

Considered: _____

WATER PERMIT NO. 1535-1

Phone: 605 375-3731

Name of Applicant: Koch Exploration Company

Post Office Address: HC 67, Box 17, Buffalo SD 57720-9702

Amount of Water Claimed: 15 gpm Total Acres: NA

Source of Water Supply: groundwater (2 wells)

Water to be used for: commercial County: Harding

About 8 miles north, 2 west of Buffalo

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

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

PRIORITY Date Received: 1-24-92 Fee: \$50 Remarks _____

Corrected Application Received 2-3-92 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: NW 1/4 NE 1/4 Sec 11-T20N-R4E

Land to be Irrigated: NA

			⊗ ⊗	
		//		

Well Log: Driller: Peters Drilling Inc. Licensed YES X NO _____

Depth of Well: 420' 388' REMARKS _____

Type of Map: aerial PREPARED BY: Mary Johnson, ASCS Reviewed and the Number

Assigned on 2-3-92 By Karen Schlaak

**SOUTH DAKOTA
WATER PERMIT No. 1535-1**

Date of first receipt of application January 24, 1992.
Date of return to applicant for corrections, amendments or changes
January 27, 1992.
Date of receipt of corrected application February 3, 1992.

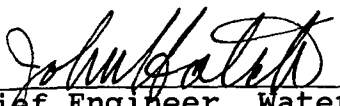
The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 1535-1 to Koch Exploration Company, HC 67, Box 17, Buffalo SD 57720-9702 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 1535-1 appropriates 15 gallons per minute (0.033 cubic feet of water per second) from two wells (Fox Hills Formation) 388 feet deep located in the NW 1/4 NE 1/4 Section 11-T20N-R4E.
2. The water appropriated shall be used for the purpose of supplying water to the field office and repair garage and may not exceed the amount of water needed for beneficial use for commercial purposes.
3. The water is to be used during the following described annual period: January 1 - December 31.
4. The date of approval of Permit No. 1535-1 is April 28, 1992.
5. The date from which applicant may claim right is January 24, 1992.
6. One-fifth of the construction is to be completed on or before October 28, 1994.
7. All construction is to be completed on or before April 28, 1997.
8. Water is to be put to beneficial use on or before April 28, 2001.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATION

1. The wells 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: 
Chief Engineer, Water Rights Division
Department of Environment and Natural Resources

AUG 7 1992
date

523 E. Capitol
Pierre, SD 57501
(605) 773-3352No. 1535-1 Hydrologic Unit 10130302
Map No. _____ Basin Grand River
Newspaper Nation's Center News, Box 107Buffalo 57720 (Wed)**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 ☐
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 retainedChange 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 Koch Exploration Company Phone No. 605/375-3731Post Office Address HC 67, Box 17; Buffalo State SD 57720-9702
(Street, RR or Box) (City) Zip Code2. Amount of water claimed (c.f.s.) 15 GPM (0.033 cfs)3. Source of water supply Ground water4. Location of point of diversion (2 wells) NW 1/4 NE 1/4, Sec. 11, T 20N, R 4ECounty Harding5. Counties where water will be used Harding6. Annual period during which water is to be used January 1 through 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)

One well for field office. One well for repair garage.
Water used for bathroom, drinking and miscellaneous uses.

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 Harding)^{ss}I, Ted R. Heidrich 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 Ted HeidrichSubscribed and sworn to before me this 22d day of January 1992Lubora Ann Minkley
Notary Public (now Lubora Minkley)

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

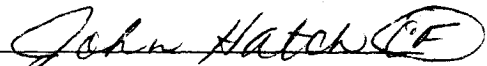
413034

Pierre, January 27, 1982

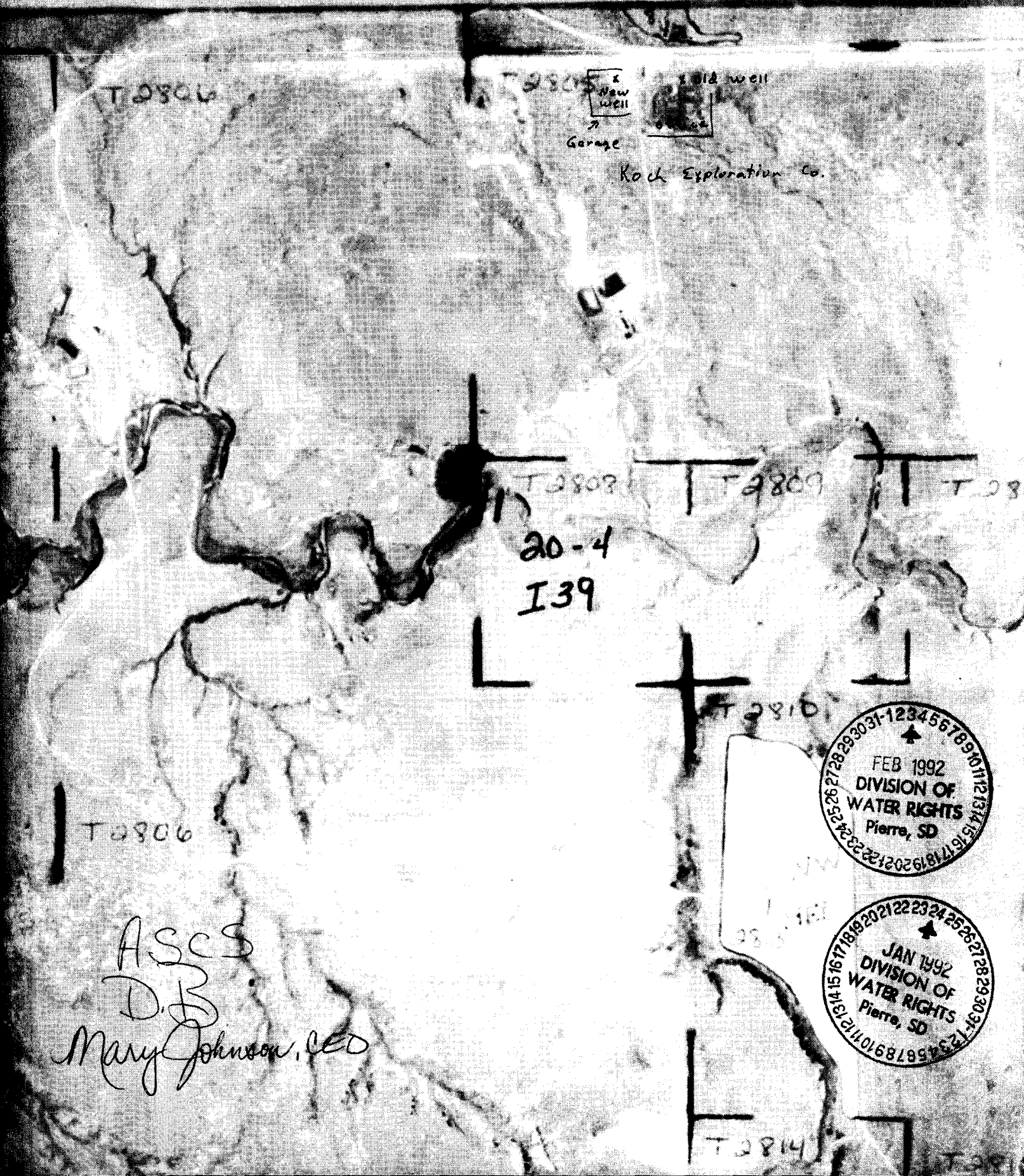
RECEIVED OF Koch Exploration Company, HC 67, Box 17, Buffalo, SD 57720

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

Fee for Application for Permit No. <u>1535-1</u> to Appropriate Water, to construct works 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		
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	50 00

By John Hatch 
Chief Engineer

NOT TO SCALE



SOUTH DAKOTA WATER WELL COMPLETION REPORT

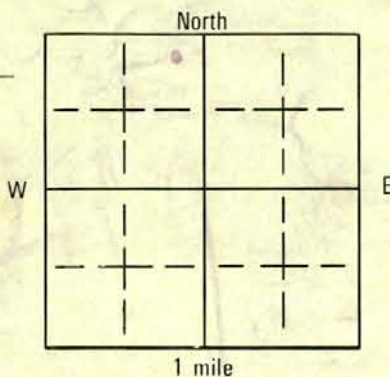
10-85

Location NW 1/4 NE 1/4 Sec 11 Twp 20N Rg 4E

County

HARDING

Please mark well location with an "X"

Well Completion Date 12-2-91

PROPOSED USE:

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

Method of Drilling:

FORWARD ROTARY

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>11</u> LB/FT	<u>4</u> IN	<u>6</u> FT	<u>347</u> FT	<u>7 7/8</u> IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN

GROUT:

Was the well grouted? ☒ YES ☐ NOTo what depth? 90 FEETWhat is grouting material? CEMENTIf cement, number of sacks? 14Describe grouting procedure A 1" TREMIE PIPE WAS RAN TO 90'. CEMENT WAS PUMP THROUGH TREMIE 1" TO 0.What was grout weight? 12 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? SEAL WAS MADE BY REAMING TO A CLAY FORMATION 340'. A 7' TAIL AND HEAVY WALL COLLAR WAS SET INTO CLAY FORMATION.Was well disinfected upon completion? ☒ YES ☐ NOExplain HILTEXBacteriological analysis ☐ YES ☐ NO

Laboratory sent to _____

Well Owner:

Name ROCK OIL COMPANYAddress BUFFALO S. D.

Well Log:

Depth

Formation

From

To

BROWN SANDY CLAY	9	40
GRAY SANDY CLAY	40	85
BROWN SANDY CLAY	85	100
GRAY CLAY	100	220
GRAY SANDY CLAY	220	260
BLUE SANDY CLAY	260	300
BROWN CLAY	300	340
GRAY CLAY	340	352
BLUE SAND	352	388
GRAY CLAY	388	420

STATIC WATER LEVEL 82' 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:

☒ Pumped3HP 3PH 20GPM STARITE☐ Bailed

Describe: _____

☐ Other

Pumping Level Below Land Surface

185 ft. After 1 Hrs. pumped 27 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

_____ ft. After _____ Hrs. pumped _____ GPM

REMARKS:

This well was drilled under license # 335

And this report is true and accurate.

Drilling firm BEERS DRILLING INC.

Signature of License Representative:

Signature of Well Owner:

Date

12-2-91



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

January 15, 1992

Kock Oil Company
Buffalo SD 57720

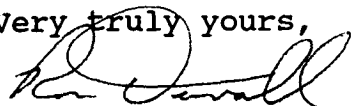
Dear Sir :

A well driller's report filed by Peters Drilling, Inc. shows that they completed a new well for you which produced 27 Gallons Per Minute (GPM). Based on the information in the report, you may need a water permit.

1. A water permit must be obtained for any water use except for reasonable, private domestic use. Reasonable use is defined as use of 18 GPM or less, on an average daily basis (26,000 gallons per day), with a maximum rate not exceeding 25 GPM. Water distribution systems (i.e. suburban housing; manufactured and mobile home developments; rural water systems; municipalities; etc.) may not exceed 18 GPM without a water permit. Examples of commercial use that require permits for private water supplies are: truckstops; motels; restaurants; bars; clubs; tourist attractions; commercial campgrounds and any other business operation. Examples of noncommercial use that require permits for private water supplies are: churches, hospitals and nursing homes (any amount of water) and schools that pump more than 18 GPM or use water outside of the school building.
2. As a new well owner, you need to be aware of some of your responsibilities. Enclosed is a copy of "Well Owner Responsibilities". Please review these responsibilities to ensure you are complying with all of the requirements.

Please complete and return the enclosed application forms, with the required fee, to the "Water Rights Division, 523 E. Capitol, Pierre, SD 57501" by February 14, 1992, or contact Don Frye (605-773-3352) if you don't believe your water use requires a permit or if you need assistance.

Very truly yours,


RON DUVALL, Natural Resources Engineer
for JOHN HATCH, Chief Engineer
Water Rights Division
enclosure



January 27, 1992



JAN 29 1992

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

Koch Exploration Company
Ted R. Heidrich
HC 67, Box 17
Buffalo SD 57720-9702

Dear Mr. Heidrich:

In regard to your water permit application received on January 24, 1992, we are returning the map submitted with the application. The map must be signed by one of the following: Registered Land Surveyor, Registered Professional Engineer or by any other government employee who normally prepares maps as a part of his assigned duties (i.e. local SCS or ASCS office). The initials D.B. are not sufficient.

Upon receipt of the signed map, further processing of your application will continue. If you have any questions, please contact this office.

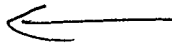
Sincerely,

Karen Schlaak

Karen Schlaak
Natural Resources Analyst
605 773-3352

enclosure

RETURN
TO



*Map signed 1-29-92
by Mary Johnson of
ASCS office @ Buffalo.*

REPORT ON APPLICATION NO. 1535-1
for Koch Exploration Co.
March 2, 1992

Application No. 1535-1 proposes to appropriate 15 gpm (0.033 cfs) from 2 wells approximately 388 feet deep located in the NW 1/4 NE 1/4 of section 11, T20N R4E BHM in Harding County. The water is used for commercial use at the field office and repair garage.

AQUIFER - FOX HILLS (FXHL)

The Fox Hills consists of a light buff to yellow, cross bedded, fine to medium grained sand and sandstone and buff to gray sandy and silty clays with intercolated sand streaks in the lower part. The formation is approximately 100 feet thick in this area conformably overlies the Pierre Shale and unconformably underlies the Hell Creek Formation (Curtiss, 1956). The Fox Hills underlies 1.64 million acres and contains an estimated 12.3 million acre feet of recoverable water in Harding County (Allen, 1984). The Fox Hills is under confined (artesian) conditions at this site. The driller's log submitted indicates the top of the aquifer is at 352 feet and extends to a depth of 388 feet below land surface. The well was capable of producing 27 gpm and had a static water level of 82 feet below land surface.

The Division of Water Rights monitors 5 observation wells completed into the Fox Hills formation in Harding County. The nearest Fox Hills observation well (HR-86D) is located about 11 miles southeast of this application. Water levels for this well do not fluctuate much at all. For the period of record there has been less than 1 foot of fluctuation.

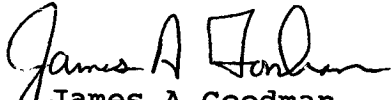
REVIEW OF EXISTING WATER PERMITS/RIGHTS

There are no existing water permits/rights in this area which obtain water from the Fox Hills formation. Interference is not expected to be a problem.

CONCLUSIONS

1. Water is available from the Fox Hills formation.
2. The Fox Hills is under confined conditions and fluctuation due to pumping can be expected, however, the requested diversion rate is small for this application and any drawdown caused by pumping should not be significant. Interference should not be a problem.

3. No information is available for the old well also called the office well. Koch Exploration will be sending in information for this well at a later date, if they have anything. The new well is constructed in accordance with SD Well Construction Standards.


James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

- Allen, J.C., etal., 1984, Analysis of Groundwater and Streamflow Data Western Dakotas Region of South Dakota, for US Army Corps of Engineers, SD DENR, SDGS, Vermillion, SD, 57069.
- Curtiss, R.E., 1956, Areal Geology of the Murchison Quadrangle, SD DENR, SDGS, Vermillion, SD, 57069.

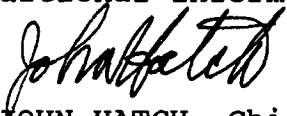
RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1535-1, Koch Exploration Company

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Division, Department of Environment and Natural Resources concerning Water Permit Application No. 1535-1, Koch Exploration Co., HC 67 Box 17, Buffalo, SD 57720-9702.

The Chief Engineer is recommending APPROVAL of Application No. 1535-1 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) in the public interest with the following qualification:

The wells 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 report on application for additional information.


JOHN HATCH, Chief Engineer
March 23, 1992



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

March 25, 1992

Nation's Center News
Box 107
Buffalo, SD 57720

ATTENTION: Legal Department

Enclosed is a Notice of Hearing on Application No. 1535-1 to be published twice. Please publish the first notice on April 1, 1992, 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 Koch Exploration Company, HC 67 Box 17, Buffalo, SD 57720-9702.

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. No action may be taken on the permit application until proof of publication has been received.

Sincerely,

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



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

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

March 25, 1992

Ted R Heidrich
HC 67 Box 17
Buffalo, SD 57720-9702

Dear Mr. Heidrich:

Water Permit Application No. 1535-1 for commercial 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 Nation's Center News printed at Buffalo, SD. For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are 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 Hearing 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. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,


Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.

Instruction to Newspaper - Publish first Notice on April 1, 1992, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1535-1 to Appropriate Water

Notice is given that Koch Exploration Company, HC 67 Box 17, Buffalo, SD 57720-9702 has filed an application for a water permit to appropriate 15 gallons per minute (0.033 cubic feet of water per second) from two wells (Fox Hills Formation) 347 feet deep located in the NW 1/4 NE 1/4 Section 11-T20N-R4E. The water is for commercial use at the field office and repair garage.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1535-1 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. Unless a petition is filed opposing the application or the applicant files a petition contesting the chief engineer's recommendation, the Water Management Board will NOT CONDUCT a HEARING to consider this application and the chief engineer will issue the permit as recommended. Petitions filed in support of the application will NOT require the Board to hear the application.

Any person interested in opposing or supporting this application must file a written petition with BOTH the applicant and Chief Engineer. The applicant must also file a petition if opposed to the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Division, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by April 20, 1992. 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 the petitioner's legal counsel, if legal counsel is obtained.

For purposes of publishing 1) the notice of hearing on Application No. 1535-1 and 2) the chief engineer's recommendation, a meeting at the Division of Water Rights office to hear this application is scheduled for April 28, 1992, at 9:00 am in Room 413, Joe Foss Building, 523 E Capitol, Pierre SD. If this application is opposed or the recommendation is contested, the April 28, 1992, hearing date will be rescheduled for a regularly scheduled Board meeting. Notice of the time and place of the rescheduled hearing before the Board will be given by First Class Mail to the applicant and persons filing petitions. Anyone not filing a petition, but interested in attending the hearing, may contact the Division of Water Rights to confirm a hearing date and location. The April 28, 1992, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by April 20, 1992.

If a hearing is held, 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 hearing will be an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. 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. Contact the Water Rights Division to request copies of information pertaining to this application or to assure access to the hearing by the handicapped.

This application is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16; 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, 46-6-26; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
 County Harding) ss.

I, LaVerne M. Helms

certify that the attached printed Notice was taken
 from the Nation's Center News

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

Town _____ of Buffalo

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

April 1, 1992

April 8, 1992

LaVerne E. Helms

(Signature)

Business Manager

(Title)

4-9-92

(Date Signed)

Cost of Printing: _____

4-1-92 - 143 lines x .222 = 31.75

4-8-92 - 143 lines x .222 x .80 = 25.40

Total - 57.15

NOTICE OF HEARING
On Application No. 1535-1
To Appropriate Water

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For purposes of publishing 1) the notice of hearing on Application No. 1535-1 and 2) the chief engineer's recommendation, a meeting at the Division of Water Rights office to hear this application is scheduled for April 28, 1992, at 9:00 a.m. in Room

Canon, Pierre, SD. If this application is opposed or the recommendation is contested, the April 28, 1992, hearing date will be rescheduled for a regularly scheduled Board meeting. Notice of the time and place of the rescheduled hearing before the Board will be given by First Class Mail to the applicant and persons filing petitions. Anyone not filing a petition, but interested in attending the hearing, may contact the Division of Water Rights to confirm a hearing date and location. The April 28, 1992, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by April 20, 1992.

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Department of Environment
and Natural Resources
Foss Building
525 East Capitol
Pierre, SD 57501-3181



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

AUG 7 1992

Ted R Heidrich
Koch Exploration Company
HC 67 Box 17
Buffalo, SD 57720-9702

Dear Mr. Heidrich:

Enclosed is Water Permit No. 1535-1 authorizing construction of your water diversion system and beneficial use of the water, 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,

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.



NOTICE OF COMPLETION OF WORKS AND
APPLICATION OF WATER TO BENEFICIAL USE

Date 8-10-92

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

FROM: Koch Exploration Co HC 67 Box 17 Buffalo SD 57720
name address city

I have completed the construction of the water diversion system and I have put the water to beneficial use to the maximum extent it is going to be used. I have not exceeded the amounts specified in Water Permit No. 1535-1.

Water Permit No. 1535-1 states that the diversion system is to be constructed by Koch Exp. Co, and that the water it put to beneficial use by Koch Exp. Co.

The diversion system was completed on Dec 1, 91.
Applying the water to beneficial use was completed on Dec 10, 91.

You may schedule an inspection so that the Water License may be issued.

Ted R Heidrich
signature

Permit No. 1535-1
Grand 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, **6/20/1995**, made a thorough examination of the water use system owned by **Koch Exploration Company** of **HC 67 Box 17, Buffalo, SD 57720**, holder of **Permit No. 1535-1**, bearing the priority of **January 24, 1992** authorizing the diversion of **0.033 cu. ft. per second** of groundwater for commercial purposes, in **Harding County**.

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

A. Works used to divert the water:

Two 20 gallon per minute submersible pumps.
Two 3 horse power submersible motors.

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

325 feet of 1 (one) inch PVC pipe.

C. Works used to apply water to beneficial use:

Water is used for culinary purposes in a shop and office.

The system is in the following condition **Good**. The points of diversion are located: **Old Well: About 1394 feet west, 150 feet south from the northeast corner of Section 11; New Well: About 1750 feet west, 118 feet south from the northeast corner of Section 11**, all in **T20N-R4E (NW1/4 NE1/4)**. The works are capable of diverting and conveying to the place of use **0.09 cu. ft. per second** of water which is used for commercial purposes.

The license should be issued for **0.09 cfs**.

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

Exceptions to compliance are: **None** Date Report Completed:

M. Rassool Ahadi
Natural Resources Engineer
DENR, Water Rights Program

REPORT ON INSPECTION OF PERMIT NO. 1535-1

DATE OF INSPECTION: 6/20/1995

NAME & ADDRESS OF PERMIT HOLDER: Koch Exploration Company, HC 67, Box 17, Buffalo, SD 57720

DIVERSION POINT LEGAL LOCATION: NW1/4 NE1/4 Section 11, T20N-R4E

WELL INFORMATION: NEW/OLD

- 1) Well Drilling Firm: Peters Drilling/Unknown
- 2) No. of Wells 2
- 3) Depth(s) 388/400 feet
- 4) Well log is available Y/N
- 5) Comment:

Casing:

- 1) Diameter 4/4 inches
- 2) Length 347/389 feet
- 3) Type Steel/Steel

Screen:

- 1) Type Steel/Steel
- 2) Length 1/1 feet
- 3) Static water level 82/unknown feet

Pump:

- 1) Make Sta-Rite/Sta-Rite (Both pumps are submersible)
- 2) Model
- 3) Size 2/2 inches
- 4) Capacity 20/20 GPM

Motor:

- 1) Make Sta-Rite/Sta-Rite
- 2) Model No.
- 3) Horsepower rating 3/3 hp

DISTRIBUTION LINES OR CANALS: **

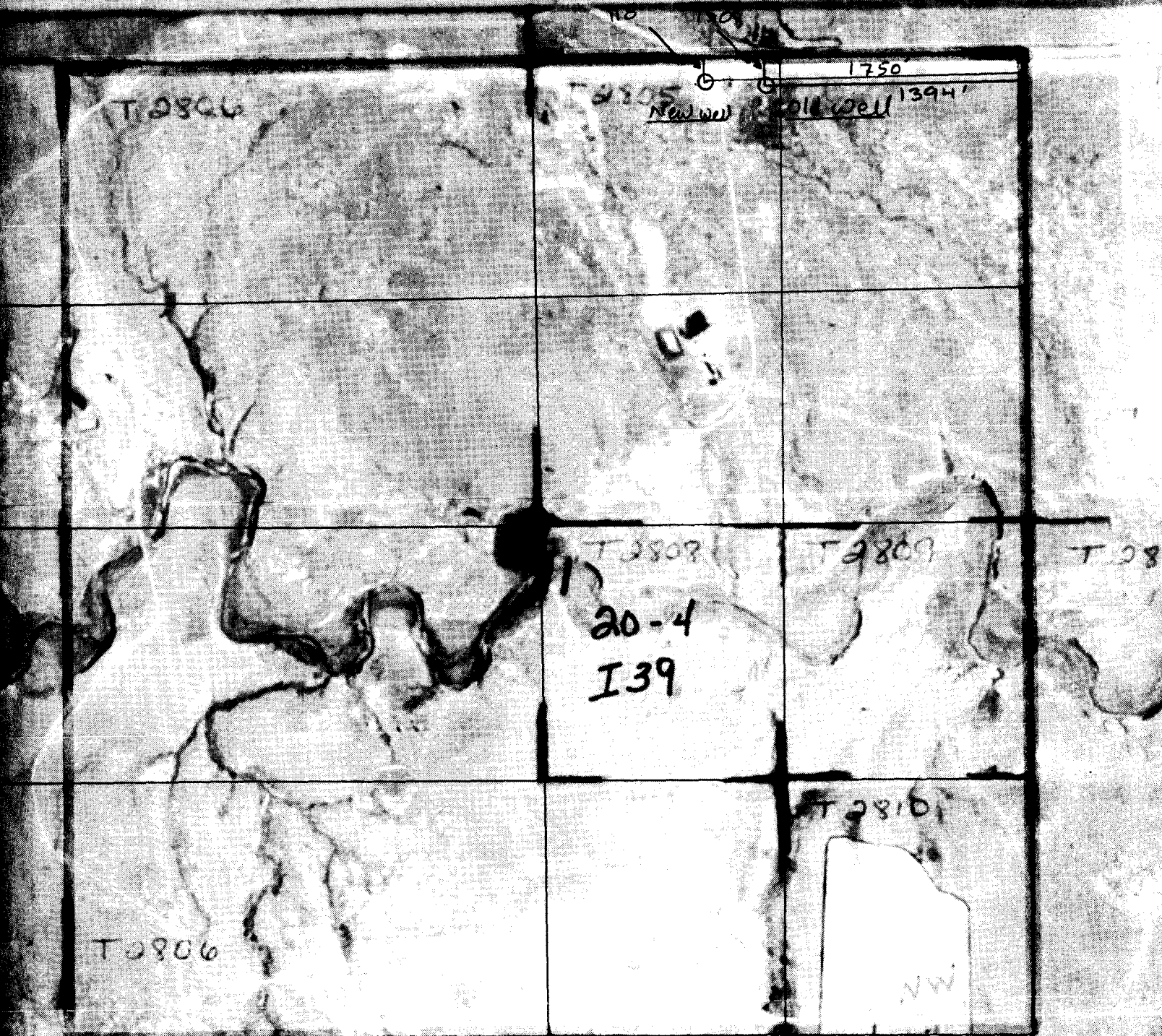
- 1) Type PVC/PVC
- 2) Size 1/1 inches
- 3) Length 300/25 feet

** Water from the old well is pumped into an 80 gallon pressure tank. Water from the new well is pumped into two 80 gallon pressure tanks.

PERMIT QUALIFICATIONS AND REGULATIONS:

- 1) Soil and water permit lands agree with lands being irrigated and lands listed on permit NA
- 2) Special qualifications to permit being abided by Y
- 3) All structures, wells and lands on map Y
- 4) Irrigation Questionnaires checked to determine if permit owner started irrigation by the end of construction period NA

NOT TO SCALE



MR. Shah
Nat. Res. Engineer III

7-17-95

1535-1

T 2814

Permit No. 1535-1
Grand 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, October 27, 2005, made a thorough examination of the water use system constructed by Continental Resources, Inc. of HC 67 Box 17, Buffalo, SD 57720 holder of Permit No. 1535-1, bearing the priority of January 24, 1992 authorizing the diversion of 0.033 (15 gpm) cu. ft. per second of the waters of groundwater (Fox Hills Formation) for commercial use purposes, in Harding County.

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

A. Works used to divert the water:

Two 20 gpm submersible pumps with 3 Hp electric motors.

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

Approximately 350 feet of one inch PVC pipe

C. Works used to apply water to beneficial use:

Water is used for commercial use purposes in the shop and office

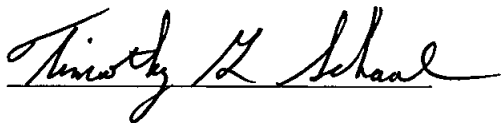
The system is in the following condition good. The point of diversion is located Well No. 1—1400 ft. west & 100 ft. south of the NW corner of Section 11-T20N-R4E (NW ¼ NE ¼) (Lat. 45.718613, Long. -103.592296) ; Well No. 2—1800 ft. west & 150 ft. south of the NW corner of Section 11-T20N-R4E (NW ¼ NE ¼) (Lat. 45.718555, Long. -103.593996). The works are capable of diverting and conveying to the place of use 0.09 (40 gpm) cu. ft. per second of water which is to be used for commercial use. Water has been put to beneficial use to the maximum extent as follows:

Water is used for commercial use purposes in the shop and office

and the license should be issued for 0.033 (15 gpm) cfs (Note: see file doc.)

Applicable permit qualifications have been complied with: Yes X

Exceptions to compliance are: none Date Report Completed: April 5, 2006



Timothy G. Schaal, P.E.
Natural Resources Engineering Specialist
DENR, Water Rights Program

REPORT ON INSPECTION OF PERMIT NO. 1535-1

DATE OF INSPECTION: October 27, 2005

NAME & ADDRESS OF INSPECTION CONTACT/ Gary Johnson

RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE: Area Supervisor

NAME & ADDRESS OF PERMIT HOLDER: Continental Resources, Inc.

DIVERSION POINT LEGAL LOCATION: Well No. 1—1400 ft. west & 100 ft. south of the NW corner of Section 11-T20N-R4E (NW ¼ NE ¼) (Lat. 45.718613, Long. -103.592296) ; Well No. 2—1800 ft. west & 150 ft. south of the NW corner of Section 11-T20N-R4E (NW ¼ NE ¼) (Lat. 45.718555, Long. -103.593996).

WELL INFORMATION: 2 wells - - New/Old

- 1) Well Drilling Firm: Peters Drilling/Unknown
- 2) No. of Wells 2
- 3) Depth(s) 388/400 feet
- 4) Well log is available Yes (new well)/ No (old well)

Casing:

- 1) Diameter 5 inches (new well) (old well-unknown)
- 2) Length 360/unknown feet
- 3) Type PVC – new well, old well- unknown

Screen:

- 1) Type unknown

Pump:

- 1) Make Sta-Rite submersible pumps (both wells)
- 2) Model No. XXX
- 3) Size 2 inch
- 4) Capacity 20 GPM

Motor:

- 1) Make Sta-Rite (both wells)
- 2) Model XXXX
- 3) Horsepower rating 3 hp

DISTRIBUTION LINES OR CANALS:

- 1) Type PVC 2) Size 1 inches 3) Length 350 feet

PERMIT QUALIFICATIONS AND REGULATIONS:

- 1) Soil and water permit lands agree with lands being irrigated and lands listed on permit N/A
- 2) Special qualifications to permit being abided by yes
- 3) All structures, wells and lands on map yes
- 4) Irrigation Questionnaires checked to determine if permit owner started irrigation by the end of construction period N/A

Water Rights Division -DENR
Conversation or File Documentation

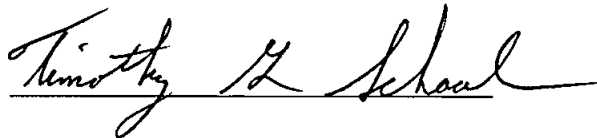
NAME OF PERSON OR FILE: Continental Resources, Inc.

ADDRESS: HC 67, Box 17 COUNTY: Harding

DATE: April 4, 2006 TELEPHONE: (605) 375-3731

RE: water usage

Today, I talked to Gary Johnson, Area Supervisor, Continental Resources, Inc. about their water usage. During my inspection of Water Permit No. 1535-1 on October 27, 2005, I found they have 2 wells with a 20 gpm submersible pump in both for a total pumping capacity of 40 gpm. Water Permit No. 1535-1 only authorizes 15 gpm. I told Mr. Johnson if they actually used 40 gpm, they should file another Water Permit Application to amend No. 1535-1; or if they only used the 15 gpm, Water Permit No. 1535-1 could be licensed for the amount they are using. He said they only use the 15 gpm and licensing Water Permit No. 1535-1 for that amount would be okay.

A handwritten signature in cursive script, reading "Timothy G. Schaal", written over a horizontal line.

Timothy G. Schaal, P.E.
Natural Resources Engineering Specialist
Water Rights Program

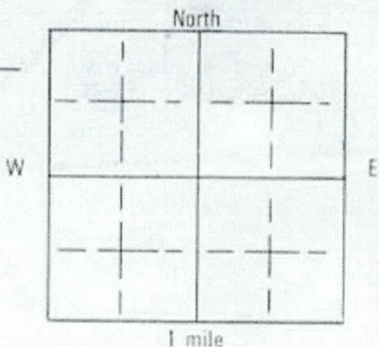
SOUTH DAKOTA WELL AND TEST HOLE PLUGGING REPORT

10-85

Location NW ¼ NE ¼ Sec 11 Twp 20N Rg 4E

County

HARDING

Please mark well
location with
an "X"

Well Owner:

Name KOCH OIL COMPANY

Address BUFFALO S. D.

Plugging completion Date 12-02-91

CHECK APPROPRIATE BOX

EXISTING WELL ☐

Well depth 350'

Casing material PCC

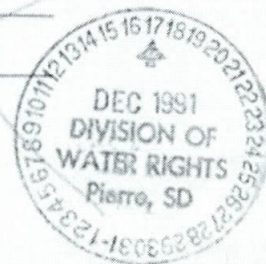
Casing size(s) 5"

Casing condition GOOD

TEST HOLE ☐

Hole depth

Hole size



Describe plugging procedure: ENVIROPLUG GROUT WAS DISPLACED IN THE WELL FROM 350' TO 35'.

CEMENT WAS DISPLACE IN THE WELL FROM 31" TO 3'. A PITLESS UNIT WAS REMOVED FROM THE CASING. A 2' LAYER OF ENVIROPLUG COARSE TABLETS WAS PLACED AROUND AND OVER THE TOP OF THE CASING. TOP SOIL WAS THEN PLACE TO THE SURFACE.

Describe grout or plugging material: ENVIROPLUG GROUT; ENVIROPLUG COARSE TABLETS AND CEMENT.

Type of non-slip plug: CEMENT

This well or test hole was plugged under license # 335 And this report is true and accurate.

Drilling firm PETERS DRILLING INC.

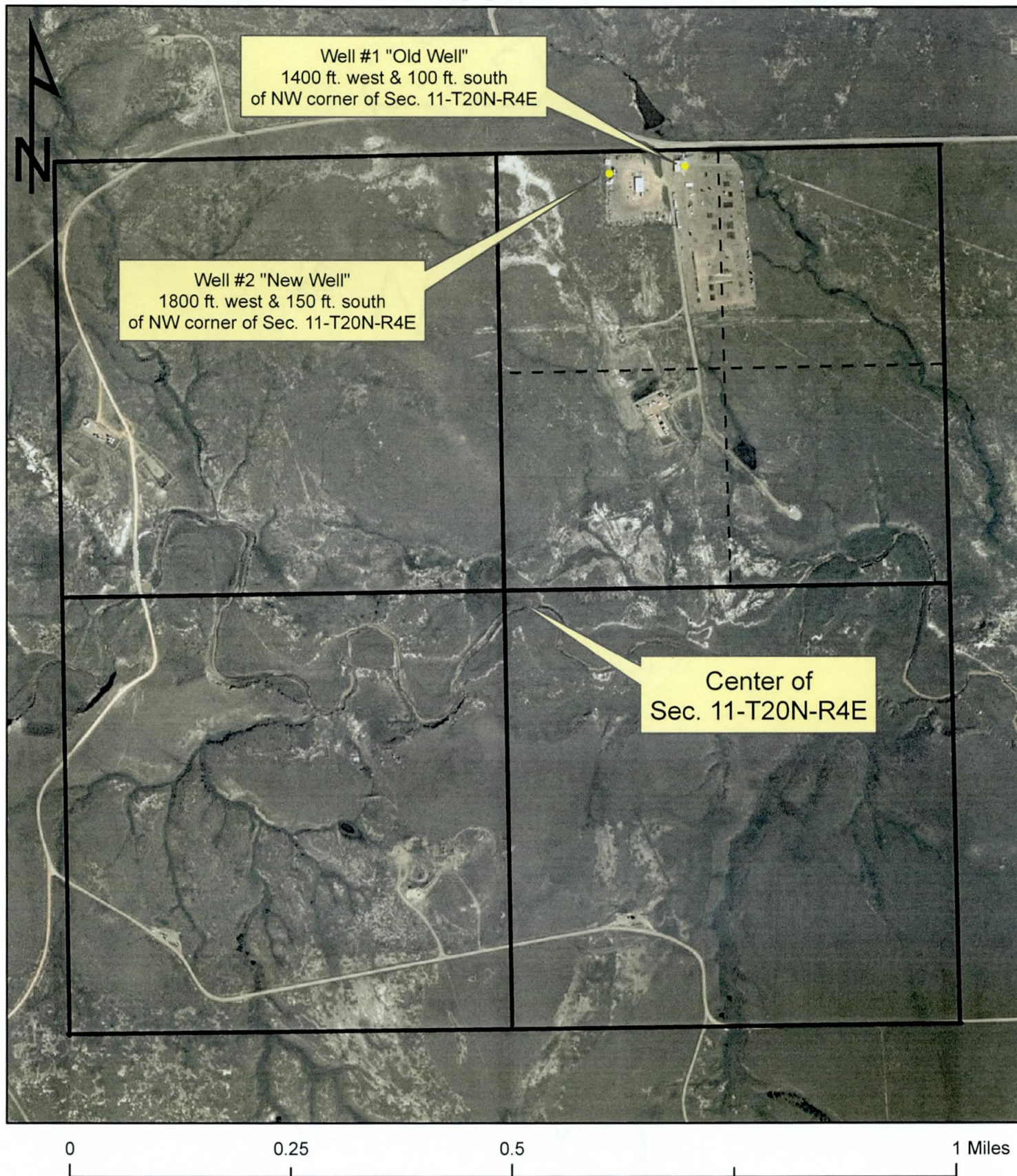
Signature of Licensed Representative

Signature of Well Owner

Date

12-13-91

Water Permit Application No. 1535-1



Timothy G. Schaal
Timothy G. Schaal, P.E.
Natural Resources Engineering Specialist
SD DENR, Water Rights Program

4/05/06



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

April 18, 2006

1535-1

Continental Resources Inc
Gary Johnson, Area Supervisor
HC 67 Box 17
Buffalo SD 57720

Dear Mr. Johnson:

On October 27, 2005 the investigation of your water use system, including the extent of application of water to beneficial use, as developed under Water Permit No. 1535-1, was completed by Tim Schaal, a staff engineer with our program. Your final water right document, the water license, can now be issued.

State law requires 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 complete processing your water license.

Your licensed water right will be similar to a property right that can not be lost as long as the water use continues and you abide by the permit requirements.

Also, enclosed is a *Notice of Transfer of Ownership* form. The form needs to be completed, signed by the owner, notarized and returned with a \$2.50 filing fee. The check or money order for the fees (\$52.50) should be made payable to the "Water Rights Program".

If you have any questions regarding the water permit, investigation of your water use system or payment of the fee, please contact Genny McMath with our program at (605) 773-3352.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
karen.schlaak@state.sd.us

Karen,
Here is the xfer form
and money for it.
Thank you
Gay Johnson

RECEIVED
APR 28 2006
WATER RIGHTS
PROGRAM

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date April 08, 2006

RECEIVED OF Continental Resources Inc., PO Box 1032, Enid OK 73702

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	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. <u>1535-1</u>		
Fee for Filing Transfer Form _____		
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.

02418

By

Darland Ebele

Chief Engineer

gm

NOTICE OF TRANSFER OF OWNERSHIP

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

No. 1535-1

Date: 7/25/06

I/We request that Water Permit No. 1535-1

formerly owned by: Koch Exploration Company

be transferred to: (name & address) Continental Resources, Inc., HC 67 Box 17, Buffalo SD 57720

Telephone No. 605 375-3731

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

two wells – NW ¼ NE ¼ Section 11-T20N-R4E

I/We understand that the validity of Water Permit No. 1535-1 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.

I/We Continental Resources the new owner, certify that the above information is true and correct.

On this 25th day of April, 2006,
before me personally appeared
Gary Johnson, to me known to be the person who executed the foregoing instrument and
acknowledged that he executed the same of his own free act & deed.

by: Gary Johnson
(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.

RECEIVED

APR 28 2006

WATER RIGHTS
PROGRAM

Deane Hauke
Notary.

Expiration 7/26/2011

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date April 28, 20 06

RECEIVED OF Continental Resources Inc. PO Box 1032, Enid OK 73702

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	2	50
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>1535-1</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	2.50

No.

02414

By

Darland Ebel
Chief Engineer *gm*

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 1535-1

(1) Koch Exploration Company, Buffalo SD made Application No. 1535-1, January 24, 1992 for a water permit to divert 0.033 cubic feet of water per second from groundwater (two wells), Harding County, South Dakota for commercial purposes. Permit No. 1535-1, with a priority date of January 24, 1992 was approved April 28, 1992 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before April 28, 1997 and for the application to beneficial use of water on or before April 28, 2001.

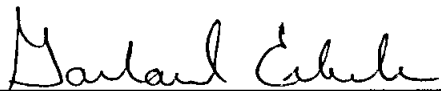
On April 28, 2006, Water Permit No. 1535-1 was transferred to Continental Resources, Inc., HC 67, Box 17, Buffalo SD 57720.

(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, the holder and/or owner of Water Right No. 1535-1 is issued a license, bearing a priority date of January 24, 1992 to appropriate 0.033 cubic feet of water per second from groundwater (two wells) for commercial use in the shop and office.

The diversion points are located: Well No. 1 – 1,400 feet west and 100 feet south of the northwest corner of Section 11-T20N-R4E (NW ¼ NE ¼) and Well No 2 – 1,800 feet west and 150 feet south of the northwest corner of Section 11-T20N-R4E (NW ¼ NE ¼).

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Permit No. 1535-1 including the following now applicable qualification:

- The wells 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.



Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JUN 12 2006

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

JUN 12 2008

1535-1

Continental Resources, Inc.
Gary Johnson, Area Supervisor
HC 67 Box 17
Buffalo SD 57720

Dear Mr. Johnson:

Enclosed is Water License No. 1535-1. This is the final water right document completing your process of obtaining a Water Right. The receipts for the payment of the license and transfer fees are also enclosed.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by Water Right No. 1535-1, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

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

Sincerely,

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures