



State of Oregon
 Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1266
 (503) 986-0900

Application for Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

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

Optional Identification by Lessor/Lessee: MP
 Lease Application Number (assigned by WRD): IL-970 / MP-127

This Lease is between:

Lessor #1:

Name Ingalsbe Testamentary Trust
 Mailing address 4900 Fremont Ave., N. #101
 City, State, Zip Code Seattle, WA 98103
 Telephone number (425) 653-7008
 Email address _____

Lessor #2, 3, etc.

North Unit Irrigation District
2024 NW Beech Street
Madras, OR 97741
 Phone: (541) 475-3625 email: nuid@northunitid.com

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

Lessee (if different than Oregon Water Resources Department):

Name Deschutes Water Exchange - DRC Mitigation Bank
 Mailing address P.O. Box 1560
 City, State, Zip Code Bend, OR 97709
 Telephone number (541) 382-4077
 Email address gen@deschutesriver.org

Trustee:

Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1266
 (503) 986-0900

~I~ Water Right Holder and Water Right Information

- 1.1 Lessor #1 is the water right holder, or authorized agent for water right holder of the property located at: Township 11 S, Range 13 E, Section 8 and Tax Lot number 300. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

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1.2 Lessor #2 is the (Check one):

Not applicable

Official representative of North Unit 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 water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 72284

1.4 Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No

1.5 Water Rights Proposed to be Leased Instream.

The first right to be leased identified in Section 1.3 is further described as follows:

Certificate No.: 72284

Priority date: 09/08/1968 Type of use: IRR

Legal Season of Use: April 1 - Oct 31

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 $\frac{1}{4}$ $\frac{1}{4}$ 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 11 S, R 13 E, Section 8, NE $\frac{1}{4}$ SE $\frac{1}{4}$ - 33.60 acres to be leased

Enter additional places of use here, using format above:

T 11 S, R 13 E, Sect 8, TL 300, NWSE, 14.6 ac

T 11 S, R 13 E, Sect 8, TL 300, SESE, 13.9 ac

T 11 S, R 13 E, Sect 8, TL 300, SWNW, 39.4 ac

T 11 S, R 13 E, Sect 8, TL 300, NWSW, 39.4 ac

T 11 S, R 13 E, Sect 8, TL 300, SWSW, 11.7 ac

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

Number of acres being leased, if for irrigation: 152.6

Acre-feet of storage, if applicable: n/a

Maximum rate associated with the right to be leased (cfs): 3,461

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

Maximum duty associated with the right to be leased (ac-ft): 610.4

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

Conditions or other limitations, if any: The District only allows a 1 acre foot per acre minimum before an excess charge is calculated, therefore we will only be contributing instream the minimum usage.

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:

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- the water has been used over the past five years according to the terms and conditions of the 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 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 that 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:

Crooked 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): Crooked River plant (river mile 28) to the lake Billy Chinook
Maximum volume in acre-feet: 152.6

Rate in cfs: 0.874

(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 June 5, 2009 through August 31, 2009.
- 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 October 31, 2009.

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.

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~III~ Other Information

- 3.1 **Accuracy.** The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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.** Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.
- 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 a new injury review shall be required, and a prior 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 water right holder 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.
- 3.5 **Termination provision.**
- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
 - Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
 - For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.
- 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.** Pursuant to ORS 536.050, 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: Eric Snygalder, Trustee
Jacobsbe Testamentary Trust

Date: March 11, 2009

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Application for Short-Term Instream Lease / 4

FSD

For additional Lessors, type in space for signature and date

Lessor #2 W. Bennett Date: 3/24/09
North Unit Irrigation District

Lessee: Heavenly Hubert Date: 3/25/09
Deschutes River Conservancy - DRC Mitigation Bank

Other Attachments as Needed:

Attachment 1: Tax Lot Map. (See instructions.)

Attachment 2: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. (See instructions.)

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

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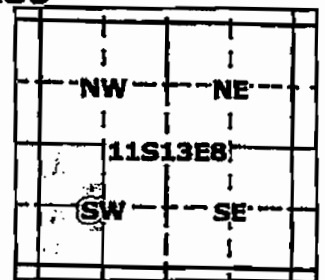
2009 North Unit Irrigation District Instream Lease Map



Application for 1 year Instream Lease Permit 33954 Cert 72284

-  Proposed Lease of Irrigation Rights
-  Water Rights

for
Ingalsbe Testamentary Trust
taxlot 300
39.4 acres in 111308NWSW
11.7 acres in 111308SWSW
Total Lease= 51.1 acres



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Date Created: May 2007

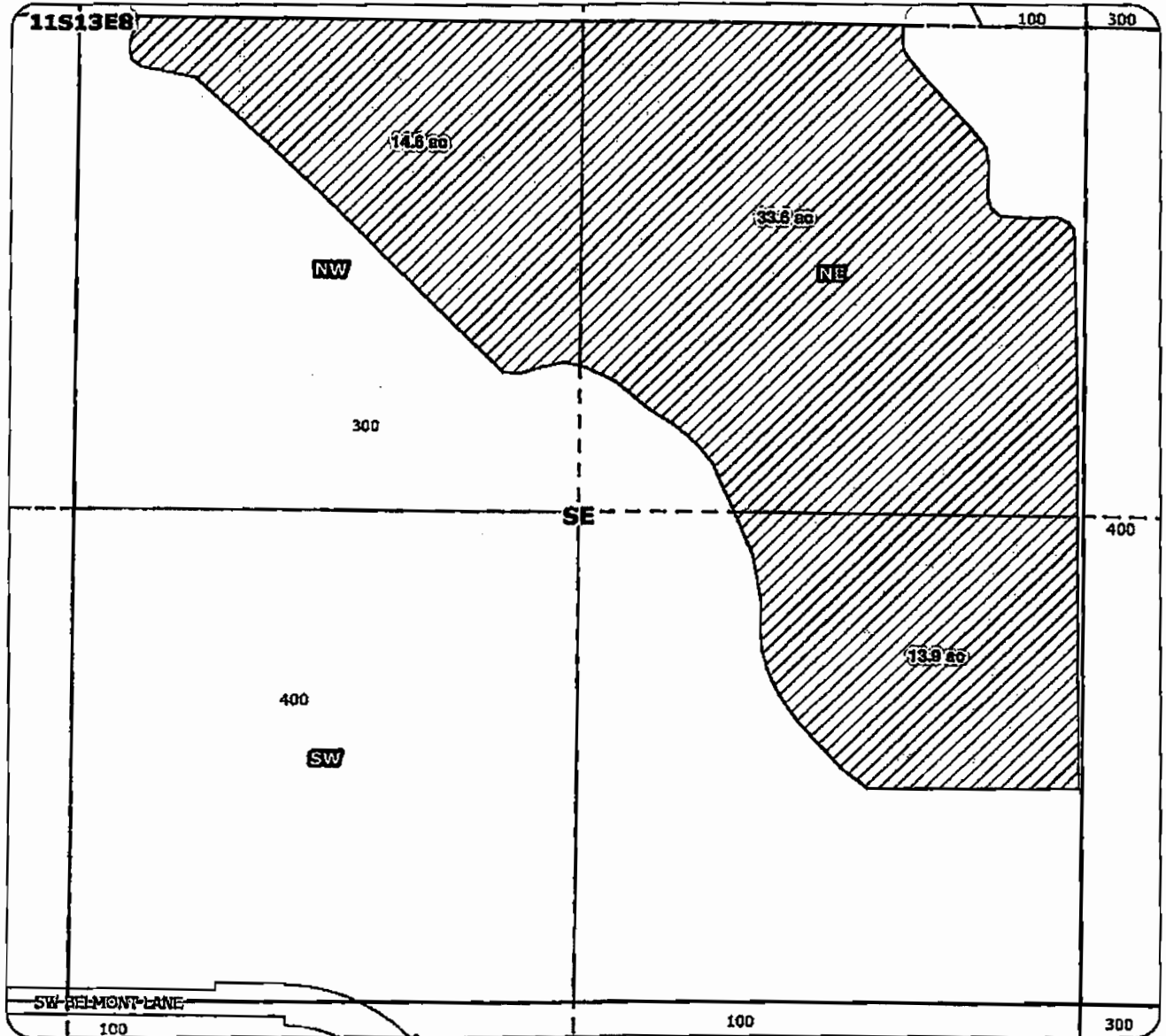
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1 inch equals 464.883223 feet

2009 North Unit Irrigation District Instream Lease Map



Application for 1 year Instream Lease

Permit 33954 Cert 72284

for

Ingalsbe Testamentary Trust
taxlot 300

14.6 acres in 111308NWSE

33.6 acres in 111308NESE

13.9 acres in 111308SESE

Total Lease= 62.1 acres

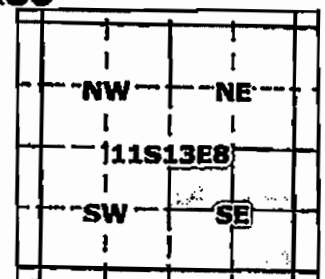
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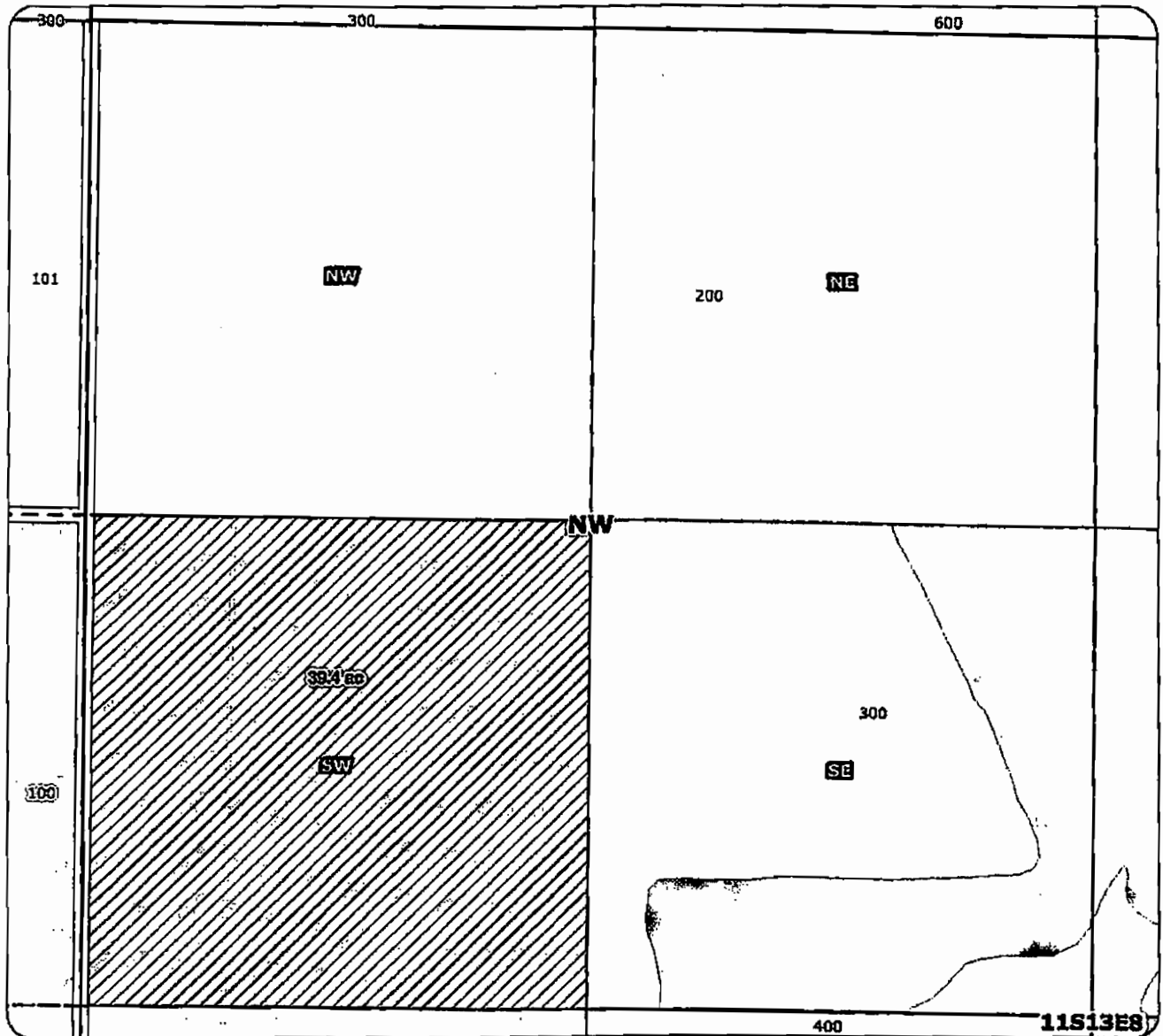
Date Created: May 2007

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1 inch equals 400 feet

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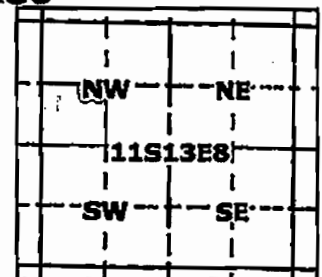
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for
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1 inch equals 400 feet