

Considered: _____

WATER PERMIT NO. 1493-1

Phone: 584-1441

Name of Applicant: Wharf Resources

Post Office Address: P.O. Box 446, Deadwood, SD 57732

Amount of Water Claimed: 0.67 (97 ac-ft annually) Total Acres: N/A

Source of Water Supply: Groundwater (Madison Formation)

Water to be used for: Industrial County: Lawrence

About 2 miles East of Savoy

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

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

PRIORITY Date Received: 5/21/90 Fee: _____ Remarks if approved

Wharf plans to have permits Nos. 1278-1 & 1288-1 cancelled

Corrected Application Received _____ Period of Annual Use Jan. 1 - Dec. 31

WATER QUALITY APPROVAL RECEIVED N/A APPROVED/CONDITIONAL (Circle one)

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

Diversion Point: SW1/4 SE1/4 Section 33 T5N-R2E

Land to be Irrigated: _____

		33			

Well Log: Driller: Taylor Drilling Licensed YES X NO _____

Depth of Well: 520' REMARKS _____

Type of Map: Plan PREPARED BY: John Arleth Reviewed and the Number

Assigned on 6/10/90 By Eric Gronlund

**SOUTH DAKOTA
WATER PERMIT No. 1493-1**

Date of first receipt of application May 21, 1990.

The Water Management Board approved Water Permit Application No. 1493-1 on October 3, 1990 for Wharf Resources, P.O. Box 446, Deadwood, SD 57732-0446 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. 1493-1 authorizes a change in the location of the diversion points of Water Rights Nos 1278-1 and 1288-1 and an increase in the diversion rate by 0.536 cubic feet of water per second (cfs) without increasing the total annual volume pumped (97 acre-feet) which is authorized by these permits. Water Right Nos. 1278-1 and 1288-1 appropriate a combined rate of 0.134 cfs from two wells (Madison Formation) located in the SW1/4 SE1/4 and SE1/4 SW1/4 Section 33 T5N-R2E; respectively. This Permit changes the location of the diversion points to one well (Madison Formation) 520 feet deep located in the SW1/4 SE1/4 Section 33 T5N-R2E and increases the diversion rate by 0.536 cfs to 0.67 cfs. The total annual volume pumped is not to exceed 97 acre feet annually. The two wells authorized under Water Right Nos. 1278-1 and 1288-1 are to be retained as monitoring wells.
2. The water appropriated shall be used for the purpose of providing water for the processing plant and water quality monitoring 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: January 1 - December 31.
4. The date from which applicant may claim right is May 21, 1990 for 0.536 cfs, May 20, 1983 for 0.067 cfs (set by Water Right No. 1278-1) and August 10, 1983 for 0.067 cfs (set by Water Right No. 1288-1).
5. One-fifth of the construction is to be completed on or before April 3, 1993.
6. All construction is to be completed on or before October 3, 1995.
7. Water is to be put to beneficial use on or before October 3, 1999.
8. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

(continued)

QUALIFICATIONS

1. 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.
2. Approval of Permit No. 1493-1 limits annual withdrawals to 97 acre feet.

WATER MANAGEMENT BOARD

By: _____

[Signature]
Chief Engineer, Water Rights Division
Department of Water and Natural Resources

OCT 30 1990

(date)

Pub day Wed & Sat

Mail to: Water Rights Div.
523 E. Capitol
Pierre, SD 57501
(605) 773-3352

No. 1493-1 Hydrologic Unit 10120203
Map No. _____ Basin Belle Fourche River
Newspaper Lawrence Co. Centennial Box 512

Deadwood 57732

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 Wharf Resources Phone No. (605) 584-1441

Post Office Address P.O. Box 446 Deadwood State South Dakota
(Street, RR or Box) (City) Zip Code

2. Amount of water claimed (c.f.s) 97 acre/feet/year; annualized rate of 0.135 cfs with peak use of .67 cfs.

3. Source of water supply Well 520 feet deep Madison formation

4. Location of point of diversion Well see map

SW 1/4 SE 1/4 Section 33, Township 5N, Range 2E

County Lawrence

5. Counties where water will be used Lawrence

6. Annual period during which water is to be used On-demand-- January 1 - 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)

Please reference attached letter of 5/17/90

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

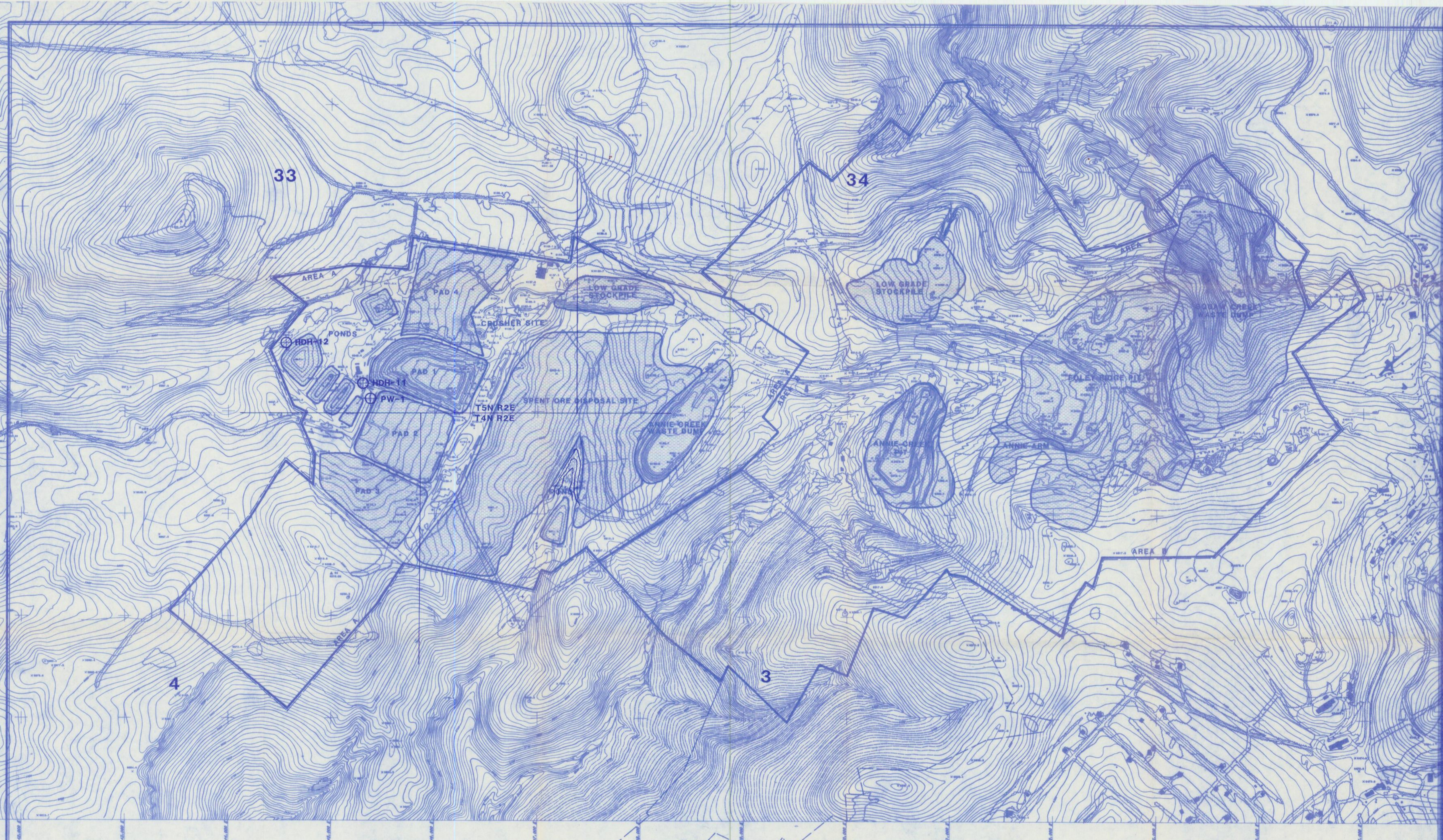
STATE OF SOUTH DAKOTA)
County of _____)

I, LUTHER J. RUSSELL 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 [Signature]

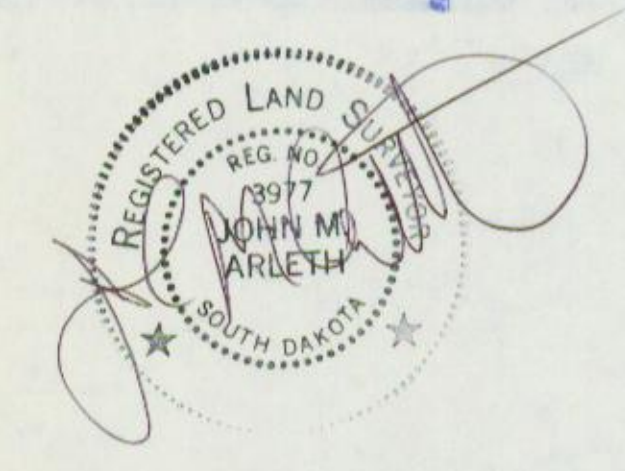
Subscribed and sworn to before me this 16 day of May 19 90

Linda M. Dahl
Notary Public



LEGEND

- STATE MINING PERMIT BOUNDARY
- - - COUNTY CONDITIONAL USE PERMIT BOUNDARY



PROJECT FACILITY MAP
SOUTH DAKOTA OPERATION

App. No. 1493-1



 WHARF RESOURCES BOX 446 DEADWOOD, S.D. 57732	DATE 2-24-88 SCALE 1"=400'	PAGE
	DRAWN BY BRAD W. WARE CHECKED BY	1

Supplemental Information

(type or print in ink)

1. Well Information - Proposed construction

- a) Drill Hole Diameter 9 7/8 Depth 520 feet
- b) Casing Type Steel Diameter 7" ID Thickness Schedule 40 type
- c) Screen Type Slotted pipe Diameter 7" ID Thickness Schedule 40 type
- d) Gravel Pack Thickness N/A Length of Gravel Pack N/A
- e) Depth to Top of Water Bearing Material 161 feet
- f) Depth to Water (ground surface to water level) 190 feet
- g) Distance to nearest existing domestic well: 2000 feet
- On applicants property yes 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 _____

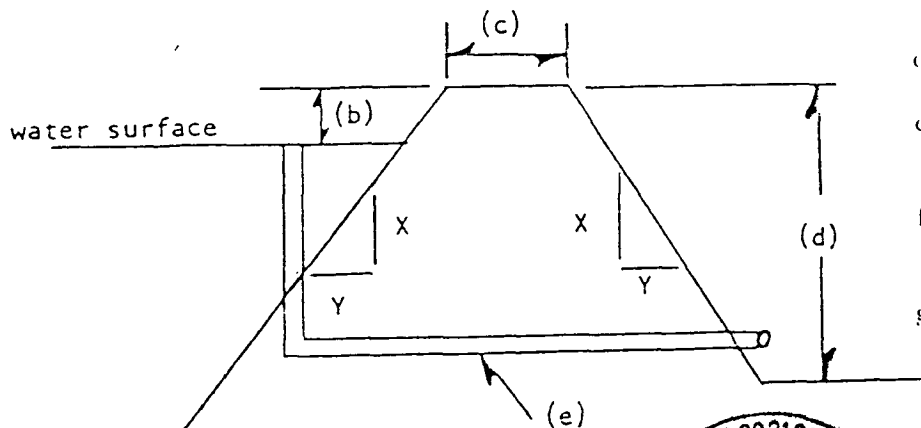
g) X & Y Slope
Upstream _____

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

Pierre, May 21, 1999

RECEIVED OF Water Resources, Box 444, Deadwood, SD 57732

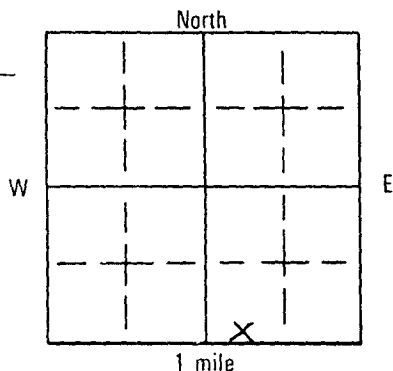
the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>1493-1</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 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	150 00

By John H. [Signature]
Chief Engineer

SOUTH DAKOTA WATER WELL COMPLETION REPORT

10-85

Location SW 1/4 SE 1/4 Sec 33 Twp 5N Rg 2ECounty
LawrencePlease mark well
location with
an "X"Well Completion Date April 13, 1990

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>42</u> LB/FT	<u>10 3/4</u> IN	<u>0</u> FT	<u>150</u> FT	<u>14 3/4</u> IN
<u>23</u> LB/FT	<u>7</u> IN	<u>0</u> FT	<u>520</u> FT	<u>9 7/8</u> IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN

GROUT:

Was the well grouted? ☒ YES ☐ NOTo what depth? 245 FEETWhat is grouting material? CEMENTIf cement, number of sacks? 158Describe grouting procedure 10 3/4" casing was pressure grouted to 150'. The 7" casing was grouted to 245' with a tremie lineWhat was grout weight? 15 LB/GALSCREEN: ☒ Perforated pipe ☐ ManufacturedDiameter 7 IN Length 244 FEETMaterial SteelSlot Size 1/2" X 12" Set From 268 Feet To 512 Feet

Slot Size _____ Set From _____ Feet To _____ Feet

Slot Size _____ Set From _____ Feet To _____ Feet

Other information _____

Was a packer or seal used? ☒ YES ☐ NOIf so, what material? rubberDescribe packer(s) and location? rubber shale cup placed at 245'Was well disinfected upon completion? ☒ YES ☐ NOExplain chlorine solution circulated in wellBacteriological analysis ☐ YES ☒ NO

Laboratory sent to _____

Well Owner:

Name WHARF RESOURCES c/o John LawsonAddress P.O. Box 446 Deadwood, SD 57732

Well Log:

Depth

Formation	From	To
Back Fill	0	11
tan to brown clay	11	25
buff limestone	25	95
no return	95	103
cream to white limestone	103	120
yellow weathered ^{Dolomite} limestone	120	198
tan limestone	198	210
yellow weathered ^{Dolomite} limestone	210	216
tan limestone	216	345
tan limestone w/ numerous voids	345	355
cream limestone	355	495
chart	495	510
tan limestone	510	520

STATIC WATER LEVEL 193 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

565 ft. After 24 Hrs. pumped 165 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

_____ ft. After _____ Hrs. pumped _____ GPM

REMARKS:

Perforations are vertical
torch-cut slots

100' of slots of 4 rows on 2' centers
144' of slots of 3 rows on 3' centers
(approx. 350 slots)

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 _____



WELL COMPLETION FORM



Owner : WHARF Resources

Date of Completion : 4-13-90

Location : P.O. Box 446
Deadwood, SD 57732

Driller - Stephen Turner
Taylor Drilling Co.

Total Depth : 520' ft.

158 Sacks of cement used

Static Water Level : 193' ft.

Was well chlorinated? yes

Depth of packer or seal : 245' ft.

Was well cap installed? no size "

Production :

Perforations:

150' gpm @ 510' ft. for 3 1/2 hrs.

Pipe Diameter : 7" in.

150' gpm @ 480' ft. for 2 1/2 hrs.

Slot Size 1 cent from 510' ft. to 275' ft.

 gpm @ ft. for hrs.

Slot Size 3 cent from 480' ft. to 275' ft.

Drilling :

Casing :

22' in. from 0' ft. to 20' ft.

10 3/4" in. from 0' ft. to 150' ft.

14 3/4" in. from 0' ft. to 153' ft.

7' in. from 0' ft. to 520' ft.

9 7/8" in. from 0' ft. to 520' ft.

 in. from ft. to ft.

Lithology :

from	to	description
<u>0'</u>	<u>11'</u>	<u>Back F. 11, (Spent ore)</u>
<u>11'</u>	<u>25'</u>	<u>TAN to Light Brown CLAY</u>
<u>25'</u>	<u>95'</u>	<u>DARK TAN L.S.</u>
<u>95'</u>	<u>103'</u>	<u>LOST CORE RETURN</u>

WATER RIGHTS

from	to	description
<u>103'</u>	<u>162'</u>	<u>CREAM colored L.S.</u>
<u>162'</u>	<u>170'</u>	<u>CREAM to white L.S. (20 gpm)</u>
<u>170'</u>	<u>198'</u>	<u>yellowish S.S. (75 gpm)</u>
<u>198'</u>	<u>210'</u>	<u>TAN L.S.</u>
<u>210'</u>	<u>216'</u>	<u>yellowish S.S.</u>
<u>216'</u>	<u>289'</u>	<u>TAN L.S.</u>
<u>289'</u>	<u>310'</u>	<u>Brownish L.S. (110 gpm)</u>
<u>310'</u>	<u>345'</u>	<u>TAN L.S.</u>
<u>345'</u>	<u>355'</u>	<u>Void Like TAN L.S.</u>
<u>355'</u>	<u>493'</u>	<u>CREAM L.S. (375 to 400' 166 gpm)</u>
<u>493'</u>	<u>510'</u>	<u>DARK Brown Chert. (150 gpm)</u>
<u>510'</u>	<u>520'</u>	<u>TAN L.S.</u>



WHARF 4-13-90

150' 10 3/4" →

Drout →



Packer at 245'

30' Blank

35' Heavy

65' Light

35' Heavy

70' Light

30' Heavy

10'

BLANK

Heavy Porets are
4 rows on 2' centers

Light Porets are 3 rows
on 3' centers

Prepared by:
Stephen Turner
Taylor Drilling



WHARF RESOURCES

(A Montana General Partnership)

Wharf Resources Ltd.

Wharf Resources (U.S.A.) Inc.

May 17, 1990

Mr. Ron Duvall
Office of Water Rights Division
Department of Water and Natural Resources
Joe Foss Building 4th Floor
523 East Capitol
Pierre, SD 57501-3181



Dear Mr. Duvall:

In regard to your telephone conversation with Luke Russell (Wharf Resources), on May 10, 1990, enclosed please find a water right application for a new well (PW-1). This well will be located within the area of our processing plant and approximately 75 feet to the southeast (please refer to the application for legal description) of Hydrologic Drill Hole (HDH)-11 water license 1278-1.

Currently, Wharf has two wells with licensed water rights within this area. Well HDH-11 (1278-1) is licensed for 0.067 CFS and Well HDH-12 (1288-1) is also licensed for 0.067 CFS. Both of these wells are developed within the Madison formation as will be well PW-1. The new well will be approximately 450-525 feet deep. The new water right application, as proposed, will not exceed the combined annual volume from water rights 1278-1 and 1288-1 of 31,536,000 gallons.

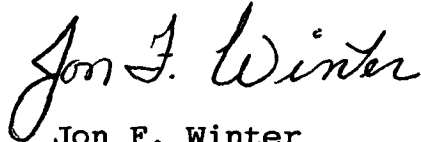
Upon receipt of a new water right for PW-1, Wharf will abandon water rights 1278-1 and 1288-1 as water supply wells. Although these wells will not be used for appropriation of water, Wharf will maintain both as monitor wells.

Wharf's application to the Water Rights Division of the Department of Water and Natural Resources is for a new water right for PW-1 for the same 31,500,000 gallons or 97 acre feet per year currently licensed under 1278-1 and 1288-1. The average annualized flowrate would be .13 CFS with a variance of a peak use flowrate of 300 gallons per minute or .67 CFS.

To meet neutralization schedules, it is necessary to draw more water from the well during various times of the year. Although flowrates will be as high as .67 CFS or 300 gallons per minute for short periods during the year, we will not exceed the 97 acre feet of appropriated water on an annual basis.

If you have any questions, please contact Luke Russell or myself at 584-1441.

Sincerely,



Jon F. Winter
Environmental Engineer

JFW\bls

Enclosure

CC: Luke Russell
Bob Barnes
John Lawson
Kent McGrew
203-10-15
E:jfw\pwl



Department of Water & Natural Resources

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

July 5, 1990

John Winter
Wharf Resources
P.O. Box 446
Deadwood, SD 57732

Dear Mr. Winter:

As per our phone conversation, I am sending you a copy of those state statutes which are applicable to the time frames for processing a water permit. The state statutes which address this are SDCL 46-2A-2 through 5 (see attachment). Generally, the chief engineer is required to provide a written recommendation within 60 days of receipt of a completed application. After which, the application must be properly noticed as set forth in 46-2A-4 for the next Water Management Board meeting.

In the case of Wharf Resources application, this office received the application on May 21, 1990. Currently, staff are preparing a report on Wharf's application.

If you have any questions regarding the permitting process and how it applies to Wharf Resources application, please feel free to give me a call.

Sincerely,

Eric Gronlund
Water Rights Division
605 773-3352

attachment

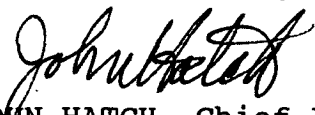
RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1493-1, Wharf Resources

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. 1493-1, Wharf Resources, P.O. Box 446, Deadwood SD.

The Chief Engineer is recommending APPROVAL of Application No. 1493-1 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:

1. 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.
2. Approval of Permit No. 1493-1 limits annual withdrawals to 97 acre feet.

See report on application for additional information.


JOHN HATCH, Chief Engineer
July 16, 1990

Report on
Water Permit Application No. 1493-1
Wharf Resources
July 13, 1990

Application No. 1493-1 proposes to change the location of the diversion points of Water Right Nos. 1278-1 and 1288-1, and increase the diversion rate by 0.536 cubic feet of water per second (cfs). Water Right Nos. 1278-1 and 1288-1 appropriate a combined rate of 0.134 cfs (97 acre feet annually) from two wells (Madison Formation) located in the SW 1/4 SE 1/4 and SE 1/4 SW 1/4 Sec. 33, T5N-R2E; respectively. The water appropriated by these rights has been used for the purposes of industrial and water quality monitoring purposes. This application, if approved, would change the location of the diversion points to one well (Madison Formation) 520 feet deep located in the SW 1/4 SE 1/4 Sec. 33, T5N-R2E and increase the diversion rate by 0.536 cfs to 0.67cfs (97 acre feet annually). The total annual volume of water pumped will not exceed 97 acre feet. The two wells authorized under Water Right Nos. 1278-1 and 1288-1 are to be retained as monitoring wells.

AQUIFER: Madison Limestone

Geology and Aquifer Characteristics:

A South Dakota Water Well Completion Report has not been submitted for this well. A comparison of the well information submitted with this application with the geologic map of the area, (Darton, 1925), and a geologist's log of a well approximately 75 feet from this site (Water Right File No. 1278-1) identify discrepancies with the information submitted. Regardless of information submitted, the well used to supply this application is probably completed into the Madison Limestone.

The Madison (Pahasapa) Limestone is a massive, fine to medium crystalline, cavernous limestone and dolomite. This well site is located on the Madison Limestone outcrop and the aquifer is generally under watertable conditions in this area. The static water level of this well is reported to be 193 feet below grade. The importance of the Madison as an aquifer is largely due to well developed zones of secondary porosity and permeability formed by weathering of exposed surfaces, groundwater solution and fracturing. Regional studies estimate₅ the Madison Aquifer's hydraulic conductivity ranges from 2.4×10^{-5} to $1.9 \text{ ft}^2/\text{d}$, transmissivity estimates range from 0.01 to $5400 \text{ ft}^2/\text{d}$, and estimates₄ for the Madison's storage coefficient range from 2×10^{-4} to 3×10^{-4} (Kyllonen, 1987). The characteristics of the aquifer vary dramatically depending on fracturing and solution. Groundwater flow is controlled by topography, lithology and geologic structure.

Although the Madison underlies approximately 314,880 acres of Lawrence County, the areal extent of aquifer in this area is limited to approximately 4500 acres. Annie Creek, Squaw Creek and Spearfish Creek have incised the entire thickness of the Madison forming the southern, northern and western aquifer boundaries. The aquifer is bounded to the east by the eastern edge (erosional extent) of the Madison Limestone.

Tertiary aged igneous rock consisting primarily of Phonolite, Grorudite, Quartz Monzonite and Rhyolite Porphyries have intruded the Madison in this area, generally in the form of sills. Confined conditions may exist locally as a result of these sills. Ragged Top Mountain is an extensive intrusive immediately north of this well site. It is possible that the intrusive forming Ragged Top Mountain creates northern boundary conditions in this area. Test drilling and aquifer testing would be necessary to confirm or dispute boundary conditions.

Although it is possible that the Madison has been altered by Metamorphism resulting from the Tertiary intrusives, it is not likely. Redden, (1975), reports that assimilation of the country rock was extremely limited and the intrusives were forcibly injected. Contact metamorphism is very limited, and it can be assumed that most of the magmas were relatively dry, partly crystallized, and did not have excess heat.

Recharge to the Madison aquifer in this area occurs through direct infiltration of precipitation at the outcrop area. Average annual precipitation in this area is approximately 22 inches, of which it is estimated that 6.8 inches/year is recharge (Rahn, 1973).

Natural discharge from the Madison occurs as springs where the water table has been incised. Springs originating from the Madison probably provide base flow to area streams, and ultimately Spearfish Creek.

Review of Existing Water Rights

The Madison aquifer is used to a limited extent to provide water for domestic wells (Water Rights, 1990). The principle use of the aquifer is to provide water for community water systems. Most municipalities in the Northern Black Hills rely at least in part on the Madison Aquifer for supplies. There are a total of 18 Water rights/permits appropriating 17.20 cfs from the Madison in Lawrence County for municipal, suburban housing, industrial, commercial, and irrigation use.

As discussed earlier, the extent of the Madison is limited to 4500 acres in this area. There are a total of eight water rights/permits appropriating groundwater and one deferred application within this area, they include:

PERMIT #	OWNER	AQUIFER	CFS
1174-1	Wharf Resc.	Deadwood	0.67
1278-1	Wharf Resc.	Madison	0.07
1288-1	Wharf Resc.	Madison	0.07
1346-1	Wharf Resc.	Madison	0.22
1365-1	Wharf Resc.	Pre-Camb	0.07
1406-1	Wharf Resc.	Pre-Camb	0.56
1406A-1	Wharf Resc.	Madison	
*1443-1	Minnerva Exp.	Deadwood	0.33
1460-1	Wharf Resc.	Deadwood	0.10

*Deferred until the Board can be provided with sufficient information to determine whether the requested appropriation of water will be for beneficial use and in the public interest.

Observation Wells

The Division of Water Rights currently monitors 7 observation wells completed into the Madison Aquifer. Two additional observation wells are scheduled to be completed into the Madison Aquifer in 1990. There are no Water Rights Division Observation wells in this area.

Special Considerations

ARSD 74:02:01:08.01 requires that "when diversion is to be from a well, a log of the well or test hole signed by a licensed well driller shall be submitted to complete the application." The log submitted with this application is signed by "Steven Turner, Taylor Drilling Co.". Mr. Turner is not a Licensed Representative for Taylor Drilling Company.

Conclusions

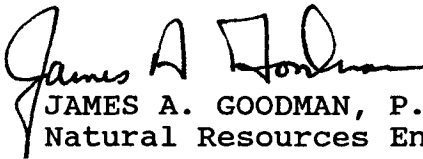
1. The Madison Aquifer is a viable aquifer in this area and there is a reasonable probability that unappropriated water is available from the aquifer.
2. The appropriation requested by this application can probably be made without adversely affecting existing adequate wells.
3. It is probable that the average annual recharge to the Madison aquifer will not be exceeded by appropriation if this permit is approved.
4. This application, if approved, would replace wells authorized by Water Right Nos. 1278-1 and 1288-1, with one well. The abandoned portions of Water Right Nos. 1278-1 and 1288-1 can be cancelled, if this permit is approved.

5. This permit would not increase the annual appropriation from the aquifer, but would only increase the maximum diversion rate of the permit holder by 0.536 cfs.



KEN BUHLER
Natural Resources Engineer

approved by:



JAMES A. GOODMAN, P.E.
Natural Resources Engineer

Bibliography

- Allen, J.C., D. Iles, A. Petres, 1984, Analysis of Ground Water and Streamflow Data Western Dakotas Region of South Dakota, Tasks 3 & 4: Groundwater Resources Inventory, Department of Water and Natural Resources, Division of Geological Survey, Vermillion, South Dakota, 57069, U.S. Army Corps of Engineers Contract No. DAWC ;45-82-C-0151
- Darton, N.H., S.Paige, 1925, Geologic Atlas of the United States, Central Black Hills Folio, South Dakota, Central Black Hills Folio No. 219, U.S. Geological Survey, Washington, D.C.
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- Kyllonen, D.P., K.Peter, 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, USGS Water-Resources Investigations Report 86-4158, Rapid City, South Dakota, 57701
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Department of Water & Natural Resources

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

August 23, 1990

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

John Winter
Wharf Resources
Box 446
Deadwood SD 57732-0446

Dear Sirs:

Water Permit Application No. 1493-1 for industrial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Lawrence Co. Centennial printed at Deadwood SD. For your information, a copy of the notice is enclosed. Copies of the report and the Chief Engineer's recommendation are also enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper 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 twenty days before the board meeting. We must receive Proof of Publication before the application can be considered by the Water Management Board.

Sincerely,

A handwritten signature in cursive script that reads "Eric Gronlund".

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

SOUTH DAKOTA Department of
Water & Natural Resources

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

August 23, 1990

Lawrence Co. Centennial
Box 512
Deadwood SD 57732-0512

ATTN: Legal Publications:

Enclosed is a Notice of Hearing on Application No. 1493-1 to be published twice. Please publish the first notice on or before August 30, 1990 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 Wharf Resources, Box 446, Deadwood, SD 57732-0446.

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,

Eric Gronlund

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

CUT HERE

FIRST TRANSMITTAL NOTICE

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

No. _____

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 Notice on or before August 30, 1990 with 2nd publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1493-1 to Appropriate Water

Notice is given that Wharf Resources, P.O. Box 446, Deadwood SD 57732-0446 has filed an application for a water permit to change the location of the diversion points of Water Right Nos. 1278-1 and 1288-1 and increase the diversion rate by 0.536 cubic feet of water per second (cfs) without increasing the total annual volume pumped (97 acre-feet) which is authorized by these permits. Water Right Nos. 1278-1 and 1288-1 appropriate a combined rate of 0.134 cfs from two wells (Madison Formation) located in the SW1/4 SE1/4 and SE1/4 SW1/4 Section 33-T5N-R2E; respectively. The water appropriated by these rights has been used for the purposes of industrial and water quality monitoring purposes. This application, if approved, would change the location of the diversion points to one well (Madison Formation) 520 feet deep located in the SW1/4 SE1/4 Section 33-T5N-R2E and increase the diversion rate by 0.536 cfs to 0.67 cfs. The total annual volume pumped will not exceed 97 acre feet. The two wells authorized under Water Right Nos. 1278-1 and 1288-1 are to be retained as monitoring wells.

Pursuant to SDCL 46-2A-2, the Chief Engineer of the Water Rights Division recommends APPROVAL of Application No. 1493-1 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water and 4) it is in the public interest. This application will be considered by the Water Management Board in the Community Room, Brule Co. Courthouse, 300 S. Courtland, Chamberlain, SD on October 3, 1990 at 10:00 am. The Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer or 4) deny this application based on the facts presented at the public hearing.

Any interested person that intends to participate in the hearing before the Board by presenting evidence or cross-examining witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and Chief Engineer by September 21, 1990. The Chief Engineer's address is "Water Rights Division, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)". The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application and the signature and mailing address of the petitioner or legal counsel if legal counsel is obtained. The applicant need not file a petition. Contact the Water Rights Division to request information on this application or to assure access to the hearing by the handicapped.

This hearing is an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law. The time of the hearing will also be automatically delayed for at least twenty days upon written request to the Chief Engineer from the applicant or a petitioner. The request for a delay must be received by September 21, 1990.

This application is made pursuant to 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; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.



AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA
COUNTY OF LAWRENCE

Sharon Allison, being duly sworn, says: That the **Lawrence County Centennial** is and, during all the hereinafter mentioned, was a weekly legal newspaper as defined in SDCL as amended, published at Deadwood, Lawrence County, South Dakota; that affiant is and, during all of said times, was an employee of the publisher of such newspaper and has personal knowledge of the facts stated in this affidavit; that the notice, order or advertisement a printed copy of which is attached, was published in said newspaper for successive issues, bearing the following dates:

Aug 29 1990
Sept 5 1990
____ 199____
____ 199____
____ 199____

that the full amount of the fee charged for publishing the same, to-wit: sum of \$ 52.38, inures solely to the benefit of the publisher of said newspaper; that no agreement or understanding for the diversion of the fee has been made with any person, and that no part of the fee has been agreed to be paid to any other person.

Sharon Allison

Subscribed and sworn to before me this
5 day of September, 1990

John Allison

Notary Public, South Dakota

Water application hearing set

SD Dept. of Water and Natural Resources
Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501
NOTICE OF HEARING
on Application No. 1493-1
to Appropriate Water

Notice is given that Wharf Resources, P.O. Box 446, Deadwood SD 57732-0446 has filed an application for a water permit to change the location of the diversion points of Water Rights Nos. 1278-1 and 1288-1 and increase the diversion rate by 0.536 cubic feet of water per second (cfs) without increasing the total annual volume pumped (97 acre-feet) which is authorized by these permits. Water Rights Nos. 1278-1 and 1288-1 appropriate a combined rate of 0.134 cfs (97 acre feet) from two wells (Madison Formation) located in the SW 1/4 SE 1/4 and SE 1/4 SW 1/4 Section 33-T5N-R2E; respectively. The water appropriated by these rights has been used for the purposes of industrial and water quality monitoring purposes. This application, if approved, would change the location of the diversion points to one well (Madison Formation) 520 feet deep located in the SW 1/4 SE 1/4 Section 33-T5N-R2E and increase the diversion rate by 0.536 cfs to 0.67 cfs. The applicant has the right to be represented by a lawyer. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law. The time of the hearing will also be automatically delayed for at least twenty days upon written request to the Chief Engineer from the applicant or the petitioner. The request for a delay must be received by September 21, 1990.

This application is made pursuant to 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; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

Publ. Aug. 29 and
Sept. 5, 1990
Lawrence County Centennial



Department of Water & Natural Resources

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

OCT 30 1990

1493-1

Wharf Resources
Box 446
Deadwood SD 57732-0446

Dear Sirs:

Enclosed is Water Permit No. 1493-1 as approved by the Water Management Board authorizing you to construct your water diversion system and put the water to beneficial use, not exceeding the limits as specified in the Water Permit.

Also enclosed is Form 10, Notice of Completion of Works and Application of Water to Beneficial Use, which you are to complete and submit to the Chief Engineer when you have completed the system and/or have put the water to beneficial use. An inspection can then be scheduled so that the Water License may be issued, 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

enclosures

PLEASE NOTE: Certain changes can be made in your permit within the five year construction period, usually without affecting the priority date provided an application to amend your permit is made within the five year period - i.e. changes in location or number of diversion points (wells) or location of land to be irrigated. Well locations for wells into the same aquifer can be moved up to 660 feet without application.

Applications to amend a permit after the five year construction period will be assigned a new priority date. Applications to change water sources, to add lands or increase original diversion rates, if approved will usually receive the date of the new application as a priority date regardless of the five year construction period.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

February 25, 1998

1406A-1
1493-1

Wharf Resources
Terese Hruska and Jeff Dirkson
HC 37, Box 811
Lead, SD 57754-9710

Dear Ms. Hruska and Mr. Dirkson:

The investigation of your water use systems was conducted on November 20, 1998, by Ken Buhler, staff engineer. The investigation included the extent of application of water to beneficial use, as developed under Water Permit Nos. 1406A-1 and 1493-1. Your final water right documents, the Water Licenses, can now be issued. Upon licensing, the applicable portions of Water Permit No. 1406-1 will be incorporated into 1604A-1, and the applicable portions of Water Permit Nos. 1278-1 and 1288-1 will be incorporated into 1493-1.

Statutes require that we charge a \$50.00 fee per license (\$100.00 total) for the investigation and issuance of the Water License. Upon receipt of the \$50.00 fee per license (\$100.00 total) from you, we will begin processing your Water Licenses.

**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 numbers. This will insure proper handling of the fee.

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

415679

Pierre, March 11, 19 98

RECEIVED OF Wharf Resources, HC 37, Box 811, Lead, SD 57754-9710
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. 1493-1

Fee for Filing Transfer Form _____

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

50 00

50 00

By _____
Chief Engineer

John Hatch

Permit No. 1493-1, Water Right Nos. 1278-1 & 1288-1
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 20, 1996, made a thorough examination of the water use system constructed by Wharf Resources of Lead, SD holder of Permit No. 1493-1, and Water Right Nos. 1278-1 and 1288-1 bearing the priority of May 21, 1990 (0.536 cfs), May 20, 1983 (0.067 cfs) and August 10, 1983 (0.067cfs) authorizing the total diversion of 0.67 cu. ft. per second of the waters of groundwater for industrial purposes, in Lawrence County.

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

A. Works used to divert the water:

Water is diverted from one well located approximately 2,030 feet west and 140 feet north of the SE corner of Sec.33, T5N-R2E, (SE¼SW¼SW¼SE¼ Sec.33, T5N-R2E). The well is 520 feet deep and cased with 512 feet of 7 inch diameter steel casing, (the bottom 244 feet has been slotted). The water is diverted with a 160 gallon per minute, 30 horsepower, Goulds Submersible pump, powered by a Franklin Electric Motor.

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

Water is transported to use through 750 feet of 4-inch diameter PVC (Yellowmine) pipe.

C. Works used to apply water to beneficial use:

Water is applied to beneficial use for industrial purposes in the processing plant and for groundwater quality monitoring.

The system is in the following condition good. The point of diversion is located 2,030 feet west and 140 feet north of the SE corner of Sec.33, T5N-R2E. The works are capable of diverting and conveying to the place of use 0.356 cu. ft. per second of water (97 ac-ft/yr) which is to be used for industrial purposes. The license should be issued for 0.356 cfs.

Applicable permit qualifications have been complied with: yes

Exceptions to compliance are: none



Ken Buhler
Natural Resources Engineer
DENR, Water Rights Program

2/10/98

Date

REPORT ON INSPECTION OF PERMIT NO. 1493-1, 1278-1 and 1288-1

Other permit(s) associated with the project: 1173-1, 1174-1, 1346-1, 1365-1, 1406-1 1406A-1, 1437-1, 1460-1, 1514-1

NAME & ADDRESS OF INSPECTION CONTACT: Terese Hruska and Jeff Dirkson, HC 37 Box 811, Lead, SD 57754-9710

RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE: Environmental Coordinator and Process Supervisor

NAME & ADDRESS OF PERMIT HOLDER: Wharf Resources Partnership, HC 37 Box 811, and Lead, SD 57754-9710

DATE OF INSPECTION: November 20, 1996

DIVERSION POINT LEGAL LOCATION: 2,030 feet west and 140 feet north of the SE corner of Sec. 33, T5N-R2E (SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 33, T5N-R2E)

WELL INFORMATION:

- 1) Well Drilling Firm: Taylor Drilling Company
- 2) No. of Wells one
- 3) Depth(s) 520 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 7 inches
- 2) Length 268 feet
- 3) Type steel

Screen:

- 1) Type vertical torch-cut slots
- 2) Length 244 feet
- 3) Static water level 193 feet

Pump:

- 1) Make Goulds Submersible Turbine

- 2) Model 225H
- 3) Capacity 160 GPM

Motor:

- 1) Make Franklin Electric
- 2) Horsepower rating 30 hp

DISTRIBUTION LINES:

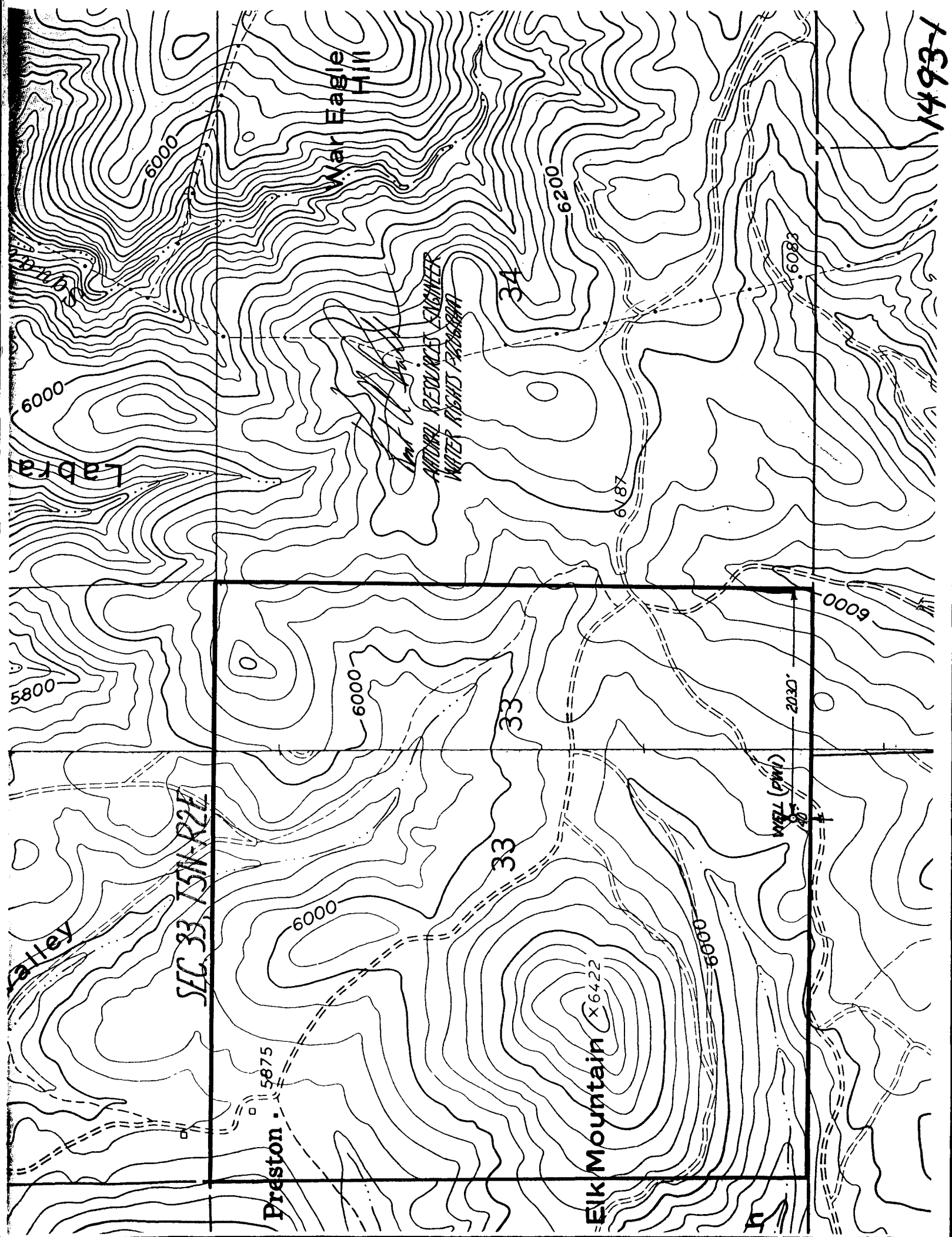
- 1) Type: (Above ground)Yellowmine (PVC) 2) Size 4 inches 3) Length 750 feet

SYSTEM SUMMARY:

This well (PW1) is only used at the Plant. Wells originally used for 1278-1 and 1288-1 have been retained for groundwater quality monitoring use only.

PERMIT QUALIFICATIONS AND REGULATIONS:

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



1493-1

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 1493-1

(1) Wharf Resources, HC 37 Box 811, Lead SD 57754-9710 made Application No. 1493-1, May 21, 1990 for a water permit to divert 0.536 cubic feet of water per second (cfs) (97 acre-feet annually) from groundwater (one well), Lawrence County, South Dakota for industrial purposes. Permit No. 1493-1, with a priority date of May 21, 1990 was approved October 3, 1990 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before October 3, 1995 and for the application to beneficial use of said water on or before October 3, 1999.

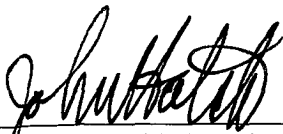
- Water Right No. 1278-1 with a May 20, 1983 priority date authorized 0.067 cfs from one well.
- Water Right No. 1288-1 with a August 10, 1983 priority date authorized 0.067 cfs from one well.
- Water Permit No. 1493-1 with a May 21, 1990 priority date changed the location of the diversion points authorized by Nos. 1278-1 and 1288-1 to one well and increased the diversion rate. The two wells authorized by Nos. 1278-1 and 1288-1 are maintained for groundwater quality monitoring use.

The applicable portions of Water Right Nos. 1278-1 and 1288-1 are incorporated into License No. 1493-1.

(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 0.356 cubic feet of water per second for beneficial use. The location of the diversion point is 2,030 feet west and 140 feet north of the southeast corner of Section 33-T5N-R2E (SW 1/4 SE 1/4).

(3) The applicant has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use for the processing plant and water quality monitoring.

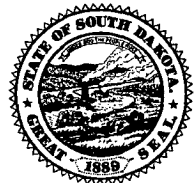
(4) Pursuant to South Dakota Water Law 46-5-30.1 Wharf Resources, HC 37 Box 811, Lead SD 57754-9710 the holder and/or owner of Incorporated Water Permit No. 1493-1 is issued a license to appropriate water, the right to use 0.356 cubic feet of water per second (97 acre-feet annually) from groundwater (one well) with priority dates of May 20, 1983 (0.067 cfs), August 10, 1983 (0.067 cfs) and May 21, 1990 (0.222 cfs) from the location specified in (2) of this license for the purpose of industrial use. This license is subject to any limitations or qualifications listed in Water Permit No. 1493-1 and subject to South Dakota State Law.



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

APR 23 1998

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

APR 23 1998

1406A-1
1493-1

Wharf Resources
Terese Hruska and Jeff Dirkson
HC 37, Box 811
Lead, SD 57754

Dear Ms. Hruska and Mr. Dirkson:

Enclosed are Water License Nos. 1406A-1 and 1493-1. These are the final water right documents completing your process of obtaining a Water Right. Enclosed are Receipt Nos. 415678 and 415679 in the amount of \$50.00 each which you paid for the investigation and issuance of the Water Licenses.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by Water Right Nos. 1406A-1 and 1493-1, 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 Licenses, 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

ks
enclosures

NOTE: The applicable portions of No. 1406-1 have been incorporated into 1406A-1, and the applicable portions of Water Right Nos. 1278-1 and 1288-1 are incorporated into License No. 1493-1.



WHARF RESOURCES (U.S.A.), Inc.

A wholly owned subsidiary of Goldcorp Inc.

1493-1

Wharf Resources (U.S.A.), Inc.
HC 37 Box 811
Lead SD 57754



SD DENR WATER RIGHTS PROGRAM
523 EAST CAPITOL
PIERRE SD 57501-3181

As a matter of corporate simplification, Wharf Resources will now be doing business as Wharf Resources (U.S.A.), Inc. Therefore, all contracts, statements, invoices, or other documents you may have with Wharf Resources, a Montana General Partnership, or simply in the name of Wharf Resources, should be changed to Wharf Resources (U.S.A.), Inc. All purchase orders or other correspondence to you in the future will be from Wharf Resources (U.S.A.), Inc. The management structure of the company remains the same.

If you have any questions, please do not hesitate to contact me.

Sincerely,

John A. Begeman
General Manager

CHRISTENSEN, MOORE, COCKRELL & CUMMINGS, P.C.

Dana L. Christensen
Mikel L. Moore
Dale R. Cockrell
Steven E. Cummings
Tracy Axelberg

Two Medicine Building
160 Heritage Way
P.O. Box 7370
Kalispell, MT 59904-0370

Office: (406) 751-6000
Fax: (406) 756-6522
*Also Admitted in Arizona
**Also Admitted in South Dakota
***Also Admitted in Washington

April 16, 1999

John Hatch
Chief Engineer, Water Rights Program
Department of Environment and Natural Resources
Joe Foss Building, 523 East Capitol
Pierre, South Dakota 57501-3181



Re: Wharf Resources

Dear Mr. Hatch:

This letter is being written on behalf of Wharf Resources, a Montana general partnership, and Wharf Resources (U.S.A.), Inc. Pursuant to a corporate reorganization, Wharf Resources, a Montana general partnership, has transferred the following water right permit and license numbers to Wharf Resources (U.S.A.), Inc.:

1346-1	1514-1
1365-1	1173-1
1406A-1	1437-1
1460-1	1493-1
PW-1	1667-1

If you have any questions, please do not hesitate to contact me.

Sincerely,

CHRISTENSEN, MOORE, COCKRELL
& CUMMINGS, P.C.

Dale R. Cockrell
Direct Line No. (406) 751-6003

DRC/bls

cc: John Begeman
Carol Koerner



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

May 24, 1999

Dale R Cockrell
Christensen, Moore, Cockrell & Cummings, PC
PO Box 7370
Kalispell, MT 59904-0370

RE: Water Permits and Water Rights held by Wharf Resources

Dear Mr. Cockrell:

Thank you for your letter of April 16th regarding the transfer of water rights and permits held by Wharf Resources.

Enclosed are seven partially completed "Notice of Transfer of Ownership" forms for use in filing the transfers with Vested Water Right No. 1173-1, Water Right Nos. 1346-1, 1365-1, 1406A-1 and 1493-1 and Water Permit Nos. 1437-1 and 1667-1

Please review the enclosed forms and complete as needed. The forms should be signed in the presence of a notary public by a representative of Wharf Resources (U.S.A.), Inc. Please return the completed forms to our office with a required filing fee of \$2.50 each (total of \$17.50).

Thank you for your help and if I can answer any questions for you, please give me a call.

Sincerely,

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352

enclosures

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

NE 416144

Pierre, June 14, 1999

RECEIVED OF Wharf Resources, Inc., HC 37, Box 911, Lead, SD 57754
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. _____

Fee for Filing Transfer Form Water Right No. 1493-1

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

2 50

2 50

By _____
Chief Engineer

John Hatcher

NOTICE OF TRANSFER OF OWNERSHIP

To: Chief Engineer
Water Rights Program, DENR
523 E. Capitol
Pierre, SD 57501-3181



No. 1493-1

Date: 6-7-99

I/We request that Water Right No. 1493-1

formerly owned by: Wharf Resources, a Montana general partnership

be transferred to: (name & address) Wharf Resources (U.S.A.) Inc., HC 37, Box 811,

Lead, SD 57754

Telephone No. (605) 584-1441

Title to the following described land(s)/property has been transferred as described above:

diversion point location: SW 1/4 SE 1/4 Section 33, T5N, R2E

I/We understand that the validity of Water Right No. 1493-1 has not been determined by this transfer action. If I/We have any questions on validity, I/We understand that only the Water Management Board has the authority to determine if a water permit/right is valid (see note).

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 Two Dollars and Fifty Cents (\$2.50) is required to cover the filing fees as required under SDCL 46-2-13. This form must be signed by the new owner.

STATE OF SOUTH DAKOTA)

County of Lawrence)

I/~~W~~x John A. Begeman being first duly sworn on my oath depose and say that my relation to the above described undertaking is that of ** that I have read the above foregoing statement, and that I know of my own personal knowledge that the information herein stated is true.

**General Manager of Wharf Resources (U.S.A.) Inc.

John A. Begeman
(Signed)

Subscribed and sworn to before me this 7th day of June, 1999.

Julian Benson
(Notary Public)

NOTE: Water permits may be cancelled for nonconstruction within the five year construction period. 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.



1493-1

DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

June 16, 1999

Dale R Cockrell
Christensen, Moore, Cockrell & Cummings, PC
PO Box 7370
Kalispell, MT 59904-0370

RE: Wharf Resources (U.S.A.) Inc.

Dear Mr. Cockrell:

I am writing to acknowledge receipt of the transfer of ownership forms for Vested Water Right No. 1173-1, Water Right Nos. 1346-1, 1365-1, 1406A-1 and 1493-1 and Water Permit Nos. 1437-1 and 1667-1. The transfers have been completed and the above water rights and permits are now listed in the name of **Wharf Resources (U.S.A.) Inc.** Enclosed are the receipts for the filing fees.

I noticed when transferring the records that Wharf had an additional water right that I did not send a transfer form to you for. I am including a copy of Vested Right No. 1174-1 to give you an idea of which system the water right pertains to. I apologize for overlooking this in my first correspondence to you.

Enclosed is a partially completed "Notice of Transfer of Ownership" form for Vested Water Right No. 1174-1. The form will need to be signed in the presence of a notary by a representative of Wharf Resources (U.S.A.) Inc. Upon completion, please forward the form and a \$2.50 filing fee to our office.

Thanks again for your help and if I can answer any questions for you please give me a call.

Sincerely,

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352

enclosures

c: John Begeman, General Manager of Wharf Resources (U.S.A.) Inc

1493-1



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

OCT 19 2017

1493-1
1761-1

Matt Zietlow, Environmental Coordinator
Wharf Resources (USA) Inc
10928 Wharf Rd
Lead SD 57754

Dear Mr. Zietlow:

Enclosed is Water License No. 1761-1. This is the final water right document completing your process of obtaining a Water Right. Included with your license is a map prepared by the staff engineer who conducted the field investigation.

For your information SDCL 46-6-27 requires that if in the future, the owner of an existing well, 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.

Upon licensing, the applicable portions of Water Right No. 1493-1 were incorporated into Water License No. 1761-1. 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.

Sincerely,

A handwritten signature in black ink that reads "Jeanne Goodman". The signature is fluid and cursive, with the first name "Jeanne" and last name "Goodman" clearly distinguishable.

Jeanne Goodman, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures