

Considered: _____

WATER PERMIT NO. 1435-1

MAP No. same 642-7741

Name of Applicant Pope and Talbot, Inc.

Post Office Address Box 850, Spearfish SD 57783

Amount of Water Claimed 1 cfs Total Acres NA

Source of Water Supply ground water - 1 well, Madison Formation

Water to be used for industrial purposes County Lawrence

About NW miles corner of Spearfish.

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

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

PRIORITY _____ Date Received March 7, 1988 Fee \$325.00 Remarks _____

Corrected Application Received Mar. 21, 1988 Period of Annual Use Jan 1 - Dec 31

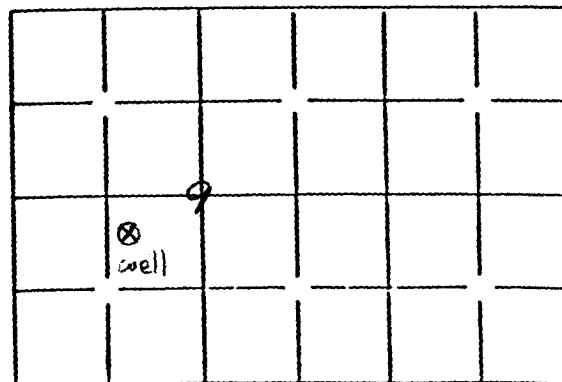
WATER QUALITY APPROVAL RECEIVED NA APPROVED/CONDITIONAL (Circle one)

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

Diversion Point well: NE 1/4 SW 1/4 section 9-

T6N-R2E

Land to be Irrigated NA



Well Log: Driller Taylor Licensed YES ☒ NO ☐

Depth of Well 855 feet REMARKS _____

Type of Map plat PREPARED BY James D. Walker Reviewed and the Number

assigned on March 23, 1988 By Ron Duval

**SOUTH DAKOTA
WATER PERMIT**

Date of first receipt of application March 7, 1988

Date of return to applicant for correction, amendments or changes required March 8, 1988

Date of receipt of corrected application March 21, 1988

The Water Management Board approved Water Permit Application No. 1435-1

on July 27, 1988 for Pope & Talbot, Inc.

(Applicant)

Box 850 Spearfish, South Dakota 57783
(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. 1435-1 appropriates 1.0 cubic feet of water per second from one well (Madison Formation) 855 feet deep located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 9-T6N-R2E.
2. The water appropriated shall be used for the purpose of processing wood products, for sanitary purposes and for fire protection.
and may not exceed the amount of water needed for beneficial use for industrial use.
3. The water is to be used during the following described annual period: January 1 - December 31.
4. The date from which applicant may claim the right is March 7, 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 Hatch*

Chief Engineer

NOV 23 1988

Division of Water Rights
Dept. of Water and Natural Resources

Mail to: Water Rights Div.
DWNR, Foss Bldg.
Pierre, SD 57501
(605) 773-3352
P.L. 1/27/88

No. 1435-1 Hydrologic Unit 10120203
Map No. same Basin Belle Fourche R.
Newspaper Spearfish Daily Queen City Mail, Box 7

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. _____

- Name of Applicant DOPE & TALBOT INC. Phone No. (605) 642-7741
Post Office Address Box 850 SPEARFISH State S.D. 57783
(Street, RR or Box) (City) (Zip Code)
- Amount of water claimed (c.f.s.) 450 G.P.M. 1.0 cfs
- Source of water supply MADISON F.M.
- Location of point of diversion S 26° 00' 18" E, 3639.3 FT. FROM
N.W. CORNER SEC 9, T-6N, R-2E B.H.M.
NE $\frac{1}{4}$ SW $\frac{1}{4}$ _____ County LAWRENCE
- Counties where water will be used LAWRENCE
- Annual period during which water is to be used 12 MO. January 1 - December 31
- 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)

See Taylor Report ATTACHED

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 Lawrence) ss

Pope + Talbot Inc
I, Pope + Talbot Inc 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.

Signed Jim Rauek Res. Mgr. Pope + Talbot

Subscribed and sworn to before me this 23 day of February 19 88

Lori A. Spring
Notary Public

Affidavit of Water Use

No. _____

(Type or Print in Ink)

Note: This Form is supplemental to Form 2 and is to be used when an affidavit pertaining to construction and water use already constructed is needed, primarily with vested right claims.

**Affidavit Of Construction Of Water Use System
And Application Of Water To Beneficial Use**

Name of Applicant (Same as Form 2) POPE & TALBOT
 Post Office Address Box 850 SPEARFISH S.D. 57783
(Street, RR or Box) (State) (Zip Code)

- A. Notice of Appropriation _____ Date of Posting _____
 Date of recording _____ Recording date _____
Where Book Page
- B. Date of start of construction of water supply system OCT 1 1987
- C. Date that water was first applied to beneficial use NOV 14 1987
- D. Name of owner of original water supply system POPE & TALBOT INC.
- E. Amount of water originally applied to beneficial use 450 G.P.M.
- F. Present Use of Water - Amount of water now being used 450 G.P.M.
 Date that this water was first used NOV 14 1987
- G. Chronological History of Water Use

Attach to this Form 2B any copies of notices, postings, filings, publications, affidavits, or other records that apply. You may also attach any written statement by you, or by others, that you deem pertinent.

 State of South Dakota)
) ss

County of _____)

I, Pope & Talbot Inc the applicant, certify that I have read the foregoing
(print or type)
 and that the matters therein stated are true.

X Signed Jim Ravick Res. Mgr. Pope & Talbot Inc

Subscribed and sworn to before me _____, 19____

 Notary Public or other qualified officer

I, the undersigned do hereby certify that I know about the water use system described above, that I have read the foregoing, and that the matters therein stated are true.

 _____ 19____
(Print name)

 _____ 19____
(Print name)

Supplemental Information

(type or print in ink)

1. Well Information - Proposed construction

- a) Drill Hole Diameter 8 3/4" Depth 855 FT.
- b) Casing Type STEEL Diameter 7" Thickness 23 LB/FT
- c) Screen Type - O - Diameter _____ Thickness _____
- d) Gravel Pack Thickness - O - Length of Gravel Pack _____
- e) Depth to Top of Water Bearing Material 665 FT.
- f) Depth to Water (ground surface to water level) 100'
- g) Distance to nearest existing domestic well:
On applicants property 800 FT. On property owned by others _____

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

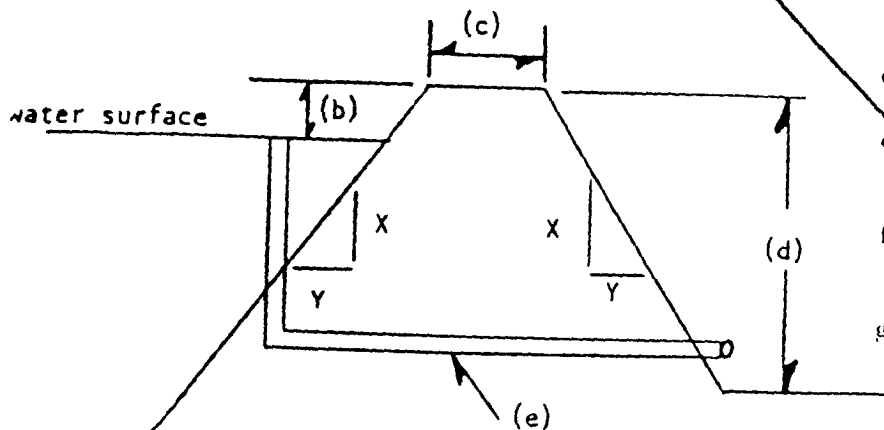
Upstream _____

Downstream _____

Surface Area of Impoundment _____

Storage _____ acre feet

Drainage area above dam _____



Signature of Applicant _____

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

411177

Pierre, March 21, 19 88

RECEIVED OF Pope & Talbot, Inc., Box 850, Spearfish, SD 57783

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

Fee for Application for Permit No. <u>1435-1</u> to Appropriate Water, to construct works and to put water to beneficial use _____	325	00
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. _____		
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	325 00

By

John Hatch

SOUTH DAKOTA WATER WELL COMPLETION REPORT

10-85

Location NE 1/4 SW 1/4 Sec 9 Twp 6N Rg 2E

County

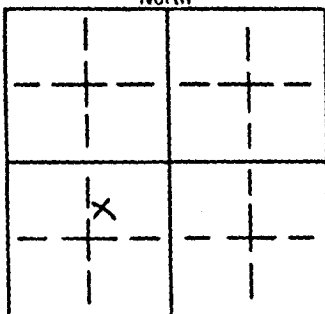
Lawrence

North

W

E

1 mile

Please mark well
location with
in "X"Well Completion Date October 7, 1987

PROPOSED USE:

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

Method of Drilling:

Air Rotary

CASING DATA:

- ☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>23</u> LB/FT	<u>7</u> IN	<u>0</u> FT	<u>662</u> FT	<u>8 3/4</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 ☐ NO

To what depth? _____ FEET

What is grouting material? cement

If cement, number of sacks? _____

Describe grouting procedure pressure grouted
through casingWhat was grout weight? 15 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 _____

Was a packer or seal used? ☐ YES ☒ NO

If so, what material? _____

Describe packer(s) and location? _____

Was well disinfected upon completion? ☒ YES ☐ NOExplain granular chlorine placed in wellBacteriological analysis ☐ YES ☒ NO

Laboratory sent to _____

Well Owner:

Name Pope & Talbot, Inc.Address P.O. Box 850 Spearfish, SD 57783

Well Log:

Depth

Formation

From

To

<u>Colluvium</u>	<u>0</u>	<u>5</u>
<u>Minnekahta limestone</u>	<u>5</u>	<u>45</u>
<u>Opeche shale</u>	<u>45</u>	<u>142</u>
<u>Minnelusa Fm</u>	<u>142</u>	<u>665</u>
<u>Madison</u>	<u>665</u>	<u>855</u>

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☐ BailedDescribe: Air Developed☒ Other

Pumping Level Below Land Surface

800 ft. After 3 Hrs. pumped 400 GPM400 ft. After 2 Hrs. pumped 300 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

REMARKS:

This well was drilled under license # 331

And this report is true and accurate.

Drilling firm TAYLOR DRILLING COMPANY

Signature of License Representative:

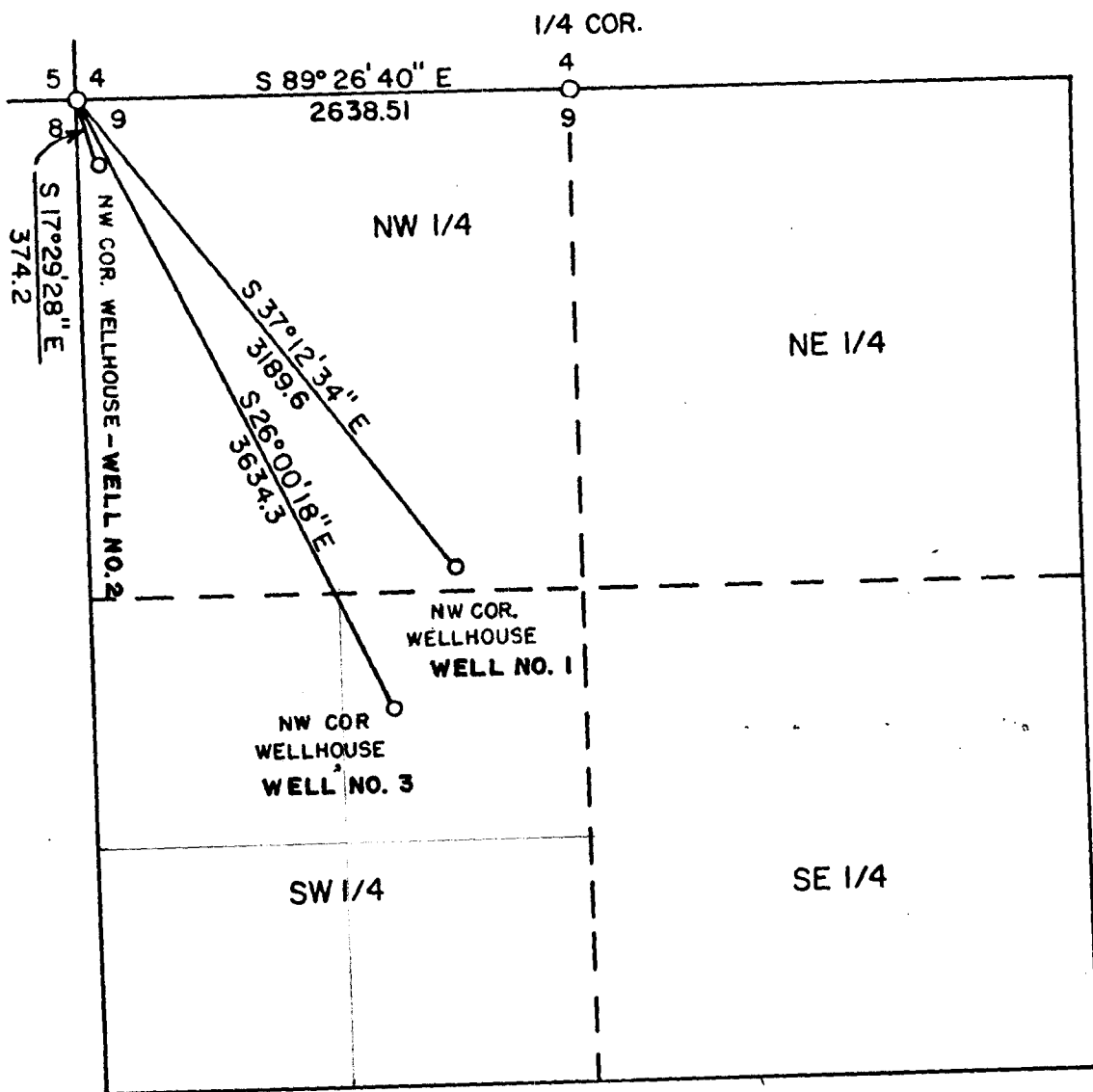
Ralph Taylor

Signature of Well Owner:

*

Date November 5, 1987

POPE & TALBOT WELL LOCATIONS
SECTION 9, TOWNSHIP 6N, RANGE 2E, B.H.M.
LAWRENCE COUNTY, SD

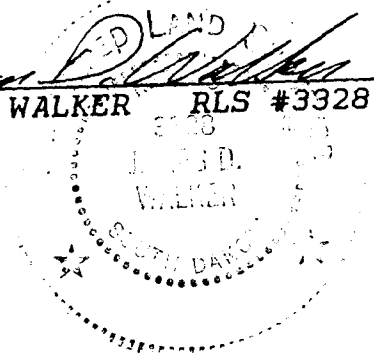


SURVEYOR'S CERTIFICATE

I, JAMES D. WALKER, A REGISTERED LAND SURVEYOR IN THE STATE OF SOUTH DAKOTA, ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, CERTIFY TO POPE AND TALBOT, INC., THAT AS A RESULT OF A SURVEY MADE IN FEBRUARY, 1988, UNDER MY SUPERVISION, ON THE GROUND TO THE NORMAL STANDARD OF CARE OF PROFESSIONAL LAND SURVEYORS PRACTICING IN THE STATE OF SOUTH DAKOTA, THAT I FIND THE WELL LOCATIONS TO BE AS SHOWN HEREON. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH TO DETERMINE OWNERSHIP OR EASEMENTS OF RECORD AS PERFORMED BY NJS ENGINEERING.

James D. Walker
JAMES D. WALKER RLS #3328

FEB. 9, 1988
DATE



PREPARED BY: NJS ENGINEERING
SPEARFISH, SD
PROJECT # 1637
FEB., 1988

Appl. No. 1435-1

SOUTH Dakota Department of
Water & Natural Resources

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

November 12, 1987

Pope & Talbot, Inc.
PO Box 850
Spearfish SD 57783

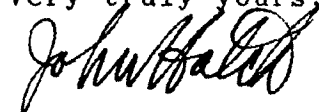
Dear Sirs:

A well drillers report filed with this office by Taylor Drilling Company indicates you have recently completed a new well. The well driller is required by South Dakota Compiled Laws (SDCL 46-6-11) to file a well construction report within 30 days of completion. The purpose of this letter and the enclosed "Summary of South Dakota Water Law and Water Rights Information" are to provide general information and to inform you, the well owner, of the responsibilities you have incurred.

1. If your new well was drilled as a replacement well and if you do not plan to use the old well, the old well is considered abandoned and must be plugged pursuant to SDCL 46-6-27. Other abandoned wells must also be plugged.
2. If the old well is not to be abandoned, or will be used, the well must still be sealed or capped at the surface pursuant to SDCL 46-6-27.

Please feel free to contact us if you have questions, need information or water permit application forms.

Very truly yours,



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

cc: Well Driller

Enclosure



Department of Water & Natural Resources

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

March 8, 1988

Jim Rauck, Res. Mgr.
Pope & Talbot, Inc.
Box 850
Spearfish, SD 57783

Dear Mr. Rauck:

This letter is in response to the water permit application and vested water right claims received on March 7, 1987. The following information needs to be submitted to complete the applications:

- 1) The vested right claims can be submitted on one application form for one application fee of \$15.00. Enclosed is an application form including well Nos. 1 and 2. The application needs to be signed and notarized and the Affidavit of Water Use (Form 2B) also needs to be signed and notarized.
- 2) Enclosed is the application fee check for \$355.00. The fee for the water permit application and the combined vested right claim is \$340.00. Please remit the correct fee.
- 3) Please indicate if well logs are available for the wells constructed in 1940. If logs are available, return a copy with the enclosed applications.
- 4) Please give a brief description of the water use history for well Nos. 1 and 2 in part G. on the Affidavit of Water Use.

Please contact me if you have any questions regarding the above items. The water permit application and vested right claim can not be processed for consideration by the Water Management Board until the applications are complete.

Sincerely,

A handwritten signature in cursive script that reads "Ron Duvall". The signature is written in dark ink and is positioned below the word "Sincerely,".

Ron Duvall
Natural Resources Engineer
enc.

REPORT ON PERMIT APPLICATION No.1435-1
POPE AND TALBOT, Inc.
May 12, 1988

Application No. 1435-1 proposes to appropriate 1.0 cubic feet of water per second from 1 well (Madison Formation), 855 feet deep located in the NE⁴SW⁴ Sec.9, T6N-R2E. Water is used for industrial purposes in the processing of wood products, for sanitary purposes and for fire protection by Pope and Talbot, Inc.

Aquifer: Madison Limestone

Geology and Aquifer Characteristics:

The Madison (Pahasapa) Limestone is a massive, fine to medium crystalline cavernous limestone and dolomite, approximately 600 feet thick in this area (Gries, 1981). The Madison Limestone underlies approximately 134,880 acres of Lawrence County, and contains an estimated 9,446,400 acre-feet of recoverable water in storage in the county (Allen, 1984). The importance of the Madison as an aquifer is largely due to well developed zones of secondary porosity and permeability formed by fractures, groundwater solution features, and weathering of exposed surfaces. The average porosity of the Madison is estimated to be 11% and the effective porosity is estimated to be 5% (Rahn, 1979)

Recharge to the Madison is accomplished primarily through infiltration of precipitation falling on the outcrop area and streamflow losses. In a report prepared for the BLM by Woodward-Clyde Consultants (1981). The upper and lower bounds of average annual recharge to the Madison Limestone are 400,000 acre-feet per year and 140,000 acre-feet per year respectively.

There are no aquifer test information available from the Madison aquifer in the Spearfish area; therefore, the transmissivity and the storage coefficient of the aquifer are unknown. Estimates from regional studies of the aquifer indicate that the transmissivity may range from 0.01 to 8600 ft²/d. The storage coefficient may range from 2×10^{-5} to 3×10^{-4} (Kyllonen, 1987). The completion report submitted with this application indicates the well was test pumped with air at a rate of 400 gallons per minute for 3 hours and at a rate of 300 gallons per minute for 2 hours. The specific capacity of the well during test pumping was 0.57 gpm/ft at 400 gallons per minute, and was 1.0 gpm/ft at 300 gallons per minute. The applicant indicates the well has been in use since November 1987 at a rate of 450 gallons per minute.

The Madison Limestone is possibly hydrologically connected with the overlying Minnelusa Formation. The relationship between these two aquifers is not totally understood, however most evidence indicates the water levels from the Madison Formation are higher than the water levels of the Minnelusa Formation

indicating a potential for upward leakage from the Madison to the Minnelusa. Natural discharge from the Madison also occurs through streamflow losses and subsurface flow out of the county.

The Division of Water Rights monitors one observation well in the Madison Limestone approximately 6.5 miles west of this diversion point. The well was installed in July 1987. Therefore, information from the well is limited. An observation well into the Madison is proposed to be drilled approximately 2 miles south east of this diversion point in July 1988.

Review of Existing Water Rights:

The Division of Water Rights has record of several domestic wells and 47 groundwater Permits within approximately 4.5 miles of this diversion point. The majority of the existing wells depend on shallower aquifers for water supplies; however, eight permits do appropriate water from the Madison. Water permits in the area include:

Permit No.	Owner	Diversion Rate (cfs)	Use
52-1A	Bureau of Fisheries	0.33	fish culture
369-1	City of Belle Fourche	8.00	Future Use
439-1	Billy J Evans	2.22	irrigation
579-1*	City of Spearfish	1.20	municipal #2
640-1	City of Spearfish	1.33	municipal #1
645-1	City of Belle Fourche	4.64	municipal
647-1	McGuigan Dairy Inc.	0.40	irrigation
728-1	Spearfish Canyon Holding Co.	0.90	irrigation
795-1	Thomas O & Doris M Kemp	0.223	SHD
891-1	Billy J Evans	1.77	irrigation
925-1	Warren N Golliher	0.73	irrigation
944-1	Lawrence Co. Commissioners	0.022	domestic @ airport
952-1	William McGuigan	0.70	irrigation
967-1	Travis S Roberts	1.50	fish culture
969-1	Black Hills State College	0.22	future use
970-1	Black Hills State College	0.11	
1003-1*	City of Spearfish	1.50	municipal #3
1030-1	Sunrise Home Owners	0.15	SHD
1118-1	Kenneth Ellingson	0.40	com-trailer park
1129-1	Carl Deranleau	0.10	trailer park
1138-1	David or Elenor Pearson	0.04	SHD
1140-1	Jack Hubbard	0.05	com-trailer park
1141-1	Robert P Schneider	0.07	SHD
1164-1	Everett MacKaben Devel. Co.	0.06	SHD
1184-1	Raymond & Beverly Nordstrom	0.10	com-trailer park
1187-1A*	Hills Material Co.	0.04	industrial & com
1194-1	Everett MacKaben	0.24	industrial & com
1199A-1*	Spearfish Canyon Country Club	0.80	irrigation
1227-1	Valley View Water System	0.22	SHD
1229-1A*	City of Spearfish	1.35	municipal
1240-1*	Old Apostlic Lutheran Church	0.96	irri & recreation
1241-1	Black Hills Forest Acres	0.39	irrigation

1253-1	Thompson Abernathy Dev #1	0.05	SHD
1265-1	Neil & Margaret Mutchler	0.45	com-trailer park
1313-1	Greg Tefertiller	0.07	SHD
1337-1	Vern Backens	0.33	Com
1343-1	Wee Campground	0.10	Com
1344-1	Old Apostlic Lutheran Church	0.10	institutional
1356-1	Stanely D Ainsworth	0.022	com
1359-1*	City of Spearfish	2.00	municipal
1363-1*	Spearfish Canyon Country Club	1.14	irrigation
1369-1	Frank L Matson	0.11	com
1377-1	Gary & Dorothy Hunt	0.048	com
1379-1	Wayne Linsad	0.16	dom & wildlife
1382-1	G Eugene Johnson	1.19	irrigation
1383-1	Black Hills State College	0.55	irrigation
1430-1	Apple Valley Homeowners Assn.	0.07	SHD

NOTE: Water Permit locations are identified on enclosed map.
 * Denotes Madison diversion

Conclusions:

1. The Madison Limestone is a viable aquifer and water is available for this appropriation.
2. Interference is likely; however, this appropriation should not significantly affect adequately constructed Madison wells in the area.
3. It is impossible to determine the potential effects from the proposed appropriation upon springflow or wells supplied by the Minnelusa Formation. There have been no complaints concerning this issue from the Spearfish area, and there is no data suggesting that present development from the Madison has impacted springflow or the water level of the Minnelusa Formation. It is possible however, that there has been an effect, but it simply has not been measured.
4. The Division of Water Rights has installed an observation well in the Madison Aquifer approximately 6.5 miles from this diversion point, an observation well in the Minnelusa Aquifer approximately 2 miles from this diversion point, and is proposing to complete 2 new observation wells into the Madison and into the Minnelusa in 1988, approximately 2 miles SE of this diversion point.
5. The well that is to be used to supply this appropriation was constructed in October 1987, and complies with the South Dakota Well Construction Standards.



KENT BUHLER
 Natural Resources Engineer

References:

- Allen, J.C., D. Illes, A. Petres, 1984, Analysis of Ground Water and Streamflow Data, Western Dakotas Region of South Dakota: DWNr, Division of Geological Survey, Vermillion SD 57069; US Army Corps of Engineers Contract No. DAWC 45-82-C-0151.
- Division of Water Rights, 1988, "Domestic Well Log Files, Observation Well Files, and Water Permit Files", DWNr, Division of Water Rights, Joe Foss Building, Pierre SD 57501
- Gries, J. P., 1981, Thickness of Madison Formation in South Dakota, unpublished maps for the Office of Drinking Water, DWNr, Joe Foss Building, Pierre SD 57501
- Kyllonen, D.P., 1987, Geohydrology and Water Quality of The Inyan Kara, Minnelusa, and Madison Aquifers of the Northern Black Hills, South Dakota and Wyoming, and Bear Lodge Mountains, Wyoming, US Geological Survey Water Resources Investigations Report 86-4158
- Rahn, P.H., 1979, Groundwater Resources of Western South Dakota, US Army Corps of Engineers, SDSM&T Project #2533
- Woodward-Clyde Consultants, 1981, Well Field Hydrology, Bureau of Land Management, Final Technical Report.

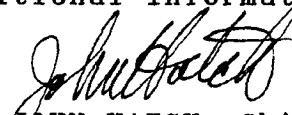
RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1435-1, Pope & Talbot, Inc.

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. 1435-1, Pope & Talbot, Inc., Box 850, Spearfish SD.

The Chief Engineer is recommending APPROVAL of Application No. 1435-1 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 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.

See the attached report for additional information.



JOHN HATCH, Chief Engineer
May 16, 1988



Department of Water & Natural Resources

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

Water Rights Division
(605) 773-3352

June 1, 1988

NOTE:

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

Pope & Talbot, Inc.
Box 850
Spearfish, South Dakota 57783

Dear Sir:

Your Application No. 1435-1 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

Queen City News printed at Spearfish

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

June 1, 1988

Queen City Mail
Box 7
Spearfish, South Dakota 57783

Dear Sir:

Enclosed is a Notice of Hearing on Application No. 1435-1 to be published twice. Please publish the first notice on or before June 10, 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 Pope & Talbot, Inc., Box 850, Spearfish, South Dakota 57783.

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

Instruction to Newspaper - Publish first publication of the following Notice on or before June 10, 1988 with 2nd publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1435-1 to Appropriate Water
and/or to Amend Water Permit or Water Right No. _____

Notice is hereby given that Pope & Talbot, Inc. whose mailing address is
Box 850, Spearfish, South Dakota has made an application for a permit

to appropriate 1.0 cubic feet of water per second from 1 well (Madison Formation) 855 feet deep located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 9-T6N-R2E. Water is used for industrial purposes in the processing of wood products, for sanitary purposes and for fire protection by Pope & Talbot, Inc.

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

APPROVAL of Application No. 1435-1 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, July 27 19 88 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 July 15, 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 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 July 15, 1988.

Affidavit of Publication

STATE OF SOUTH DAKOTA }
COUNTY OF LAWRENCE }

SS.

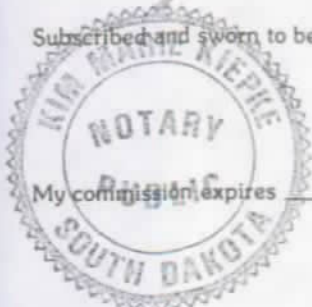


Bill T. Masterson, Jr. of said County and State being first duly sworn, on his oath says: That The QUEEN CITY MAIL is a legal daily newspaper of general circulation, printed and published in the City of Spearfish, in said County and State by Bill Kunerth, and has been such a newspaper during the times hereinafter mentioned; and that said newspaper has a bonafide circulation of at least 200 copies weekly, and has been published within said County in the English language for at least one year prior to the first publication of the notice herein mentioned, and is printed in whole or in part in an office maintained at the place of publication; and That I Bill T. Masterson, Jr., the undersigned, am the Publisher of said newspaper and have personal knowledge of all the facts stated in this affidavit; and that the advertisement headed:

Notice of Hearing on Application No. 1435-1

a printed copy of which is hereto attached, was printed and published in said newspaper for Two (2) successive and consecutive weeks, the first publication being made on the 10th day of June, 1988, and the last publication on the 17th day of June, 1988, that the full amount of fees charged for publishing same, to-wit: The sum of \$, inures solely to the benefit of the publisher of the QUEEN CITY MAIL, that no agreement or understanding for a division thereof has been made with any person and that no part thereof has been agreed to be paid to any other person whomsoever.

Subscribed and sworn to before me this 17th day of June, 1988



Kim Marie Kieple
NOTARY PUBLIC, LAWRENCE COUNTY, SOUTH DAKOTA
My Commission
Expires 3-24-96

NOTICE OF HEARING on Application No. 1435-1 to Appropriate Water

Notice is hereby given that Pope & Talbot, Inc. whose mailing address is Box 850, Spearfish, South Dakota has made an application for a permit to appropriate 1.0 cubic feet of water per second from 1 well (Madison Formation) 855 feet deep located in the NE1/4SW1/4 Section 9-T6N-R2E. Water is used for industrial purposes in the processing of wood products, for sanitary purposes and for fire protection by Pope & Talbot, Inc.

Pursuant to SDCL 46-2A-2 the Chief Engineer of the Water Rights Division recommends APPROVAL of Application No. 1435-1 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, July 27, 1988 at 10:00am.

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 DSCL 1-26, must file a written petition with BOTH the applicant and the Chief Engineer by July 15, 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 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; 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14; 46-5-20.1, 46-5-8.1; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

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, DWR, Joe Foss Bldg, Pierre SD (605 733-3352) 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 July 15, 1988.

S-177

June 10-17



Department of Water & Natural Resources

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

NOV 23 1988

Pope & Talbot, Inc.
Box 850
Spearfish, South Dakota 57783

Dear Sir:

Enclosed is your Water Permit No. 1435-1 as approved by the Water Management Board authorizing construction of the water system and the application of 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,

A handwritten signature in dark ink, appearing to read "John Hatch". The signature is written in a cursive, flowing style.

JOHN HATCH, Chief Engineer
Water Rights Division
605 773-3352

JH: ms

enclosure



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

February 25, 1998

1435-1

Pope and Talbot, Inc.
Pat Gary and Kevin Burrington
P.O. Box 850
Spearfish, SD 57783

Dear Mr. Gary and Mr. Burrington:

The investigation of your water use system was conducted on November 19, 1996, by Ken Buhler, staff engineer. The investigation included the extent of application of water to beneficial use, as developed under Water Permit No. 1435-1. 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

Water Rights Program

South Dakota Department of Environment and Natural Resources

415693

Pierre, March 16, 19 98

RECEIVED OF Pope & Talbot, Inc., P.O. Box 8171, Portland, OR 97207

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. 1435-1

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 H. Hatcher

Permit No. 1435-1
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, November 19, 1996, made a thorough examination of the water use system constructed by Pope & Talbot, Inc. of Spearfish, SD holder of Permit No. 1435-1, bearing the priority of March 7, 1988 authorizing the diversion of 1.0 cu. ft. per second of the waters of groundwater (Madison Aquifer) for industrial, sanitary, and fire protection purposes, in Lawrence County.

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

A. Works used to divert the water:

One well located 2013 feet north and 1593 feet east of the SW corner of sec.9, T6N-R2E, (SW¼ NW¼ NE¼ SW¼ Sec.9, T6N-R2E). The well is 855 feet deep and cased with 7-inch diameter steel casing. Water is diverted with a 40 horsepower submersible pump capable of diverting 400 gallons per minute.

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

Water is transported through approximately 50 feet of buried 8" diameter PVC pipe to a 1,000,000 gallon storage tank. Water is transported from the storage tank back through the 50 feet of 8" diameter PVC pipe and through approximately 2,000 feet of buried 8" diameter cast iron pipe.

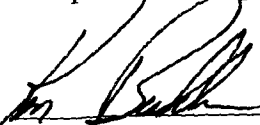
C. Works used to apply water to beneficial use:

Water is used for industrial use in the 1) plant boilers, 2) water for the saws, 3) drinking water and sanitary purposes at the a) office, b) garage, c) sawmill building, d) planner building, e) boiler building, and f) pellet

The system is in the following condition good. The point of diversion is located 2013 feet north and 1593 feet east of the SW corner of sec.9, T6N-R2E, (SW¼ NW¼ NE¼ SW¼ Sec.9, T6N-R2E). The works are capable of diverting and conveying to the place of use 0.89 cu. ft. per second of water which is to be used for industrial, sanitary, and fire protection purposes. The license should be issued for 0.89 cfs.

Applicable permit qualifications have been complied with: yes

Exceptions to compliance are: na



Ken Buhler
Natural Resources Engineer
DENR, Water Rights Program

2/10/96

Date

REPORT ON INSPECTION OF PERMIT NO. 1435-1

Other permit(s) associated with the project: 1436-1

NAME & ADDRESS OF INSPECTION CONTACT: Pat Gary and Kevin Burrington, PO Box 850,
Spearfish, SD 57783

RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE: Plant manager and Maintenance
supervisor (respectively)

NAME & ADDRESS OF PERMIT HOLDER: Pope and Talbot, Inc., PO Box 850, Spearfish, SD
57783

DATE OF INSPECTION: November 19, 1996

DIVERSION POINT LEGAL LOCATION: (Well No.3): 2103' North and 1593' East of the SW corner
of Sec.9, T6N-R2E

WELL INFORMATION:

- 1) Well Drilling Firm: Taylor Drilling Company (SD Driller's License No. 331)
- 2) No. of Wells one
- 3) Depth(s) 855 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 7 inches
- 2) Length 662 feet
- 3) Type steel

Screen:

- 1) Type none- open hole completion
- 2) Length 188 feet of open hole
- 3) Static water level 100 feet

Pump:

- 1) Make Submersible
- 2) Capacity 400 GPM

Motor:

- 1) Horsepower rating 40 hp

DISTRIBUTION LINES OR CANALS:

Well to Plant: 1) Type cast iron 2) Size 8 inches 3) Length 950 feet

Well to 1,00,000 gallon storage tank: 1) Type PVC 2) Size 8 inches 3) Length 50 feet

SYSTEM SUMMARY:

The Pope & Talbot plant has three wells. Diversions from well No.1 and well No.2 are authorized under Vested Water Right No. 1436-1. The diversion information in the Vested Water Right No.1436-1 was accurate at the time of this inspection. The well authorized by this permit (Well No.3) and well No.1 are pumped on alternate days to fill two storage tanks (158,000 gallons and 1,000,000 gallons respectively). The log pond is filled from the storage tanks as needed. The 1,000,000 gallon tank is located approximately 50 feet from Well No. 3. The tank is filled via the tank discharge line (common line). Water is used for 1) boiler water, 2) water for the saws, 3) drinking water and sanitary purposes at the a) office, b) garage, c) sawmill building, d) planner building, e) boiler building, and f) pellet plant

PERMIT QUALIFICATIONS AND REGULATIONS:

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

SEC 9, T6N-R2E

3640

BM

3717

9

Spearfish

BURIED 9-INCH DIA
CAST IRON PIPE

POPE + TALBOT
WELL #3

1593'

2073'

3800

2800

8 9
17 16

[Signature]
NATURAL RESOURCES ENGINEER
DENR - WATER RIGHTS PROGRAM

1435-1

RECEIVED

DEC 27 2011

WATER RIGHTS
PROGRAM

SD EForm - 0495LD V2

NOTICE OF TRANSFER OF OWNERSHIP

For assistance call (605) 773-3352

Mail to: PMB 2020
DENR - Water Rights Program
523 E Capitol Ave
Pierre, SD 57501-3182

Water Right Permit No. 1435-1

Date: 12-21-11

I We request that Water Right/Permit No. 1435-1 formerly owned by:
Pope & Talbot, Inc be transferred to:

New Owner Name: Spearfish Pellet Company, LLC
Address: P.O. Box 910
City, State, Zip: Spearfish, SD 57783 Telephone No. 605-642-7741

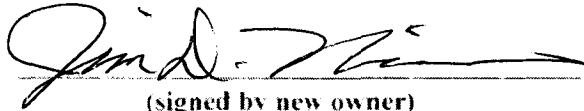
Title to the following described land(s) property has been transferred as described above:
one well completed in the Madison Formation licensed for 0.89 cfs located in the NE 1/4 SW 1/4
Section 9, T6N R2E

☒ I understand that the validity of Water Right Permit No. 1435-1 has not been determined by this transfer action. If I have any questions on validity, I understand that only the Water Management Board has the authority to determine if a water right permit is valid (see note below.)

You are requested to file this "Notice of Transfer" in the appropriate file with the Water Rights Program, as evidence of the change of ownership.

A fee of Fifty Dollars (\$50.00) is included to cover the filing fee as required by SDCL 46-2-13.

I, Jim D. Weimar, the new owner, certify that the above information is true and correct.


(signed by new owner)

NOTE: Water permits may be cancelled for nonconstruction after the five year construction period has expired. Once a water permit is developed and the water used, the permit becomes a right. A water right may be lost for three reasons:

1. Abandonment - no intent to use water and use is abandoned.
2. Forfeiture - no use of water for three year period without legal excuse.
3. For a third violation of a condition of a water permit/right.

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date 12/27, 20 11

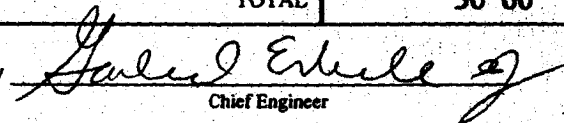
RECEIVED OF Spearfish Pellet Co LLC PO Box 910 Spearfish SD 57783

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

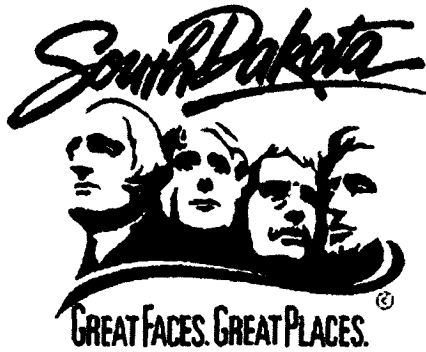
Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use	50 00	
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form <u>1435-1</u>		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	50 00

No. **05167**

By


Chief Engineer

1435-1



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
PMB 2020
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
www.denr.sd.gov

January 12, 2012

1435-1
1436-1

Jim D Neiman
Spearfish Forest Products Inc.
PO Box 910
Spearfish SD 57783 0910

Dear Mr. Neiman:

I am writing to acknowledge receipt of the transfer forms and filing fees you submitted for changing ownership on Water Right Nos. 1435-1 and 1436-1.

The ownership changes have been completed. The water rights formerly listed in the name of Pope and Talbot Inc. are now listed as follows:

- No. 1435-1 – Spearfish Pellet Company LLC
- No. 1436-1 – Spearfish Forest Products Inc.

Enclosed for your records are Receipt Nos. 05166 and 05167 in the amounts of \$50.00 each. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Genny McMath".

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352
email: genny.mcmath@state.sd.us