

Considered: _____

WATER PERMIT NO. 1431-1MAP No. sameName of Applicant American Colloid CompanyPost Office Address P.O. Box 160, Belle Fourche SD 57717Amount of Water Claimed 0.11 Total Acres NASource of Water Supply 1 wellWater to be used for industrial use County ButteAbout 1 mile N of Belle Fourche.

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

F.F. & C.L. Adopted _____ Not Approved _____ Deferred _____

PRIORITY Date Received Jan 13, 1988 Fee 150⁰⁰ Remarks _____1/13/88 Application Not complete until March 3, 1988 when
Water Management Board accepted Well Log
Corrected Application Received _____ Period of Annual Use Jan 1 - Dec 31WATER QUALITY APPROVAL RECEIVED NA APPROVED/CONDITIONAL (Circle one)

WI-1 Description same as Application YES _____ NO _____ REMARKS _____

Diversion Point 1 well: SW $\frac{1}{4}$ SW $\frac{1}{4}$ section 34 -T9N-R2E

Land to be Irrigated _____

		34			
well ⊗					

Well Log: Driller Inyan Kara Services Licensed YES _____ NO ☒ see minutes
Mar 24, 1988
Board meetingDepth of Well 1020 feet deep REMARKS driller's license application
has been submittedType of Map topo & plat PREPARED BY Tom Ver Helst Reviewed and the Number
assigned on January 21, 1988 By Ron Duval

Mail to: Water Rights Div.
DWNR, Foss Bldg.
Pierre, SD 57501
(605) 773-3352

No. 1431-1 Hydrologic Unit 10120202
Map No. same Basin Belle Fourche R.
Newspaper Belle Fourche Daily Post, 1004 5th Ave

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use of water: Industrial ☒ Commercial ☐ Municipal ☐ Other Common Distribution System ☐
Rural Water System ☐ Suburban Housing ☐ Geothermal Heat ☐ Institutional ☐ Recreational ☐
Domestic ☐ (above 18gpm) Other ☐

Type of Application: Check one or more of the following

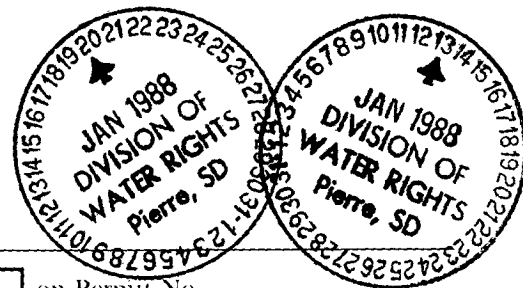
New ☒ Vested Right ☐ Future Use ☐ Change Use ☐

☐ Amend Permit No. _____ with old priority date retained

Change diversion point(s) ☐ Add diversion point(s) ☐ Other ☐

☐ Application to: Change diversion point(s) ☐ Add diversion point(s) ☐ on Permit No. _____

☐ Construction to use water reserved by Future Use Permit No. _____



1. Name of Applicant American Colloid Company Phone No. 605-892-2591

Post Office Address P.O. Box 160 Belle Fourche State SD 57717
(Street, RR or Box) (City) Zip Code

2. Amount of water claimed (~~xxx~~) 50 gallons per minute (Approx.) 0.11 cfs

3. Source of water supply 1 Well groundwater

4. Location of point of diversion Water Well SW $\frac{1}{4}$ SW $\frac{1}{4}$

400' East + 320' North of the SW CORNER of
Sec 34, T9N-R2E Butte Co. County Butte

5. Counties where water will be used Butte

6. Annual period during which water is to be used To be used daily, January 1 to December 31

7. Give a brief description of proposed project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

Drilling water well for the sole purpose of supplying water to American Colloid plant. Production of water-washed bentonite clay products for resale.

Attachments: Attach Form 2A if diversion from a well or dugout, or if storage of water, is proposed. Attach map (see instruction)

STATE OF SOUTH DAKOTA)
County of Butte)ss

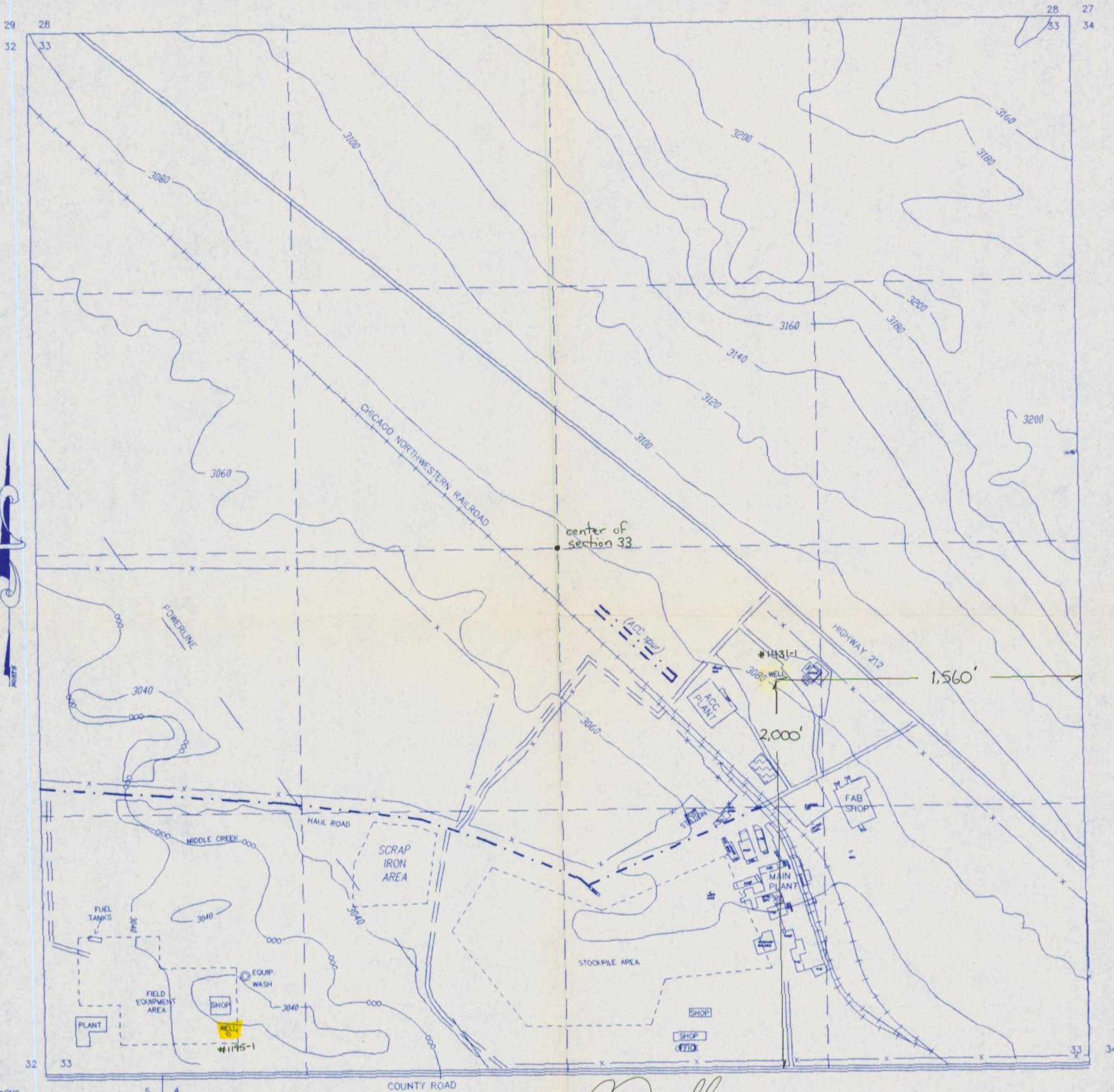
I, American Colloid Company by Scott Honeyman the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

x Signed Scott Honeyman

Subscribed and sworn to before me this 18th day of January 19 88

Notary

Victoria J. Bertsch
Notary Public



- LEGEND:
- Permit Boundary
 - Disturbed Prior to 1971 Low
 - Soil Stockpiles (A=Topsoil, B=Subsoil-Number)
 - Seeding-Year Seeded
 - AD Associated Disturbance
 - RO Run on Disturbance
 - BC Backfilled & Contoured
 - UD Undisturbed
 - TS1 Topsoiled 1st Lift
 - Haul Road
 - Water
 - Fence

Ron J. Jurell
 Natural Resources Engineer
 9/23/97



Permit No. 1431-1

BELLE PLANT	
Water Well Map	
AMERICAN COLLOID COMPANY	
Belle Fourche, SD 57717	
Permit No. 6	
Section 33, T. 9 N., R. 2 E.	
Butte County, South Dakota	
Scale 1"=400'	Contour Intervals 20 ft
Date 9-4-91	Revised 8-97
Sheet	of
NOTE: Check	
Quadrangle Map for Surrounding Topography	
PAGE 09-02-33	

Supplemental Information

(type or print in ink)

1. Well Information - Proposed construction

- a) Drill Hole Diameter 12 1/4" Depth 1020 ft.
- b) Casing Type Steel Diameter 8 5/8" Thickness 24#
- c) Screen Type None installed Diameter _____ Thickness _____
- d) Gravel Pack Thickness None Length of Gravel Pack _____
- e) Depth to Top of Water Bearing Material 770 feet
- f) Depth to Water (ground surface to water level) 100 feet
- g) Distance to nearest existing domestic well:
 On applicants property 300 yards On property owned by others 300 yards

2. Dugout Information Estimates

- a) Surface Dimensions _____ Depth _____
- b) Depth to water (ground surface to water level) _____

3. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below. The locations of each dam should be shown on the map submitted with the application.

- a) If a private engineering firm or government agency was involved in the design of this dam please give their name and address

b) Freeboard _____

c) Crest Width _____

Crest Length _____

d) Height _____

e) Primary Outlet Capacity _____
 If Pipe, diameter _____

f) Secondary Spillway Capacity _____
 Spillway width _____

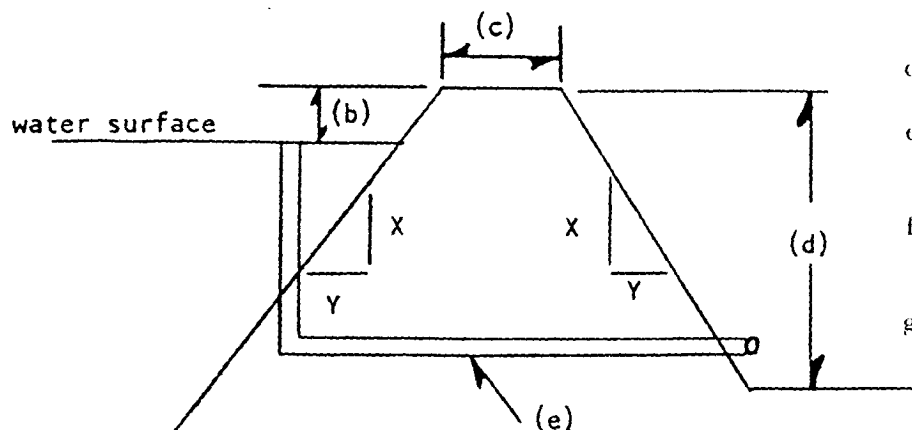
g) X & Y Slope
 Upstream _____

Downstream _____

Surface Area of Impoundment _____

Storage _____ acre feet

Drainage area above dam _____



American Colloid Company By

Signature of Applicant

**SOUTH DAKOTA
WATER PERMIT**

Date of first receipt of application January 13, 1988

Date of return to applicant for correction, amendments or changes required January 15, 1988

Date of receipt of corrected application March 2, 1988 - well log accepted by Board

The Water Management Board approved Water Permit Application No. 1431-1

on May 11, 1988 for American Colloid Company
(Applicant)

PO Box 160 Belle Fourche SD 57717
(Street, RR or Box) (City) (State) (Zip Code)

authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 1431-1 appropriates 0.11 cubic feet of water per second from one well (Inyan Kara Aquifer) 968 feet deep located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ section 34-T9N-R2E.
2. The water appropriated shall be used for the purpose of producing water-washed bentonite clay products and may not exceed the amount of water needed for beneficial use for industrial purposes.
3. The water is to be used during the following described annual period: Jan 1 - Dec 31.
4. The date from which applicant may claim the right is January 13, 1988.
5. ~~One-fifth of the construction is to be completed on or before~~
6. All construction is ~~to be completed on or before~~
7. Water is ~~to be put to beneficial use on or before~~
8. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

WATER MANAGEMENT BOARD

By: John Hated
Chief Engineer

DEC 1 1988

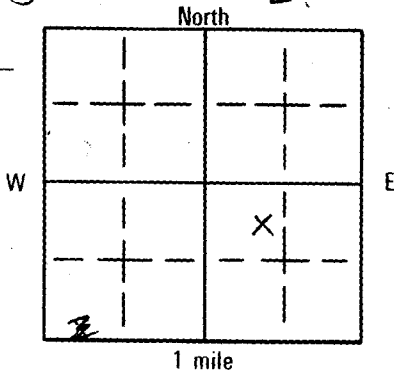
Division of Water Rights
Dept. of Water and Natural Resources

SOUTH DAKOTA WATER WELL COMPLETION REPORT

10-85

Location SW 1/4 SW 1/4 Sec 34 Twp 9N Rg 1ECounty NE 1/4 SE 1/4 33Butte

Please mark well location with an "X"

Well Completion Date 2-4-88 Including pump

PROPOSED USE:

☐ Domestic ☐ Municipal ☐ Test Holes
☐ Irrigation ☒ Industrial ☐ Stock

Method of Drilling:

Rotary

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>24</u> LB/FT	<u>8</u> IN	<u>0</u> FT	<u>968</u> FT	<u>12 1/2</u> IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN

GROUT:

Was the well grouted? ☒ YES ☐ NOTo what depth? 968' to surface FEET

What is grouting material? _____

If cement, number of sacks? cement 350 sacksDescribe grouting procedure pumped 350 sacks neat slurry and followed with water to displace cement from pipe. Cement was circulated back to surface.What was grout weight? 16 lb LB/GALSCREEN: ☐ Perforated pipe ☐ Manufactured

Diameter _____ IN Length _____ FEET

Material _____

Slot Size _____ Set From _____ Feet To _____ Feet

Slot Size _____ Set From _____ Feet To _____ Feet

Slot Size _____ Set From _____ Feet To _____ Feet

Other information All perforations performed with22,7 gram aluminum strip jetsWas a packer or seal used? ☒ YES ☐ NOIf so, what material? rubber & steelDescribe packer(s) and location? cement basket installed at800' to project water bearing formationWas well disinfected upon completion? ☐ YES ☒ NO

Explain _____

Bacteriological analysis ☐ YES ☒ NO

Laboratory sent to _____

Well Owner:

Name American Colloid Co.Address O.O. Box 160 Hwy 212 W--Belle Fourche, SD

Well Log:

Depth

Formation	From	To
Belle Fourche, shale	0	380
Mowry shale	380	495
Newcastle Sand Stone	495	538
Skull Creek Shale	538	798
Fall River	798	840
Lakota	840	938
Morrison	938	968

STATIC WATER LEVEL 100 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other

If other, specify _____

Can well be completely shut in? _____

WELL TEST DATA:

☒ Pumped☐ Bailed

Describe: _____

☐ Other

Pumping Level Below Land Surface

<u>500</u> ft.	After <u>2</u> Hrs.	pumped <u>65</u> GPM
<u>670</u> ft.	After <u>4</u> Hrs.	pumped <u>40</u> GPM
_____ ft.	After _____ Hrs.	pumped _____ GPM

REMARKS:

four centralizers were ran with casing968'804'510'341'

This well was drilled under license # _____

And this report is true and accurate.

Drilling firm INVAN KARA SERVICES, INC

Signature of License Representative:

Robert G. Kuhnman

Signature of Well Owner:

American Colloid Co.By Scott ThompsonDate February 22, 1988

RECEIPT

415506

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, _____ October 23, 19 97

RECEIVED OF American Colloid Company, P.O. Box 2010, Belle Fourche, SD 57513

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct
and to put water to beneficial use _____

Fee for Application for Permit No. _____ to Appropriate Water, for Future
Use _____

Fee to retain Future Use Permit No. _____ after period of seven years.

Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water
License No. 1431-1

Fee for Filing Transfer Form _____

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

50 00

50 00

By John Hatch
Chief Engineer

(8)

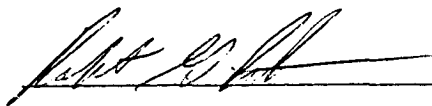
Lithology Log

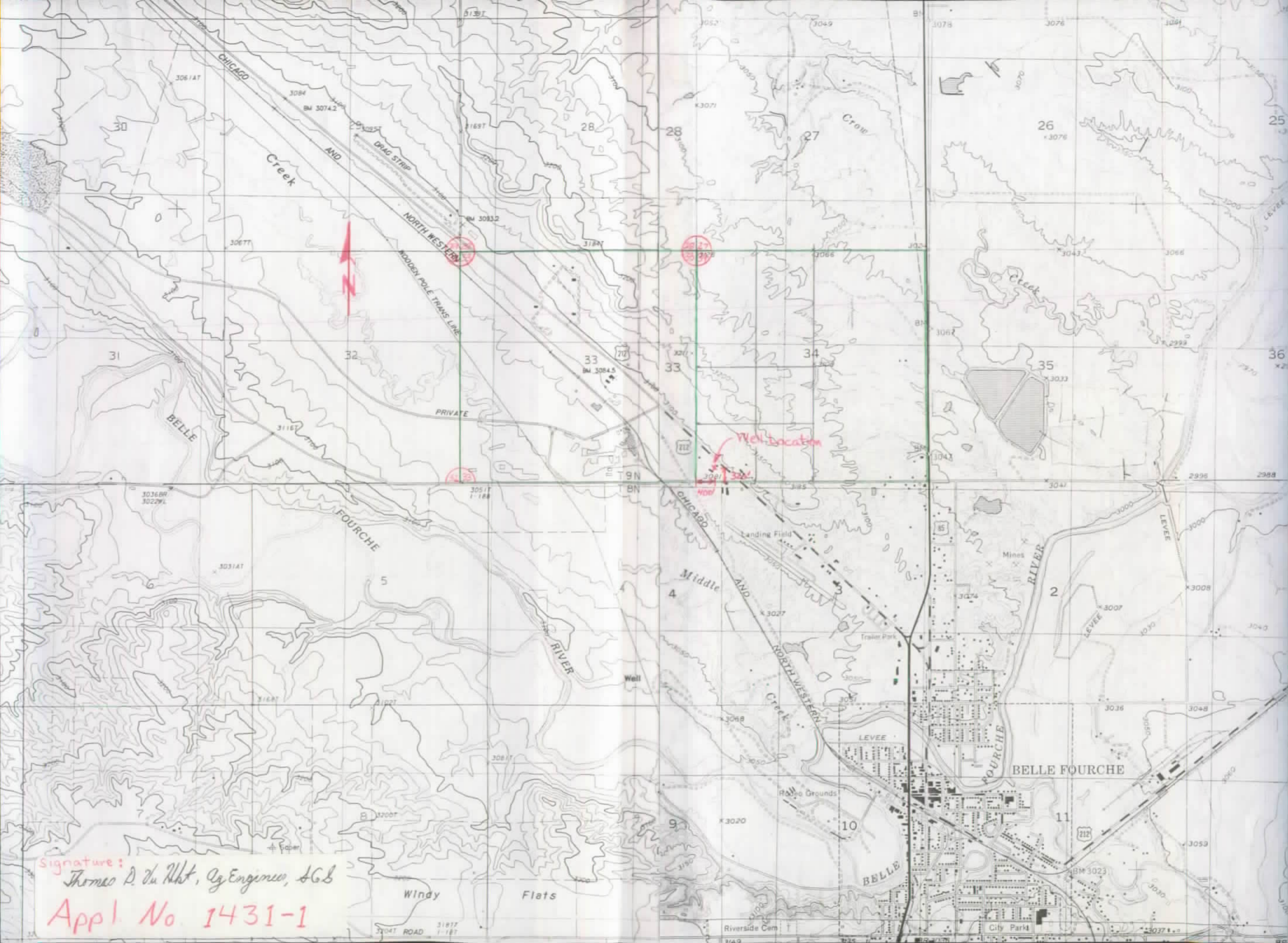
0-30'	Clay, brown
30-240'	Shale dark gray to black, soft
240-380'	Shale, black, hard with some bentonite stringers
380-440'	Bentonite with some fine grain sand
440-680'	Shale, gray
680-780'	Siltstone with fine grain sand lenses, gray
780-840'	Sand, fine grain, white to light gray, salt & pepper
840-880'	Shale, dark gray to green & dark red
880-955'	Sand, some siltstone stringers, fine grain, white
955-1020'	Shale, wax green to dark red

T.D.

Inyan Kara Services, Inc.

Robert G. Riehemann, Driller





Signature:
Thomas A. Du Nht, Ag Engineer, AGS
Appl. No 1431-1



AMERICAN COLLOID COMPANY

August 24, 1997

PERMITTING & RECLAMATION DEPARTMENT

P.O. Box 2010 • Belle Fourche, South Dakota 57717

(605) 892-6371 • FAX (605) 892-3178

SD DENR

Ron Duvall

Joe Foss Building

523 East Capitol Ave.

Pierre, SD 57501



RE: Well Location Map

Dear Ron,

As per our telephone conversation, enclosed is a copy of our map showing the surveyed location of the Well.

Thank you and if you have any questions and/or need anything please contact me.

Sincerely,

Darryl Jozwik

Permitting Technician

American Colloid Company

CC: File Copy

SOUTH DAKOTA Department of
Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

January 15, 1988



Scott Honeyman
American Colloid Company
PO Box 160
Belle Fourche SD 57717

Dear Mr. Honeyman:

This letter is in response to the water permit application received on January 13, 1988 for American Colloid Company. The following information is needed to complete the application:

- 1) The application form needs to be signed and notarized as indicated to be complete.
- 2) The map submitted with the application and signed by Tom VerHelst does not have the well location located from a section corner shown on the map. Enclosed is a copy of a topo map outlining sections 33 and 34, T9N, R2E. The location of the proposed well needs to be marked with an "X" on the topo map and be signed according to the directions on the enclosed instruction sheet.
- 3) Please indicate what uses the water will be used for within the American Colloid Plant in No. 7 of the application.

The application can not be processed until the application and return with the map. Contact me if you have any questions.

Sincerely,

RON DUVAL
Natural Resources Engineer
605 773-3352

enclosures



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

January 25, 1988

Scott Honeyman
American Colloid Company
P.O. Box 160
Belle Fourche, South Dakota 57717

Dear Mr. Honeyman:

This letter is in regard to the water permit application submitted by American Colloid Company on January 13, 1988. The lithology log accompanying the application was completed by Inyan Kara Services, Incorporated. Water Management Board Rules Section 74:02:01:08.1 states that a log of the well or test hole signed by a licensed well driller needs to be submitted with an application. Inyan Kara Services, Inc. is not a licensed well driller in South Dakota; therefore, the log submitted is not valid for purposes of completing the water permit application.

The water permit application cannot be processed until a log is submitted from a licensed well driller. No appropriation of water for industrial use or construction of works to use water can be completed until the permit is obtained pursuant to SDCL 46-1-15, 46-5-9 and 46-5-10.

Sincerely,

Ron Duvall
Natural Resources Engineer
(605) 773-3352

RD:ms

STEPHENS, QUINN & BUCKMASTER

ATTORNEYS AT LAW

1501 FIFTH AVENUE

P.O. BOX 788

BELLE FOURCHE, SOUTH DAKOTA 57717-1199

PHONE (605) 892-2773

HARRY R. STEPHENS

TERENCE R. QUINN

WESLEY W. BUCKMASTER

MICHAEL W. DAY

RANDALL L. MACY

KENNETH E. BARKER

R.E. BRANDENBURG
OF COUNSEL

February 8, 1988

Ron Duvall
Natural Resources Engineer
Department of Water and Natural Resources
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181



Re: American Colloid Company Well
Location: 400' and 320' N of the SW
corner of Section 34, Township 9,
North, Range 1, East, BHM, Butte
County, South Dakota
Our File No. 4466(E)

Dear Ron:

Pursuant to our telephone conversation, please find enclosed for service by mail upon you the Petition for declaratory ruling submitted by American Colloid Company of Belle Fourche, SD. The Petition sets forth the facts and circumstances surrounding our inadvertent failure to file for the water permit prior to drilling. As explained in the Petition, to the best of my knowledge American Colloid is now, or will be in the very near future, in full compliance with South Dakota law regarding the drilling of the water well. If you are aware of any continuing departures from South Dakota law, other than the failure to obtain a permit, please let me know. In addition, please advise me if American Colloid's application for the water permit is not complete.

This is to confirm that you will be sending us notice of the time and place for the March 2 hearing on this matter. I would like to be advised if the hearing will be adversarial as defined by SDCL §1-26-17(6) with respect to a department or board contesting the sufficiency of our application or a compliance with applicable statutes and rules and regulations.

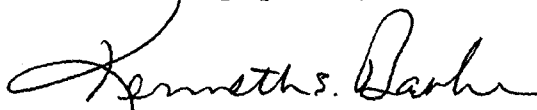
Please be advised that either Mr. Honeyman of American Colloid or I will appear before the board to answer any questions that it may have. In the meantime, I would

Ron Duvall
February 8, 1988
Page 2

appreciate it if you would send me an updated list of the board members when you send your notice of hearing.

Thanks for your cooperation and understanding.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Kenneth E. Barker". The signature is written in dark ink and is positioned above the printed name.

Kenneth E. Barker

KEB/bl

Enclosure

cc: Scott Honeyman

DEPARTMENT OF WATER AND NATURAL RESOURCES

AMERICAN COLLOID COMPANY,
IN RE WATER WELL LOCATED 400'
EAST AND 320' NORTH OF THE SW
CORNER OF SEC. 34, T 9, N.,
R. 1, E., BHM, BUTTE COUNTY,
SOUTH DAKOTA,

Petitioner.

PETITION FOR
DECLARATORY RULING

Comes now, American Colloid Company, by and through its attorneys of record, Stephens, Quinn & Buckmaster, and hereby petitions the Water Management Board for its declaratory ruling pursuant to SDCL §§1-26-15 and 46-5-10 et. seq., granting its de jure approval of the water permit of American Colloid Company for a well drilled four hundred (400) feet east and three hundred and twenty (320) feet north of the southwest corner of township 9 North, Range 1 East, BHM, Butte County, South Dakota.

The well was drilled prior to the issuance of a permit by the Water Management Board and prior to the state licensing of the well driller, Inyan Kara Services, Inc. of Upton, Wyoming. Since that time, petitioner has applied for a permit and has complied in all respects with SDCL Chapters 46-5 and 46-6 and the regulations of the Water Management Board concerning the development of water wells. In addition, Inyan Kara Services, Inc., has made application for licensing and it is anticipated that all pre-conditions to said licensing will be met and the approval of the licensing will be granted prior to the hearing on this matter before the Board of Water Management. Inyan

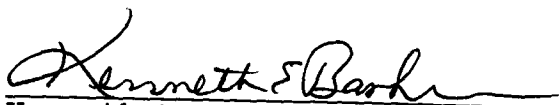
Petition
American Colloid Water Well
Page 2

Kara Services, Inc. has withheld, and is prepared to pay to the State of South Dakota, all applicable South Dakota sales tax and attached to this Petition as Exhibit A is the statement from Inyan Kara Services, Inc. establishing its collection of South Dakota sales tax for this project. As a result of the foregoing, Petitioner will have complied in all respects to South Dakota law concerning the drilling of the water well, although the compliance was ex post facto.

In order for the well to be properly licensed and approved, the Board must issue a declaratory ruling pursuant to SDCL §1-26-15, granting a de jure approval. It is therefore respectfully requested that the Board grant such approval at its March 2, 1988 hearing, after due consideration of the merits of this case.

Respectfully submitted this 8th day of February, 1988.

STEPHENS, QUINN & BUCKMASTER

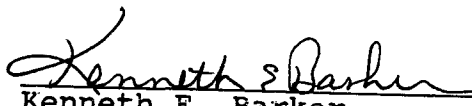
By: 
Kenneth E. Barker
P.O. Box 788
Belle Fourche, SD 57717
(605) 892-2773

CERTIFICATE OF SERVICE

I, Kenneth E. Barker, do hereby certify that on the 8th day of February, 1988, I caused a copy of the foregoing Petition to be served upon Mr. Ron Duvall, Natural Resources Engineer, Department of Water and Natural Resources, Joe Foss Building, 523 East Capitol, dPierre, SD 57501-3181; by depositing a copy of the same in an envelope securely sealed

Petition
American Colloid Water Well
Page 3

and with first class postage fully prepaid thereon, in the United States mail at the City of Belle Fourche, Butte County, South Dakota, and addressed to the above named addressee at the foregoing address, the same being the last known address of said addressee.


Kenneth E. Barker



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

February 19, 1988

NOTICE

TO: Scott Honeyman
American Colloid Company
PO Box 160
Belle Fourche SD 57717

FROM: John Hatch, Chief Engineer
Water Rights Division
(605) 773-3352

SUBJECT: Notice of Hearing on Petition for Declaratory Ruling
and Consideration of Completion of Works Prior to
Obtaining a Water Permit

On January 13, 1988, a water permit application for American Colloid Company was submitted to the Division of Water Rights with a lithologic log from Inyan Kara Services, Inc. A letter dated January 25, 1988 stated that the log submitted with the application is not acceptable because Inyan Kara Services, Inc. is not licensed to drill wells in South Dakota. The letter further states that the application can not be processed for consideration by the Water Management Board until a well log is received from a licensed well driller.

On February 11, 1988 a letter and petition for declaratory ruling was received from Kenneth E. Barker. The water permit application is complete except for noncompliance with General Rules Section 74:02:01:08.1 (driller's log requirement). The requested action in the petition for a declaratory ruling is not the issue in consideration. The issue to be considered is the use of a log from an unlicensed driller for purposes of completing the water permit "application". The Water Management Board can not consider granting approval of the water permit because public notice of hearing has not been given for the March 2, 1988 Board meeting. The Board consideration of the petition for a declaratory ruling will be to determine if the well log from an unlicensed driller can be used to complete the application pursuant to General Rules Sections 74:02:01:08.1. The Board will also consider action to be taken regarding construction of the well prior to obtaining a water permit pursuant to SDCL 46-1-15, 46-5-9 and 46-5-10. The Board has legal authority and jurisdiction to consider these matters pursuant to General Rules Section 74:02:01:46 and SDCL 46-2-5, 46-2-9, 46-2-11 and 46-2-17.

February 19, 1988
Notice
Page 2

The public hearing will be held on March 2, 1988 at 3:15 pm, Room 216, Joe Foss Building, 523 E Capitol, Pierre SD. The agenda time is an estimate. The actual time of hearing may be later than 3:15 pm due to prior agenda items. A representative from American Colloid Company should be present to respond to questions. Any correspondence between American Colloid Company and Inyan Kara Well Services, Inc. including letters, bills, receipts, contracts or documents should also be provided at the time of the hearing.

After all evidence is taken at the hearing, the Board may issue a decision to accept the submitted log, reject the submitted log, order the completed well to be plugged, take no action, or some combination of these options. The hearing will be held pursuant to the contested case procedures required by SDCL Chapter 1-26. The hearing is an adversary proceeding and any party has the right to be present at the hearing and to be represented by a lawyer. These and other due process rights will be forfeited, if not exercised at the hearing. Any decision rendered by the Board may be appealed to the Circuit Court and to the State Supreme Court as provided by law.

Inyan Kara Services, Inc. has submitted a South Dakota Well Driller's License Application. However, no well completion report has been received for the well constructed for American Colloid Company. The information supplied on the well completion report is needed to determine if the well construction complies with the Well Construction Standards Chapter 74:02:04. Enclosed is a well completion report form which needs to be completed by Inyan Kara Services, Inc. and returned to the Division of Water Rights.

A list of the current Board members is also enclosed as requested by Mr. Barker.

cc: Harold Deering, Assistant Attorney General
Kenneth E Barker, Attorney

CERTIFICATION

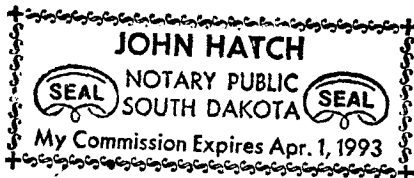
I hereby certify that on February 19, 1988 I have personally deposited with the U.S. Mail postage prepaid envelopes containing Notice of Hearing on Petition for Declaratory Ruling and Consideration of Completion of Works prior to Obtaining a Water Permit addressed to:

Scott Honeyman, American Colloid Company, PO Box 160, Belle
Fourche SD 57717
Kenneth E Barker, Attorney, Box 788, Belle Fourche SD 57717

Karen Schlaak
KAREN SCHLAACK
Senior Secretary

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 22nd day of February, 1988.



John Galt
Notary Public

STEPHENS, QUINN & BUCKMASTER

ATTORNEYS AT LAW

1501 FIFTH AVENUE

P.O. BOX 788

BELLE FOURCHE, SOUTH DAKOTA 57717-1199

PHONE (605) 892-2773

HARRY R. STEPHENS
TERENCE R. QUINN
WESLEY W. BUCKMASTER
MICHAEL W. DAY
RANDALL L. MACY
KENNETH E. BARKER

R.E. BRANDENBURG
OF COUNSEL

February 22, 1988

Mr. John Hatch, Chief Engineer
Water Rights Division
Department of Water and Natural Resources
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181



Dear Mr. Hatch:

I am in receipt of your Notice of Hearing on the Petition for Declaratory Ruling. Please be advised that Mr. Honeyman and myself will appear at that meeting at the scheduled time and place. In addition, we will provide you any documentation that we have.

I agree that the Water Management Board does not have the authority to declare the Petition for Declaratory Ruling prior to notice being given. I would ask that that petition be considered after requisite notice has been published. In my conversations with Ron Duvall I am informed that the next meeting of the Water Management Board will be in May. Accordingly, I wish to have the Petition for Declaratory Ruling held and considered on the record at that time.

In the meantime, as stated in your notice, the Board has the legal authority and jurisdiction to consider whether a defacto licensing of Inyan Kara Services, Inc. is in compliance with the requirements of General Rules §74:02:01:08.1. Please be advised, that American Colloid Company will request that the Board grant a temporary operating permit for the well pending formal notice and hearing and the decision on the Petition for Declaratory Ruling. American Colloid is now in the process of collecting Affidavits from surrounding well owners concerning the operation of the well on a temporary basis.

Very truly yours,

Kenneth E. Barker

KEB/bl

REPORT ON PERMIT APPLICATION No.1431-1
AMERICAN COLLOID COMPANY
March 18,1988

Permit Application No. 1431-1 proposes to appropriate 0.11 cubic feet of water per second from one well 968 feet deep located in the SW 1/4 SW 1/4 Sec.34,T9N-R2E. The Water is to be used for industrial purposes in the American Colloid Plant.

Aquifer: Inyan Kara Aquifer

Geology and Aquifer Characteristics:

The Completion Report and the Geophysical Log which accompany this application, indicate the well that is to be used to supply this permit is completed into the Lakota Formation. The Lakota Formation is composed of cross-bedded, channel-fill sandstone, shale and locally some limestone. The Lakota Formation is unconformably overlain by the Fall River Formation which consists of well bedded, fine-grained sandstone, with some siltstone and claystone. The Lakota Formation and the Fall River Formation make up the Inyan Kara aquifer. The Inyan Kara aquifer underlies approximately 1,431,040 acres of Butte County and contains an estimated 21,465,600 acre-feet of recoverable water in storage in the county (Allen,1984). The Inyan Kara aquifer is under artesian conditions and the well log indicates the static water level of this well is 100 feet below ground surface.

The applicant's well was test pumped for 2 hours at a rate of 65 gallons per minute (GPM) and for 4 hours at a rate of 40 GPM. The pumping level of the well was reported to be 500 feet below ground surface when pumped at 65 GPM, and 670 feet below ground surface when pumped at 40 GPM. The average annual recharge to the Inyan Kara has not been quantified and the source has not been identified. Possible sources of recharge include: Meteoric water and downward leakage through the overlying shale; water taken in at the outcrop; and upward migration of water from the underlying Paleozoic aquifers along solution collapses and breccia pipes associated with fractures. The Division of Water Rights does not monitor any observation wells completed into the Inyan Kara aquifer in this area.

Review of Existing Water Rights:

There are no existing ground water permits or licenses in this area. The nearest permit which relies on the Inyan Kara aquifer as a source belongs to American Colloid Company and is approximately 5 miles east of this well. The Division of Water Rights has record of several domestic wells completed into the Inyan Kara aquifer in this area, the nearest is approximately one mile west of this well.

Conclusions:

1. Application No. 1431-1 proposes to appropriate 0.11 cubic feet of water per second from one well completed into the Inyan Kara aquifer.
2. The Inyan Kara aquifer is a viable aquifer in this area and there is a reasonable probability that unappropriated water is available.
3. Well interference should not be a problem, and this appropriation can be made without impairment of existing water rights.



Kent Buhler
Natural Resources Engineer

References:

- Allen, J.C., D. Iles, A. Petres, 1984, Analysis of Groundwater and Streamflow Data, Western Dakotas Region of South Dakota, Tasks 3 & 4: Groundwater Resource Inventory, U.S. Army Corps of Engineers Contract DAWC 45-82-C-0151, DWNR, Division of Geologic Survey, Vermillion SD
- Division of Water Rights, 1988, "Domestic Well Log Files, and Water Permit Files", DWNR, Division of Water Rights, Joe Foss Building, Pierre SD

RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1431-1, American Colloid Company

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Division, Department of Water and Natural Resources concerning Water Permit Application No. 1431-1, American Colloid Company, PO Box 160, Belle Fourche SD.

The Chief Engineer is recommending APPROVAL of Application No. 1431-1 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) in the public interest with the following qualification:

The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.

See the attached report for additional information.



JOHN HATCH, Chief Engineer
March 31, 1988



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

March 22, 1988

NOTICE

TO: Scott Honeyman
American Colloid Company
PO Box 160
Belle Fourche SD 57717

FROM: John Hatch, Chief Engineer
Water Rights Division
605 773-3352

A handwritten signature in cursive script, appearing to read "John Hatch".

SUBJECT: Permission To Test Pump From Test Well Located In
the SW 1/4 SW 1/4 Section 34-T9N-R2E

On March 2 and 3, 1988, the Water Management Board granted permission to complete test pumping from the test well pursuant to South Dakota Well Construction Standards Section 74:02:04:21. The test pumping period is to end on May 11, 1988.

The water permit application for American Colloid Company will be scheduled for consideration at the May 11 and 12, 1988 Board meeting. Notice will be given of the time and place.

cc: Harold Deering, Assistant Attorney General
Kenneth E Barker, Attorney

CERTIFICATION

I hereby certify that on March 22, 1988 I have personally deposited with the U.S. Mail, postage prepaid envelopes containing Notice for Permission To Test Pump From Test Well addressed as follows:

Scott Honeyman, Ammerican Colloid Company
PO Box 160, Belle Fourche SD 57717

Kenneth E Barker, Attorney
PO Box 788, Belle Fourche SD 57717-1199

Karen Schlaak
KAREN SCHLAACK
Senior Secretary

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 28th day of March, 1988.

John Hatch
Notary Public





Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

Water Rights Division
(605) 773-3352

NOTE:

TO BE SURE OF PUBLICATION ON
THE CORRECT DATES, CONTACT THE
NEWSPAPER RIGHT AWAY.

American Colloid Company
PO Box 160
Belle Fourche, South Dakota 57717

Dear Sir:

Your Application No. 1431-1 for a permit to appropriate water for

industrial use, has been examined and found to
comply with the South Dakota Water Laws and applicable rules. A notice of
your intent to appropriate water has been sent to the Publisher of the

Belle Fourche Daily Post printed at Belle Fourche

South Dakota. For your information, a copy of this notice, the recommendation
of the Chief Engineer and a report on the application are enclosed. Please
review this notice prior to publication and notify this office, if you have
any corrections or questions.

BE SURE TO CONTACT THE ABOVE NEWSPAPER IMMEDIATELY TO AUTHORIZE PUBLICATION
OF YOUR NOTICE OF INTENT TO APPROPRIATE WATER AND TO ARRANGE FOR PAYMENT.
Early contact with the paper can eliminate delays. The publisher has been
instructed to publish your notice once each week for two consecutive weeks
with the last publication to occur at least twenty days before the board
meeting. We must receive Proof of Publication before the application can be
considered by the Water Management Board.

Sincerely,

RON DUVALL
Natural Resources Engineer

enclosures



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

Belle Fourche Daily Post
1004 5th Street
Belle Fourche, South Dakota 57717

Dear Sir:

Enclosed is a Notice of Hearing on Application No. 1431-1 to be published twice. Please publish the first notice on or before April 11, 1988 with the second publication 7 days later.

The APPLICANT MUST VERIFY TO YOU THAT THE NOTICE IS TO BE PUBLISHED, before you make the first publication. Please BILL the APPLICANT for the cost of publication. The APPLICANT is American Colloid Company, PO Box 160, Belle Fourche, South Dakota 57717.

A copy of BOTH publications must be SENT to the WATER RIGHTS DIVISION. IMMEDIATELY return the FIRST publication with the FIRST Transmittal form on the bottom of this page. The first copy is needed to check the publication for errors so any corrections can be made in the second publication. Publication errors can invalidate the public notice and cause the applicant costly delays.

Please be sure the SECOND publication is returned IMMEDIATELY with the enclosed Proof of Publication form. DO NOT WAIT until the end of the month or the billing cycle. The permit application cannot be considered by the Water Management Board until proof of publication has been received.

Sincerely,

Ron Duvall
Natural Resources Engineer
605 773-3352

enclosures

CUT HERE

FIRST TRANSMITTAL NOTICE

No. _____

TO: Water Rights Division
Joe Foss Building
Pierre SD 57501-3181

Date _____

We are in receipt of your letter of _____ enclosing Notice of Hearing to Appropriate Water by Application No. _____ which was first published in our issue of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name _____

Newspaper _____

No. 1431-1

Instruction to Newspaper - Publish first publication of the following Notice on or before April 11, 1988 with 2nd publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1431-1 to Appropriate Water
and/or to Amend Water Permit or Water Right No. _____

Notice is hereby given that American Colloid Company whose mailing address is PO Box 160, Belle Fourche, South Dakota has made an application for a permit to appropriate 0.11 cubic feet of water per second from one well (Inyan Kara Aquifer) 968 feet deep located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 34-T9N-R2E. Water is to be used for industrial purposes in the American Colloid Plant.

Pursuant to SDCL 46-2A-2 the Chief Engineer of the Water Rights Division recommends

APPROVAL of Application No. 1431-1 because 1) unappropriated water is available, 2) will be no unlawful impairment of existing rights, 3) is beneficial use of water and 4) is in the public interest.

This application will be considered by the Water Management Board at room 216, Joe Foss Building, 523 E. Capitol, Pierre, South Dakota, May 11 1988 at 10:00 am.

The recommendation of the Chief Engineer is not final or binding upon the Board and the Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application after it reaches a conclusion based upon facts presented at the public hearing. Any interested person who may be affected by a Board decision and who intends to participate in the hearing before the Board and present evidence or cross-examine witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and the Chief Engineer by April 29, 1988. The petition may be informal, but it must include a statement describing the petitioners interest in the application, the reasons for the petitioner's opposition to or support of the application, and the signature and mailing address of the petitioner or his legal counsel if legal counsel is obtained. The applicant need not file a petition.

This application is made pursuant to the provisions of SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-15; 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15; 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2 46-5-30.4, 46-5-31; (ground) 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14; (future use) 46-5-38 thru 46-5-40; (transfer lands) 46-5-30.4, 46-5-33 thru 46-5-35; (10,000 AFA) 46-5-20.1, 46-5-8.1; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15 (future use) 74:02:01:24 thru 74:02:01:25; (10,000 AFA) 74:02:01:15:02 thru 74:02:01:15:05.

This hearing is an adversary proceeding. The applicant or any person, after filing a petition, has the right to be present or to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised. Decisions of the Board may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Any person wishing a copy of the Chief Engineer's recommendation, further information on this application or to assure access to the hearing by the handicapped can contact the Water Rights Division, DWNR, Joe Foss Bldg, Pierre SD (605 773-3352) for assistance prior to the hearing date. The time of the hearing will be automatically extended for at least twenty days upon written request of the applicant or any person who has filed a petition to oppose or support the application. The request for extension must be filed with the Chief Engineer by April 29, 1988.

No. 1431-1

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
County Butte) ss.

I, Marion Susan hereby

certify that the annexed printed copy of Notice of Intent to Appropriate

Water was taken from the Belle Fourche Daily post

A newspaper which during the whole time of publication of said notice
herein after stated, has been and is printed and published in the

State of South Dakota

County of Butte and State of South Dakota;
that the said notice was published in said newspaper on the following
two dates:

April 9, 1988

April 16, 1988

(Signature)

Editor Marion Susan

(Title)

April 18, 1988

(Date Signed)

Cost of Printing: \$41.40



NOTICE OF HEARING
ON APPLICATION
No. 1431-1

to Appropriate Water

Notice is hereby given that American Colloid Company whose mailing address is P.O. Box 160, Belle Fourche, South Dakota has made an application for a permit to appropriate 0.11 cubic feet of water per second from one well (Inyan Kara Aquifer) 968 feet deep located in the SW1/4SW1/4 Section 34-T9N-R2E. Water is to be used for industrial purposes in the American Colloid Plant.

Pursuant to SDCL 46-2A-2 the Chief Engineer of the Water Rights Division recommends APPROVAL of Application No. 1431-1 because 1) unappropriated water is available, 2) will be no unlawful impairment of existing rights, 3) is beneficial use of water and 4) is in the public interest.

This application will be considered by the Water Management Board at Room 216, Joe Foss Building, 523 East Capitol, Pierre, South Dakota on May 11, 1988 at 10:00 a.m.

The recommendation of the Chief Engineer is not final or binding upon the Board and the Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application after it reaches a conclusion based upon facts presented at the public hearing. Any interested person who may be affected by a Board decision and who intends to participate in the hearing before the Board and present evidence or cross-examine witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and the Chief Engineer by April 29, 1988. The petition may be informal, but it must include a statement describing the petitioner's interest in the application, the reasons for the petitioner's opposition to or support of the application, and the signature and mailing address.

38 thru 46-5-40; (transfer lands)
46-5-30.1, 46-5-33 thru 46-5-35;
(10,000 AFA) 46-5-20.1, 46-5-
8.1; and Board Rules ARSD
74:02:01:01 thru 74:02:01:15
(future use) 74:02:01:24 thru
74:02:01:25; (10,000 AFA)
74:02:01:15:02 thru
74:02:01:15:05.

This hearing is an adversary proceeding. The applicant or any person, after filing a petition, has the right to be present or to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law.

Any person wishing a copy of the Chief Engineer's recommendation, further information on this application or to assure access to the hearing by the handicapped can contact the Water Rights Division, DWNr, Joe Foss Bldg., Pierre SD (605 773-3352) for assistance prior to the hearing date. The time of the hearing will be automatically extended for at least twenty days upon written request of the applicant or any person who has filed a petition to oppose or support the application. The request for extension must be filed with the Chief Engineer by April 29, 1988.

2t4/9-16

dress of the petitioner or his legal counsel if legal counsel is obtained. The applicant need not file a petition.

This application is made pursuant to the provisions of SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-15; 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15; 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2, 46-5-30.4, 46-5-31; (ground) 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14; (future use) 46-5-



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

Water Rights Division
605 773-3352

DEC 1 1988

American Colloid Company
PO Box 160
Belle Fourche, South Dakota 57717

Dear Sir:

Enclosed is your Water Permit No. 1431-1 as approved by the Water Management Board authorizing the water diversion system and apply the water to beneficial use, not exceeding the limits as specified in the Water Permit.

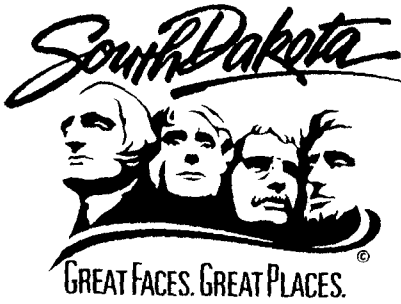
We will schedule an inspection so that the Water License may be issued to you, thus completing your acquisition of a Water Right.

Very truly yours,

JOHN HATCH, Chief Engineer
Water Rights Division

JH:ms

enclosure



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

October 6, 1997

1431-1

American Colloid Company
%Darryl Jozwik, Permitting Technician
P.O. Box 2010
Belle Fourche, SD 57717

Dear Mr. Jozwik:

The investigation of your water use system, including the extent of application of water to beneficial use, as developed under Water Permit No. 1431-1, has been completed. Your final water right document, the Water License, can now be issued.

Statutes require that we charge a \$50.00 fee for the investigation and issuance of the Water License. Upon receipt of the \$50.00 fee from you, we will begin processing your Water License.

**Please remit fee to:
Department of Environment & Natural Resources
Water Rights Program
523 E. Capitol
Pierre, SD 57501-3181**

Sincerely,

Cheryl F. Frost
Secretary
Water Rights Program
(605) 773-3352

NOTE: On check or money order, please specify your permit number. This will insure proper handling of the fee.

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

411122

Pierre, January 13, 1911

RECEIVED OF American Colloid Company, 5100 Suffield Court, St. Paul, Minn., Ill.

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>1431-1</u> to Appropriate Water, to construct works and to put water to beneficial use	150	00
Fee for Application for Permit No. _____ to Appropriate Water for Future Use		
Fee for Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for Certified Copy of _____		
Fee for Print Copy of Map _____		
Fee for Certifying _____		
Fee for _____		
(Any Other Work Provided by Law)	Total	150 00

By John Hatch

FIELD INVESTIGATION REPORT FOR PERMIT NO. 1431-1

DATE OF INVESTIGATION	August 11, 1997
NAME & ADDRESS OF INVESTIGATION CONTACT/ RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE	Doug Brooker during investigation Darryl Jozwik via phone/letter
NAME & ADDRESS OF PERMIT HOLDER	American Colloid Company PO Box 2010 Belle Fourche SD 57717
DIVERSION POINT LEGAL LOCATION	Well: 1,560 feet W and 2,000 feet N from the SE corner of sec 33- T9N-R2E (NW $\frac{1}{4}$ SE $\frac{1}{4}$)

Other permit(s) associated with the project: 1195-1

WELL INFORMATION:

- 1) Well Drilling Firm: Inyan Kara Services, Inc
- 2) No. of Wells 1
- 3) Depth(s) 968 feet
- 4) Well log is available Y
- 5) Comment: Location of well on completion report is incorrect

Casing:

- 1) Diameter 8 inches
- 2) Length 968 feet
- 3) Type steel

Screen:

- 1) Type none
- 2) Static water level 100 feet

Pump/Motor:

- 1) Make submersible unit
- 2) Model unknown
- 3) Capacity 10 GPM

DISTRIBUTION LINES OR CANALS:

Water is distributed throughout the facility for use in processing bentonite products and use in the laboratory.

PERMIT QUALIFICATIONS:

- 1) Special qualifications to permit being abided by Y
- 2) All structures, wells and lands on map Y

Permit No. 1431-1
Belle Fourche River - Water District

Report of Examination of Works and/or Application of Water to Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, **August 11, 1997**, made a thorough examination of the water use system constructed by **American Colloid Company** of **PO Box 2010, Belle Fourche SD 57717** holder of Permit No. **1431-1**, bearing the priority of **January 13, 1988** authorizing the diversion of **0.11** cu. ft. per second of the waters of **ground water (Inyan Kara Formation)** for **industrial** purposes, in **Butte** County.

I have to report on the conditions of the same as follows:

A. Works used to divert the water:

Pump/Motor:

- 1) Make **submersible unit**
- 2) Model **unknown**
- 3) Capacity **10** GPM

B. Works used to transport water to place of use:

Water is distributed throughout the facility for use in processing bentonite products and use in the laboratory.

The system is in the following condition **good**. The point of diversion is located ***Well: 1,560 feet W and 2,000 feet N from the SE corner of sec 33-T9N-R2E (NW¼SE¼)**. The works are capable of diverting and conveying to the place of use **0.022** cu. ft. per second of water which is to be used for **processing bentonite and lab use**. Water has been put to beneficial use to the maximum extent and the license should be issued for **0.022** cfs.

Applicable permit qualifications have been complied with: Yes **X** No

Exceptions to compliance are: **none** Date report completed: **September 23, 1997**


Ron Duvall
Natural Resources Engineer
DENR, Water Rights Program

*The location of the well was incorrectly identified on the application map. See the attached file documentation to correct the well location in accordance with SDCL 46-5-13.1.

Approval of Diversion Point Location Change

NAME: American Colloid Company

ADDRESS: PO Box 2010, Belle Fourche SD 57717

DATE: August 11, 1997 **COUNTY:** Butte county **TELEPHONE:** 605 892-3178

AUTHORITY:

Pursuant to SDCL 46-5-13.1, the location of a diversion point may be changed or additional diversion points may be licensed provided the following conditions are met and the potential for interference with other existing diversions is not increased:

- **Developed water source same as permitted source and no additional water appropriated**

The production well was in place prior to Permit No. 1431-1 being approved. However, the location of the well described on the application map and well completion report was inaccurate. The water source is the same as identified on the permit and the amount of water developed is less than that allowed by the permit.

- **Review of Existing Diversions**

The well for American Colloid is located in the same 40 acre area as the well for the livestock salebarn. However, the salebarn well is not located in the same ground water formation. According to well location reports on file, another well is located within a mile of the production well and in the same formation. This well and American Colloid's well both produce small amounts of water and interference should not be a problem. There are no documented reports of well interference concerning American Colloid's well.

RECOMMENDED ACTION

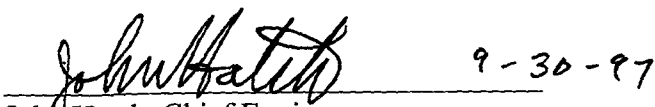
Based on the above criteria, it is recommended that the diversion point be licensed as developed.



Ron Duvall, Natural Resources Engineer
Water Rights Program

The Chief Engineer makes a finding pursuant to SDCL 46-5-13.1 that:

This change in location does not increase the potential for interference with existing diversions. In making this finding, "does not increase the potential for interference" is interpreted to mean potential for adverse interference.



John Hatch, Chief Engineer
Water Rights Program

NOT TO SCALE

NOT TO SCALE

Don J. Small
Natural Resources Engineer
9/23/97

33
center of sec 33

N
1" = 660'

1560'

2000'

9.2

Permit No 1431-1

1432

E-18

144.6

34

center of sec 34

1434

9.2

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 1431-1

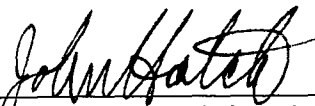
(1) American Colloid Company, PO Box 2010, Belle Fourche, SD 57717 made Application No. 1431-1, January 13, 1988, for a water permit to divert 0.11 cubic feet of water per second from ground water (one existing Inyan Kara well), Butte County, South Dakota for industrial purposes. Permit No. 1431-1, with a priority date of January 13, 1988 was approved May 11, 1988 and issued to the applicant for diversion of water with construction of the described water supply system completed and the application to beneficial use of said water completed.

A review of the file following the investigation of the water use system found the location of the well described on the application map and well completion report was inaccurate. The water source is the same as identified on the permit and the amount of water developed is less than that allowed by the permit. Pursuant to SDCL 46-5-13.1, the Chief Engineer makes a finding that the change in location does not increase the potential for interference with existing diversions.

(2) It is certified that the applicant has complied with the provisions of South Dakota State Law relating to completion of the construction of the water supply system and is entitled to divert 0.022 cubic feet of water per second for beneficial use. The location of the diversion point is 1,560' W and 2,000' N from the SE corner of Section 33, T9N, R2E (NW¼ SE¼).

(3) The applicant has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use. Water is distributed throughout the facility for use in the laboratory and for use in processing bentonite products.

(4) Pursuant to South Dakota Water Law 46-5-30.1 American Colloid Company, PO Box 2010, Belle Fourche, SD 57717 the holder and/or owner of Water Permit No. 1431-1 is issued a license to appropriate water, the right to use 0.022 cubic feet of water per second from ground water (one well) with a priority date of January 13, 1988 from the location specified in (2) of this license, for industrial purposes. This license is subject to any limitations or qualifications listed in Water Permit No. 1431-1 and subject to South Dakota State Law.


JOHN HATCH, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

NOV 12 1997

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

NOV 12 1997

1431-1

American Colloid Company
%Darryl Jozwik, Permitting Technician
P.O. Box 2010
Belle Fourche, SD 57717

Dear Mr. Jozwik:

Enclosed is Water License No. 1431-1. This is the final water right document completing your process of obtaining a Water Right. Enclosed is Receipt No. 415506 in the amount of \$50.00 which you paid for the investigation and issuance of the Water License.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the well authorized by Water Right No. 1431-1, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as you use the water beneficially, as stated in the Water License, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Very truly yours,

JOHN HATCH, Chief Engineer
Water Rights Program
(605) 773-3352

gm
enclosures

January 17, 2001

2000 South Dakota Water Use Questionnaire

To:

Address correction requested:

AMERICAN COLLOID COMPANY
PO BOX 2010
BELLE FOURCHE SD 57717

One questionnaire is being provided for each permitted water source. The following information is based on Water Permit/Right No. 1431-1. If you have other permits/rights in the same water source, also include water use under those permits/rights on this questionnaire.

Water Source: GROUNDWATER

County: BUTTE

Aquifer: INYAN KARA GROUP

Pumping Pt. Legal: SEC 33-T009N-R02E

Management Unit: NOT APPLICABLE

Type of Water Use: INDUSTRIAL

1) Please estimate your year 2000 water use from the above water source: 0 gallons

2) If no water use in 2000, please list the reason(s) why in the comments section.

Comments:

Connect to municiple water system

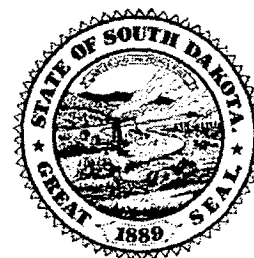
Contact Person:

Lyndon Bucher

Telephone No:

892-6371

Questions? Please call Mark Rath or Ron Duvall at 605 773-3352 for assistance.



Thank you for completing the 2000 water use questionnaire.

Water Rights on the Web: www.state.sd.us/denr/wr



Water Rights Program - File Documentation

NAME: American Colloid Co., Lyndon Bucher

ADDRESS: PO Box 2010, Belle Fourche SD 57717

DATE: 3-26-2001 **COUNTY:** BU **TELEPHONE:** 605 892-6371

RE: 2000 SD Water Use Questionnaire

COMMENTS:

I spoke with Lyndon Bucher regarding his comment on the questionnaire that they were connected to municipal water. After talking with the plant manager, Mr. Bucher stated the well authorized by this permit is maintained as a back-up supply for industrial use by the business.

Karen Schlaak

Karen Schlaak
Environmental Scientist

FILING NO.

WELL AMERICAN COLLOID BELLE FOURCHE W-W #3

FIELD BELLE FOURCHE

COUNTY BUTTE STATE SOUTH DAKOTA

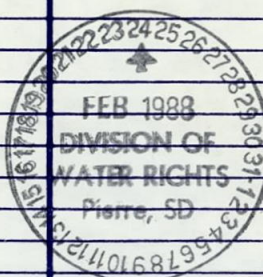
LOCATION: 2 miles northwest of Belle Fourche
SW SW sec 34
SEC 34 TWP 9N RGE 1E

OTHER SERVICES:
PERFORATE

PERMANENT DATUM: Ground Level, ELEV. N.A.
LOG MEASURED FROM N.A. FT. ABOVE PERM. DATUM
DRILLING MEASURED FROM N.A.

ELEV.: K.B. N.A.
D.F. _____
G.I. N.A.

DATE	12/22/87
RUN NO.	One
TYPE LOG	G/R-N/N-CCL
DEPTH—DRILLER	968'
DEPTH—LOGGER	964'
BOTTOM LOGGED INTERVAL	963'
TOP LOGGED INTERVAL	300'
TYPE FLUID IN HOLE	Water
SALINITY, PPM CL.	
DENSITY	
LEVEL	Full
MAX. REC. TEMP., DEG F.	
OPERATING RIG TIME	1 Hour
RECORDED BY	D. Strong
WITNESSED BY	Mr. Riehema



RUN	BORE-HOLE RECORD			CASING RECORD			
NO.	BIT	FROM	TO	SIZE	WGT.	FROM	TO
1	6½"	Surface	1020'				
2	12½"	Surface	980'	8 5/8"	24#	Surface	968'

FOLD HERE

EQUIPMENT DATA

GAMMA RAY		NEUTRON	
RUN NO.		RUN NO.	
TOOL MODEL NO.		LOG TYPE	
DIAMETER		TOOL MODEL NO.	
DETECTOR MODEL NO.		DIAMETER	
TYPE		DETECTOR MODEL NO.	
LENGTH		TYPE	
DISTANCE TO N. SOURCE		LENGTH	
		SOURCE MODEL NO.	
GENERAL		SERIAL NO.	
HOIST TRUCK NO.		SPACING	
INSTRUMENT TRUCK NO.		TYPE	
TOOL SERIAL NO.		STRENGTH	

LOGGING DATA

[illegible]

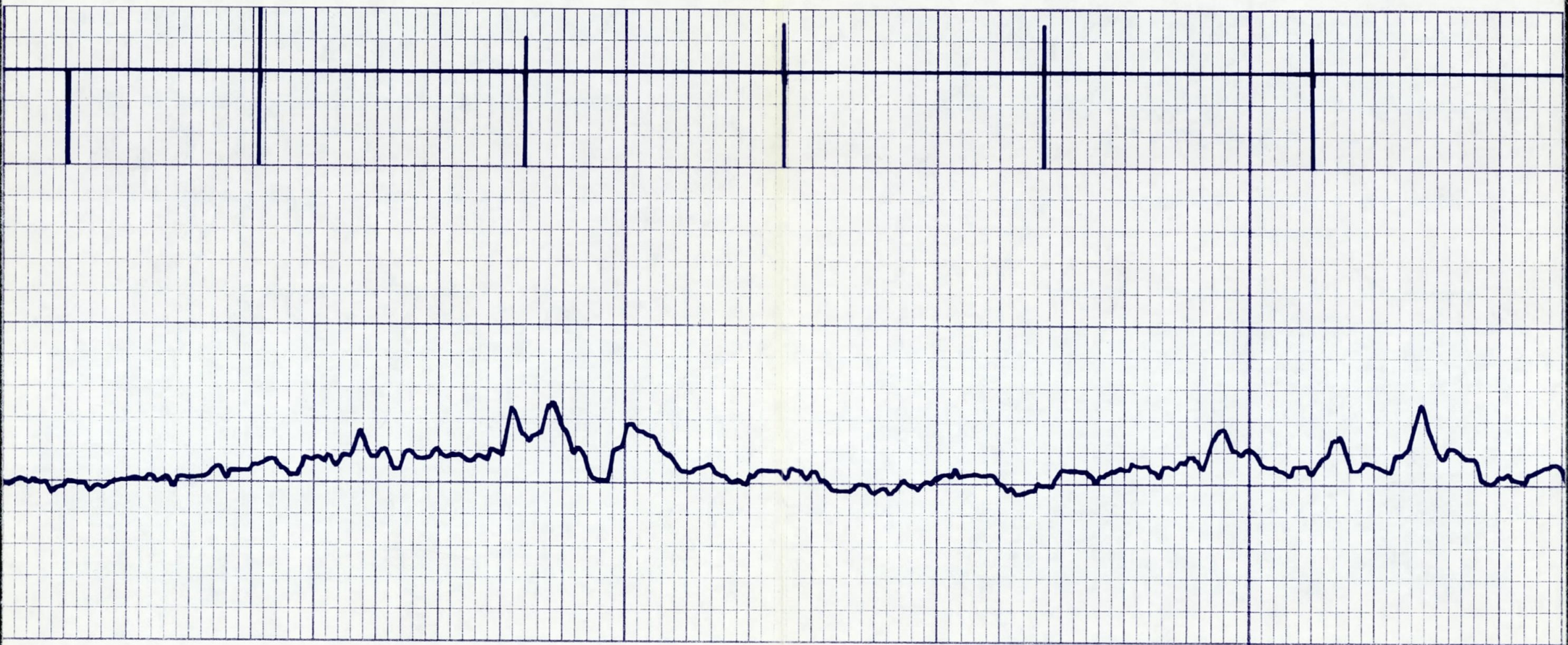
REFERENCE LITERATURE:

REMARKS

GAMMA RAY

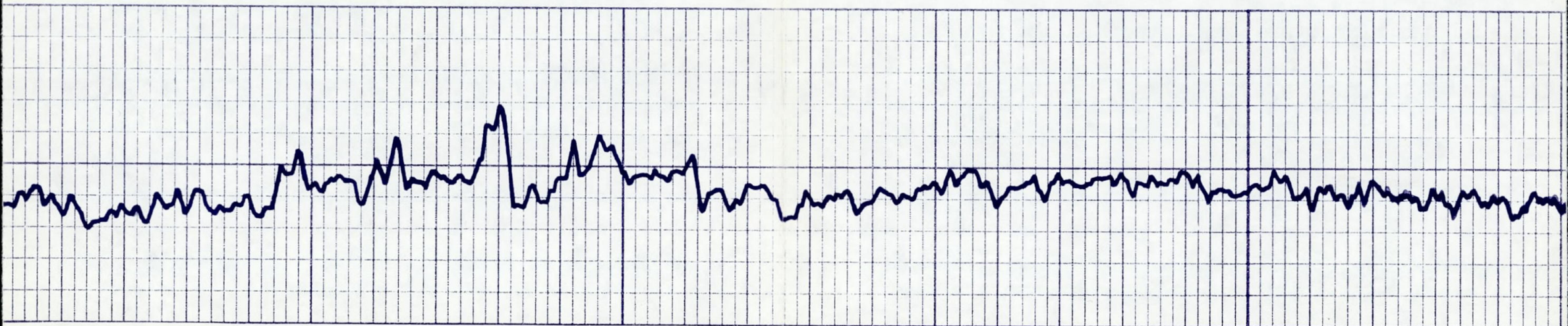
CASING COLLARS

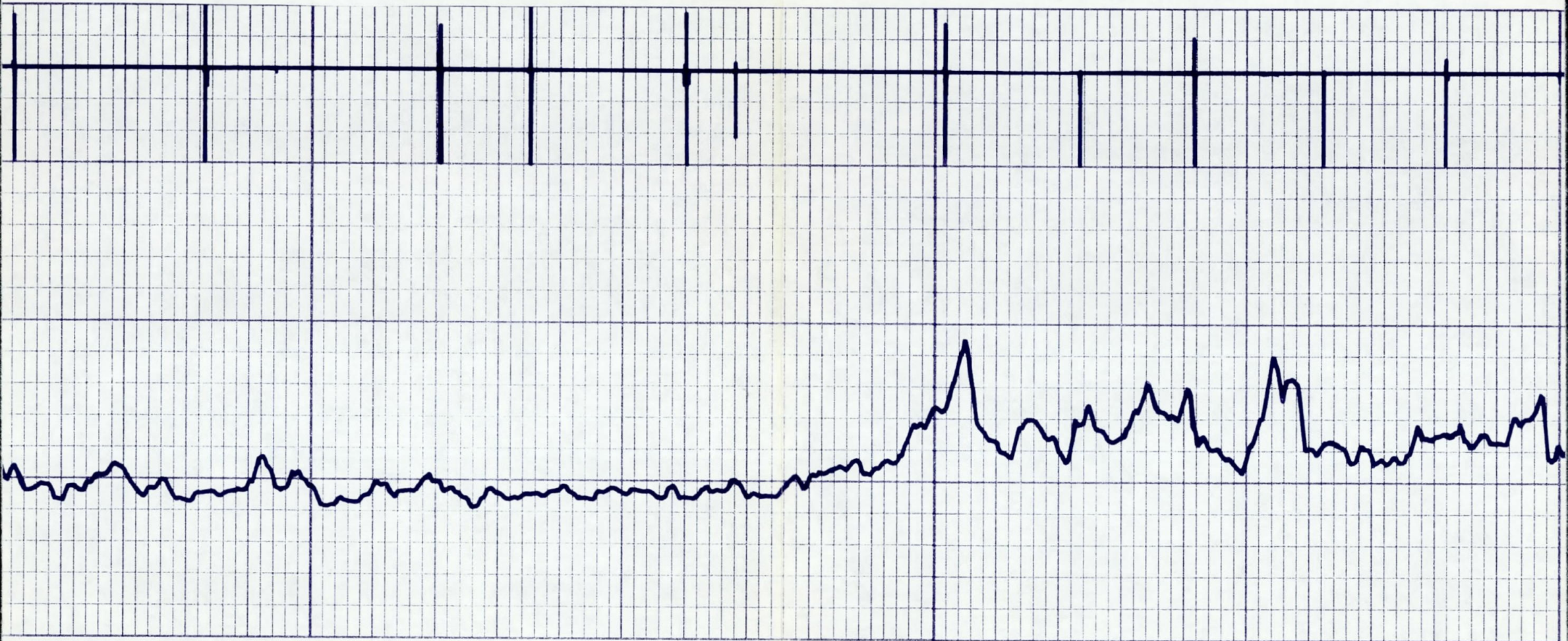
Neutron



400

500





600

700

800

