Columbia River Basin.  
Priority date: June 27, 1966  
Type of use: Water quality and other public benefits as described in Section 2.1 above.  
Total volume: 9911.20 acre feet  
Rate: 50.64 cfs  
Period of Use: ~~March 1 to October 31.~~  
June 19 to September 27 dp 6/13/02

**Certificate No.: 76944 (No water on this certificate to be leased)**

Location: Snake River, a tributary of Columbia River, for Irrigation.  
Priority date: June 27, 1966  
Type of use: Irrigation use only  
Total volume: 0 acre feet  
Rate: 0 cfs  
Period of Use: March 1 to October 31

**Certificate No.: 74023**

Location: POD to the Oregon/Washington state line on the Snake River, a tributary to the Columbia River, in the Columbia River Basin.  
Priority date: October 25, 1968  
Type of use: Water quality and other public benefits as described in Section 2.1 above.  
Total volume: 609.60 acre feet  
Rate 3.81 cfs  
Period of Use: ~~Mar. 1 to Oct. 31~~  
June 19 to September 8 dp 6/13/02

**Certificate No.: 76948**

Location: POD to the Oregon/Washington state line on the Snake River, a tributary to the Columbia River, in the Columbia River Basin.  
Priority date: October 25, 1968  
Type of use: Water quality and other public benefits as described in Section 2.1 above.  
Total volume: 1644. acre feet.  
Rate: 10.27cfs  
Period of Use: ~~March 1 to October 31~~ June 19 to September 8 dp 6/13/02  
Conditions to prevent injury, if any: The instream flow will be allocated on a daily basis,

RECEIVED  
MAY 16 2002  
WATER RESOURCES DEPT  
SALEM, OREGON

up to the rate, from July 1 to September 19, 2002, or until such time that the total duty for the irrigation season is met. (81 days expected at maximum rate.)

**Certificate No.: 74024**

Location: POD on the Malheur River, a tributary to the Snake River, thence to the Oregon/Washington state line on the Snake River, a tributary to the Columbia River, in the Columbia River Basin.

Priority date: October 8, 1965

Type of use: Water quality and other public benefits as described in Section 2.1 above.

Total volume: 477.00 acre feet

Rate: 1.92 cfs

Period of use of Use: ~~March 1 to October 31~~  
June 19 to September 22 <sup>dp</sup> 6/13/02

**Certificate No.: 74021 (No water on this certificate to be leased)**

Location: Malheur River, a tributary of the Snake River, for Irrigation.

Priority date: October 8, 1965

Type of use: Irrigation use only

Total volume: 0 acre feet

Rate: 0 cfs

Period of use of Use: March 1 to October 31

**Certificate No.: 74021 (No water on this certificate to be leased)**

Location: Malheur River, a tributary of the Snake River, for Irrigation.

Priority date: October 8, 1965

Type of use: Irrigation use only

Total volume: 0 acre feet

Rate: 0 cfs

Period of use of Use: March 1 to October 31

2.3 **Term of Lease.** This Lease shall commence on March 1, <sup>2002</sup> ~~2003~~ (not before execution by the parties) and continue through October 31, <sup>2002</sup> ~~2003~~. <sup>dp 6/13/02</sup>

2.4 **Compensation.** The Lessor has agreed to lease subject water right herein to Bureau of Reclamation for cash and other consideration and for the benefit of the people 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.

~III~

3 **Watermaster review.** By signature below, the watermaster for the district where the subject water right is located verifies that:

RECEIVED  
MAY 16 2002  
WATER RESOURCES DEPT  
SALEM, OREGON

Watermaster:

Ron Jacobs  
Ron Jacobs, Malheur County, District #9

Courthouse, #4  
251 "B" Street West  
Vale, Oregon 97918

Phone: (541) 473-5130  
Fax: (541) 473-5522

Date: 5/13/02

~IV~

The Undersigned Lessor, 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: [Signature]

Date: April 22, 2002

Lessee: [Signature]

Date: 5/13/02

So ordered by Trustee: [Signature]

Date: JUNE 18, 2002

Exhibits:

- Exhibit A: Copy of Property Map
- 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