

WATER PERMIT NO. 1916-1

Name of Applicant: Hills Materials Company

Address: c/o Lynn Kading, PO Box 2320, Rapid City SD 57709

Phone: 605 394-3300

Amount of Water Claimed: 0.222 cfs Total Acres: NA

Source of Water Supply: groundwater (one well)

Water to be used for: industrial County: Lawrence

Type of Waste Disposal System: NA

Location: 4 miles north of Deadwood

PRIORITY

Date Received: 5-4-10

Application/License Fee: \$700

Corrected Application Received:

Period of Annual Use: May 1 – August 31

Remarks: for use at the Centennial Quarry wash plant

Diversion Point: NE ¼ NE ¼ Sec 35-T6N-R3E

Land to be Irrigated: NA

Depth of Well: 1000 feet

Well Driller:

Remarks:

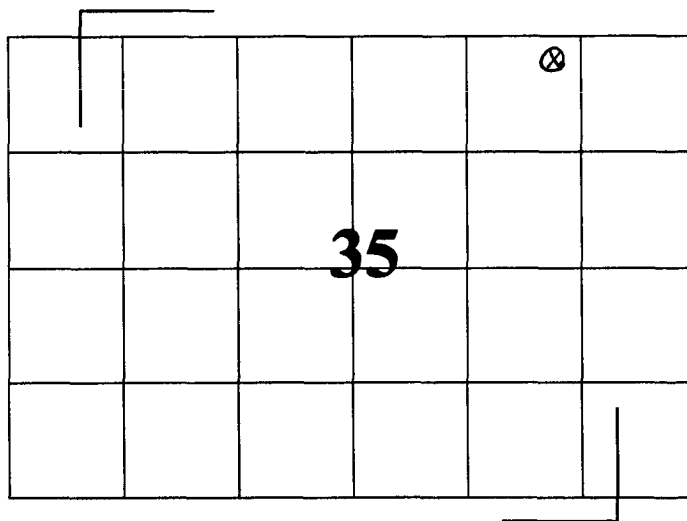
Type of Map: topo

Prepared by: Roger Hall, PE

Reviewed and the Number Assigned on: 5-11-2010

By: Karen Schlaak

Notice of Hearing - date to intervene: _____



SD EForm - 1585LD V3

FORM 2: Application for uses other than irrigation
(type or print)

Mail to: PMB 2020 DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>1916-1</u>	(office use only) Hydrologic Unit <u>10120202</u>
	Basin <u>Beche Fausche River</u>	
	Newspaper <u>Lawrence Co. Journal 376 Main St</u>	
	<u>605-578-3305 / Deadwood 57732 Ste A</u>	

RECEIVED
MAY 04 2010
WATER RIGHTS
PROGRAM

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

Check use(s) of water:

☐ Municipal	☐ Suburban Housing	☐ Recreational	☐ Institutional
☐ Rural Water System	☐ Commercial	☐ Fish & Wildlife	☐ Geothermal Heat
☐ Domestic (over 18 gpm)	☒ Industrial	☐ Other	

Type of Application:
(check one)

☒ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☐ Amendment/Correction to Permit No. _____

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)

1. Name of Applicant Hills Materials Company Phone 605-394-3300
 (check one) ☒ Owner ☐ Tenant/lessee
 Mailing Address PO Box 2320 Rapid City SD 57709
 (Address) (City) (State) (Zip Code)
2. Amount of water claimed 0.222 *CFS or 100 **GPM N/A ***AF
 (*Cubic Feet per Second) (**Gallons per Minute) (***Acre Feet - storage capacity of dam/dugout or annual use if applicable)
3. Source of water supply Madison Formation
4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County Lawrence
1 well in NE1/4 NE 1/4 Sec 35-T6N-R3E
5. County or counties where water will be used Lawrence
6. Annual period during which water is to be used May 1 - August 31
7. Give a description of the 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)

Well described on form 2A to be used in conjunction with Centennial Quarry wash plant.

STATE OF SOUTH DAKOTA)
 County of Pennington) SS

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Also, attach map and any other technical information. (see instructions)

I, Lynn Kading, 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.

Applicant's signature

Subscribed and sworn to before me this 23rd day of April 20 10

Notary Public signature

Shannon M. Caperton
 My commission expires: 1-30-2015

Water Rights Program - DENR
Conversation File Documentation

NAME OF PERSON OR FILE: Water Permit No. 1916-1, Hills Material Company

ADDRESS: PO Box 2320, Rapid City SD COUNTY: Lawrence

DATE: August 19, 2010 TELEPHONE: 606 394-3320

RE: annual period of use

Clint with Hills Material called regarding the annual period of use for this permit. He noticed that the period was May 1 through August 31. He indicated this was a mistake on their application and requested year round use. I consulted with Water Rights staff and the Chief Engineer regarding reissuing the permit. It was determined that the permit can be reissued for year round use based on the public notice and staff report did not address the annual period of use.

NAME: Eric S. [Signature]

**REISSUED
SOUTH DAKOTA
WATER PERMIT NO. 1916-1**

Date of first receipt of application May 4, 2010.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 1916-1 to Hills Materials Company, PO Box 2320, Rapid City SD 57709 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. 1916-1 appropriates 0.222 cubic feet of water per second from one well to be completed into the Madison Aquifer (approximately 1000 feet deep) located in NE 1/4 NE 1/4 Section 35-T6N-R3E.
2. The water appropriated shall be used for the purpose of industrial use at the Centennial Quarry wash plant and may not exceed the amount of water needed for beneficial use.
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. 1916-1 is August 2, 2010.
5. The date from which applicant may claim right is May 4, 2010.
6. One-fifth of the construction is to be completed on or before February 2, 2013.
7. All construction is to be completed on or before August 2, 2015.
8. Water is to be put to beneficial use on or before August 2, 2019.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 1916-1 is issued for a twenty year term. Pursuant to SDCL 46-2A-21, the twenty year term may be deleted at any time during the twenty year period or following its expiration. If the twenty year term is not deleted at the end of the term, the permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 1916-1 may also be cancelled for nonconstruction, forfeiture, abandonment or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1, and ARSD 74:02:01:37.
2. 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.
3. The well authorized by Permit No. 1916-1 shall be constructed by a licensed well driller and construction shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28.

WATER MANAGEMENT BOARD

By: Garland Erbele

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

AUG 20 2010

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

AUG 20 2010

Hills Material Company
Lynn Kading
PO Box 2320
Rapid City SD 57709

Dear Mr. Kading:

Enclosed is Reissued Water Permit No. 1916-1 authorizing construction of the water diversion system and beneficial use of the water at the Centennial Quarry, not exceeding the limits as specified in the Water Permit.

The permit is being reissued to reflect a change in the annual period of use to include the entire year.

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Garland Erbele".

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

enclosures

**SOUTH DAKOTA
WATER PERMIT NO. 1916-1**

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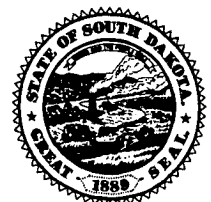
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2. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies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

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

AUG 12 2010
date



Supplemental Information

(type or print in ink)

1. Well Information - Proposed Construction

- a) Drill Hole Diameter 8-3/4 inches Depth 1000 feet
- b) Casing Type Steel Diameter 7 inch O.D. Thickness 0.317 inch
- c) Screen Type none Diameter N/A Thickness N/A
- d) Gravel Pack N/A Length of Gravel Pack N/A
- e) Depth to Top of Water Bearing Material 650'
- f) Depth to Water (ground surface to water level) 500'
- g) Distance to nearest existing domestic well:

On applicant's property _____ On property owned by others 1/4 mile (approx)

2. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field)
- b) System Capacity (gallons) _____ Year Constructed _____
- c) Connected to the City of _____ Sanitary System

3. Dugout Information

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

4. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to 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 (e.g. 3 to 1 is a typical slope)

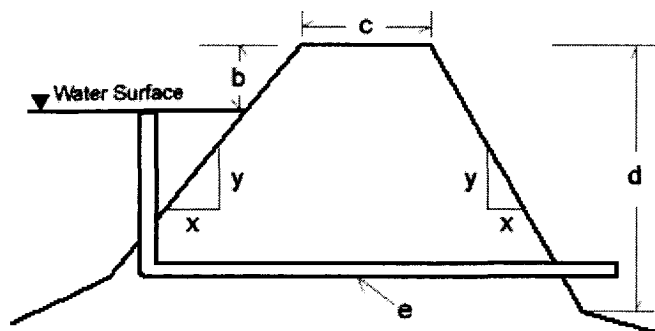
Upstream _____

Downstream _____

h) Surface Area of Impoundment _____

i) Storage _____ Acre Feet

j) Drainage Area Above Dam _____ Acres



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date 5/4, 20 10

RECEIVED OF Hills Material PO Box 2320 Rapid City SD 57709

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	600	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. _____	200	00
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	800 00

No. **04544**

By

Andrew Erbe
Chief Engineer

August 12, 2010

PAYMENT REQUEST FORM

PAYEE: Hills Materials Co
PO Box 2320
Rapid City SD 57709

FROM: DENR Water Rights Program
523 E. Capitol Ave
Pierre, SD 57501-3181

DESCRIPTION OF SERVICE, PRODUCE OR TRANSFER

Refund on Water Permit No. 1916-1

AMOUNT: \$100.00

FUNDING SOURCE:

GENERAL: X

FEDERAL:

COMMENTS:

AUTHORIZATION:

Barbara Cabell

AUG 12 2010

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulations issued thereunder relating to nondiscrimination in federal assisted programs.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1916-1, Hills Materials Company**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 1916-1, Hills Materials Company, c/o Lynn Kading, PO Box 2320, Rapid City SD 57709.

The Chief Engineer is recommendation APPROVAL of Application No. 1916-1 for a 20 year term pursuant to SDCL 46-1-14 and 46-2A-20 because 1) although evidence is not available to justify issuing this permit without a 20 year term limitation, 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) it is in the public interest with the following qualifications:

1. In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 1916-1 is issued for a twenty year term. Pursuant to SDCL 46-2A-21, the twenty year term may be deleted at any time during the twenty year period or following its expiration. If the twenty year term is not deleted at the end of the term, the permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 1916-1 may also be cancelled for nonconstruction, forfeiture, abandonment or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1, and ARSD 74:02:01:37.
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See report on application for additional information.

Garland Erbele, Chief Engineer
July 2, 2010

WATER PERMIT APPLICATION NO.1916-1
HILLS MATERIALS COMPANY
JUNE 2, 2010

Water Permit Application No. 1916-1 proposes to appropriate 0.222 cubic feet of water per second from one well to be completed into the Madison aquifer (approximately 1,000 feet deep) located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 35, T6N-R3E, Lawrence County. The water is to be used at the Centennial Quarry wash plant.

AQUIFER: Madison aquifer (MDSN)

GEOLOGY AND AQUIFER CHARACTERISTICS:

The Madison aquifer is a major regional aquifer that underlies parts of Montana, North Dakota, South Dakota, Wyoming and Canada. The aquifer underlies most of western South Dakota and parts of Eastern South Dakota (figure 1).

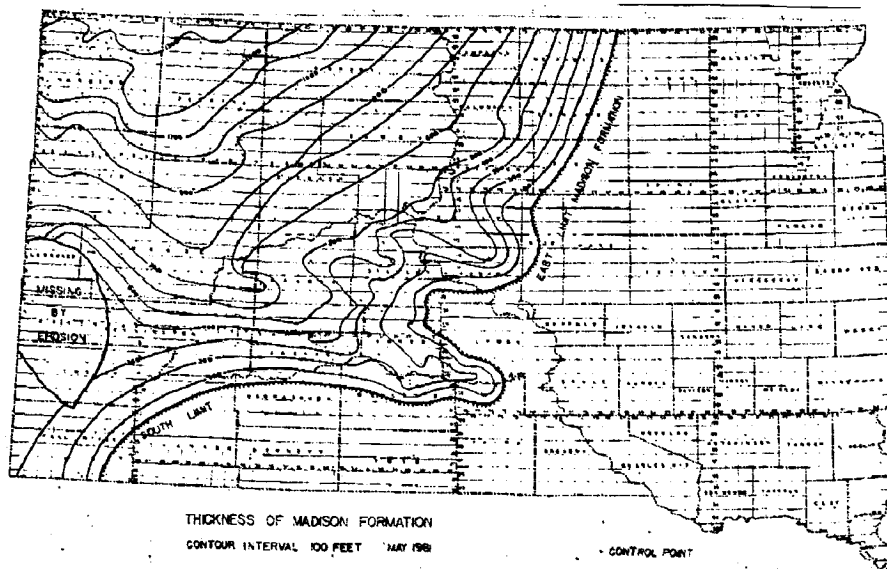


Figure 1. Areal Extent of the Madison Formation in South Dakota: modified from Gries, 1981

The Madison aquifer contains an estimated 644,827,200 acre-feet of recoverable water in storage in Western South Dakota (Allen and others, 1985) and 51,512,300 acre-feet of recoverable water in storage in Eastern South Dakota (Hedges and others, 1982).

The Madison aquifer occurs within the Mississippian aged Madison Limestone which is locally known as the Pahasapa Limestone. The Madison Limestone is a massive limestone and dolomite with relatively low primary permeability and porosity. Extensive secondary porosity and permeability occur within the Madison in the form of fractures and solution openings. The upper portion of the Madison Limestone in particular is karstic with caves, solution collapse features and enlarged conduits. The average porosity of the Madison is estimated to be 11% and the effective porosity from which recoverable water can be

obtained by wells is assumed to be 5% (Rahn, 1979). A number of high yield wells have been developed in the Madison aquifer where these enhanced porosity and permeability features are favorable. The Madison Limestone is estimated to be between 450 (Gries, 1981) and 500 feet thick in this area (Carter and Redden, 1999a, and Carter and Redden, 1999b). The Madison is generally considered an excellent aquifer in terms of its potential to supply good quality water to relatively productive wells, especially near the outcrop (recharge area). This well site is located about one and three-fourths miles northeast of the Madison outcrop (Strobel and others, 1999). The lower portion of the Madison is typically tighter and together with the underlying Englewood Formation form a lower confining zone (Strobel and others, 1999). The Minnelusa Formation unconformably overlies the Madison aquifer and acts as an upper confining layer.

The Madison is under confined conditions at this site and the well drilled about one-third of a mile west-northwest of this proposed well site had a water level of 500 feet below grade in 1993. Data from Water Rights' Observation wells completed into the Madison aquifer indicate the water level may be over 50 feet higher in 2010 than it was in 1993 (Water Rights, 2010a).

SDCL 46-2A-9

Pursuant to SDCL 46-2A-9, a permit to appropriate water may be issued only if there is reasonable probability that there is unappropriated water available for the applicant's proposed use, that the proposed diversion can be developed without unlawful impairment of existing rights and that the proposed use is a beneficial use and in the public interest.

WATER AVAILABILITY:

The probability of unappropriated water available for appropriation can be evaluated by considering SDCL 46-6-3.1 which requires that:

“No application to appropriate groundwater may be approved if, according to the best information reasonably available, it is probable that the quantity of water withdrawn annually from a groundwater source will exceed the quantity of the average estimated annual recharge of water to the groundwater source.”

Water Balance:

Recharge to the Madison aquifer occurs through streamflow losses and direct infiltration of precipitation at the outcrop area. Recharge to the Madison aquifer in South Dakota has been estimated to range from 140,000 to 400,000 acre-feet per year (Woodward-Clyde, 1981). Woodward-Clyde however, defined the Madison aquifer as everything between the Precambrian and the Cretaceous shales. As part of the Black Hills Hydrology Study, the average annual recharge to the Madison aquifer from 1931-1998 was estimated to be approximately 137,000 ac-ft/yr (Carter and others, 2001a).

The high cost of Madison wells, except very near the outcrop, and the availability of groundwater from shallower sources, has limited domestic development from the aquifer. Carter and others, (2001b) estimate “Self-supply Domestic” and “Livestock Watering” only account for approximately 2.25% of the water use from the Madison aquifer. In general, well withdrawals from the Madison are for uses which require water rights/permits. The

majority of the water rights/permits from the aquifer are from Butte, Lawrence, Meade, Pennington and Fall River Counties. The Madison supplies water for irrigation, geothermal, industrial, and commercial use. However, by far the major use of the aquifer is for water distribution systems (suburban housing development and municipal use). The cities of Spearfish, Belle Fourche, Sturgis, Rapid City, Box Elder, and Edgemont all depend on water from wells completed into the Madison aquifer.

There are currently a total of 163 appropriations plus one deferred application from the Madison aquifer in South Dakota. These appropriations include: seven future use permits; 131 water rights/permits for non-irrigation uses; 25 water rights/permits for irrigation (Water Rights, 2010b). Almost all water use from the Madison aquifer is from the Black Hills area. Withdrawals from all wells completed into the Madison aquifer in the Black Hills of South Dakota and Wyoming, where estimated to average 12,310 acre-feet annually from 1987-1996 (Carter and others, 2001b). Well withdrawals from the Madison aquifer for 2008 were estimated to be less than 20,000 ac-ft/yr (Water Rights, 2008). Table 1 lists new appropriations made from the Madison aquifer since the 2008 well withdrawal estimate was made. Table 2 lists the appropriations from the Madison aquifer that have been cancelled since the 2008 well withdrawals were estimated.

PERMIT NO	NAME	USE	CFS	ANNUAL APPROPRIATION (AC-FT/YR)
1899-1	DAVIS RANCHES INC	IRR	1.43	200.00
1910-1	CITY OF STURGIS WATER COMPANY	COM	1.44	724.00
1911-1	STURGIS WATER COMPANY	MUN	0.89	645.00
2631-2	CITY OF BOX ELDER	MUN	1.00	435.00
2632-2	CITY OF BOX ELDER	MUN	1.00	435.00
2633-2	SOUTHERN BLACK HILLS WATER SYSTEM	RWS	0.67	484.00
2634-2	EBEN W STREETER	RWS	0.00	0.00
				TOTAL = 2,923 ac-ft/yr

Table 1. New appropriations from the Madison aquifer since 2008 review

PERMIT NO	NAME	USE	CFS	ANNUAL APPROPRIATION (AC-FT/YR)
1676-1	STAGEBARN SUBDIVISION	SHD	0.28	121.63*
1807-1	28 BOMB WING	IND	1.11	806.00
1875-1	28 BOMB WING	INS	1.33	968.00
2440-2	TETRAD CORPORATION	DOM	0.17	72.54*
				TOTAL = 1,968.17 ac-ft/yr
* not limited to an annual volume, appropriation calculated at 60% full time pumping at maximum diversion rate				

Table 2. Appropriations from the Madison aquifer that have been cancelled since the 2008 review

Accounting for the changes represented by tables 1 and 2, the total well withdrawals from the Madison aquifer is expected to be just over 20,000 ac-ft/yr.

A simple water balance comparing the estimated average annual recharge and the potential withdrawal by existing wells and current appropriations shows that unappropriated water is available from the Madison aquifer to satisfy additional appropriations.

Localized Hydrologic Budget:

Carter and others (2001b) developed a hydrologic budget for the Madison and Minnelusa aquifers combined, for a subarea that includes the well site proposed by this application. The hydrologic budget for this subarea balanced from 1987-1996, by estimating that the outflow from the subarea was primarily through groundwater flowing out of the subarea with a much smaller amount leaving the subarea through well withdrawals (Carter and others, 2001b). Carter and others (2001b) assumed that no water leaves this subarea through artesian springflow. The estimated well withdrawal from the subarea from both the Madison and Minnelusa aquifers was estimated to average 3.7 cfs for 1987-1996. This fairly low combined diversion rate further demonstrates that the Madison aquifer is relatively untapped in this area even on a fairly localized scale.

Obviously, if a new hydrologic budget is to balance for this subarea (i.e. a new condition of dynamic equilibrium), with an increase of well withdrawals, groundwater outflow must decrease, or more groundwater flow will have to come into the subarea from another subarea. Groundwater enters this subarea from the northwest and exits the area to the east (Carter and others, 2001b). It can be assumed that with a very subtle change in the hydraulic gradient at either the inflow zone or the outflow zone, a new dynamic equilibrium would be established in this area with virtually immeasurable impacts to the amount of water in storage.

Observation Well Data:

The Water Rights Program monitors 26 observation wells completed into the Madison aquifer in the Black Hills area (Water Rights, 2010a). This well site is located within about seven and one-quarter miles of three Water Rights' Observation wells completed into the Madison aquifer. Observation Well LA-95A is located approximately two and one-half miles northwest of this well site, Observation Well LA-90A is located approximately six and three-fourths miles east of this well site and Observation Well LA-88C is located approximately seven and one-quarter miles northwest of this site. Hydrographs for the wells show the aquifer's response to climatic conditions and clearly demonstrate the system is recharged, (see figures 1-3).

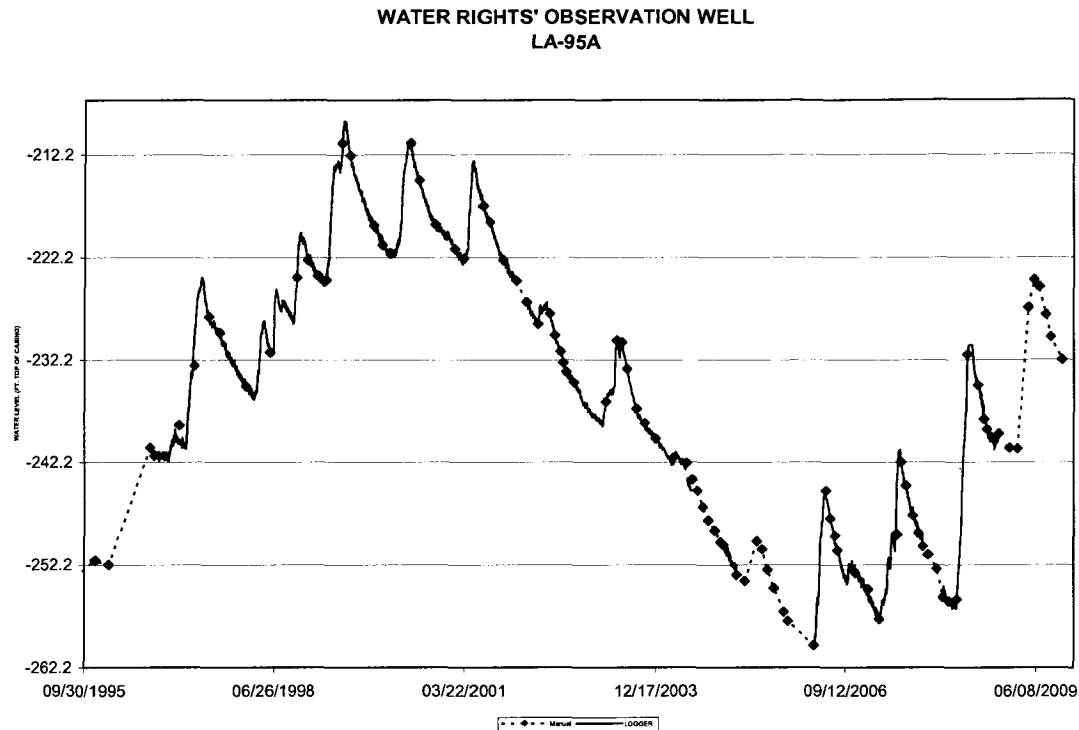


Figure 1. Hydrograph of Water Rights' Observation well located approximately two and one-half miles northwest of the well site proposed by Application No. 1916-1

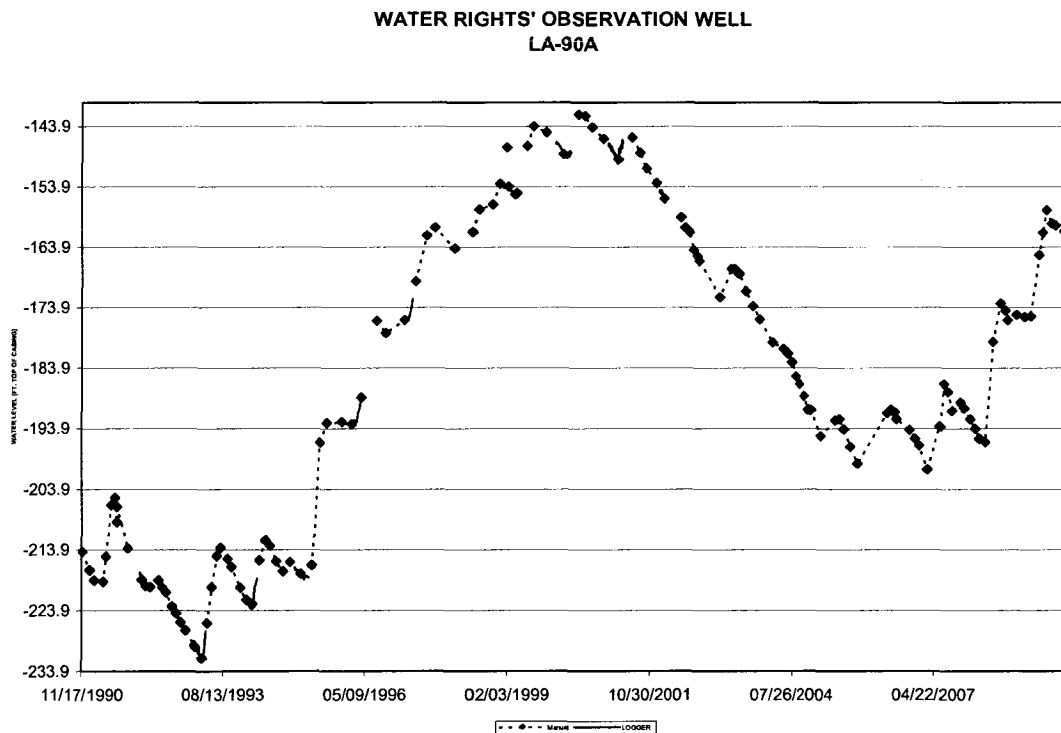


Figure 2. Hydrograph of Water Rights' Observation well located approximately six and three-fourths miles east of the well site proposed by Application No. 1916-1.

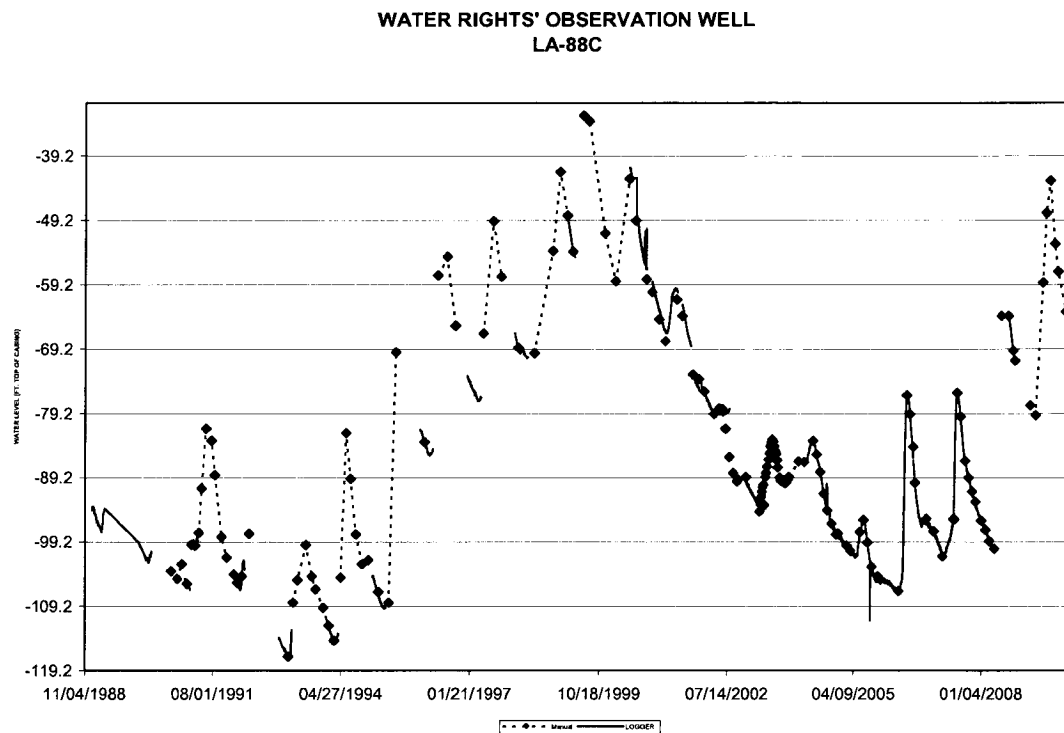


Figure 3. Hydrograph of Water Rights' Observation well located approximately seven and one-quarter miles west of the well site proposed by Application No. 1916-1

The hydrographs show the potentiometric surface measured at these sites rose during the late 1990's and the late 2000's in response to wet climatic conditions. The water levels decreased in the early 2000's in response to less recharge.

A comparison of these hydrographs with data from other Water Rights' Observation wells completed into the Madison aquifer, suggest the fluctuations shown in figures 1-3 are representative of climatic conditions instead of pumping from the aquifer. The observation well data verifies that for the period of record, withdrawals have not exceeded recharge. In fact the observation wells document that there is more water in storage now than when the observation wells were drilled.

AFFECTS ON EXISTING RIGHTS:

There are 30 Water Rights/Permits appropriating groundwater within approximately five miles of the well site proposed by this application. They are shown below in Table 3.

PERMIT NO	NAME	STATUS	AQUIFER	USE	CFS	ACRES
588-1	TOWN OF WHITEWOOD	LC	MNLS	MUN	0.44	
944-1	LAWRENCE COUNTY COMM	LC	MNLS	COM	0.02	
1080-1	SUNRISE HOME OWNERS	LC	MNLS	SHD	0.15	
1130-1	E SLOPE ESTATES WATER ASS	LC	MNLS	SHD	0.09	
1144-1	HUBBARD MILLING COMPANY	LC	MNLS	IND	0.13	
1187-1A	HILLS MATERIALS COMPANY	LC	MDSN	IND	0.04	
1229-1A	CITY OF SPEARFISH	LC	MDSN	MUN	1.45	
1371-1	VIC WEYRICH	LC	MNLS	SHD	0.07	
1547-1	HILLS MATERIALS COMPANY	LC	MDSN	IND	0.09	
1583-1	WILL/MARY ELLEN LANTIS	LC	MDSN	COM	0.04	
1596-1	RADIO TOWER HOMEOWNER'S	LC	DDWD	SHD	0.09	
1610-1	CITY OF WHITEWOOD	LC	MDSN	MUN	1.11	
1623-1	OAK MOUNTAIN COUNTRY ESTATES	LC	DDWD	SHD	0.04	
1628-1	CHAMPION INTERNATIONAL CO	LC	ALQ	GWR	0.07	
1702-1	CITY OF DEADWOOD	LC	DDWD	MUN	0.03	
1707A-1	ELKHORN RIDGE @ FRAWLEY RANCHES LLC	PE	MDSN	IRR	3.71	100.00
1707B-1	CITY OF SPEARFISH	PE	MDSN	SHD	1.04	
1707C-1	CITY OF SPEARFISH	PE	MDSN	MUN	0.00	
1707D-1	CITY OF SPEARFISH	PE	MDSN	MUN	0.00	
1707E-1	ELKHORN RIDGE @ FRAWLEY RANCHES LLC	PE	MDSN	IRR	0.00	
1725-1	ASPEN VIEW SUBDIVISION	LC	DDWD	SHD	0.02	
1756-1	FRAWLEY RANCHES, INC	PE	ALQ	COM	0.06	
1848-1	MAITLAND PARTNERS	PE	CRSL	SHD	0.20	
1863-2	SEVENTY-SIX RANCH ESTATE	LC	MDSN	SHD	0.07	
1867-1	FRAWLEY RANCHES INC	LC	MNLS	SHD	0.06	
1868-1	FRAWLEY RANCHES INC	LC	INKR	SHD	0.04	
1878-1	CITY OF WHITEWOOD	PE	MDSN	MUN	0.78	
1884-1	BLACK HILLS BAPTIST CHURCH	LC	MNLS	INS	0.03	
1888-1	FRAWLEY RANCHES EAST	PE	MDSN	SHD	0.19	
1900-1	CITY OF DEADWOOD	PE	DDWD	MUN	0.10	
LC= Water License, PE= Water Permit, MNLS= Minnelusa, MDSN= Madison, DDWD= Deadwood, ALQ= Quaternary Alluvium						

Table 3. Groundwater appropriations within five miles of the well site proposed by Application No. 1916-1

Water Rights/Permits supplied by wells completed into aquifers that are either higher or lower than the Madison are not expected to be affected by Madison aquifer withdrawals since the lower Minnelusa serves as an upper confining unit and the bottom portion of the

Madison and the Englewood Formation act as a lower aquitard. The location of the Madison appropriations is shown in figure 4.



Figure 4. Vicinity map with locations of existing Madison aquifer appropriations

Since the Madison is under artesian conditions in this area, drawdown from pumping a well may extend over a fairly large area. At this time, it is not practical to attempt to quantify the specific affect this well may have on area wells since aquifer characteristics have not been determined for this area, and the aquifer characteristics of the Madison can vary considerably within a short distance (Greene, 1993).

Wells supplying existing Water Rights/Permits and domestic uses are protected from adverse impacts per Water Management Board rules 74:02:04 and 74:02:05, which were promulgated pursuant to SDCL 46-6-6.1. These rules provide for the regulation of large capacity wells to the degree necessary to maintain an adequate depth of water for a prior appropriator in wells that have the ability to produce water **independent of artesian pressure**. Simply put, the pump placement in a prior appropriator's well is not necessarily protected.

If the water levels in the Madison aquifer were to decline, owners of existing wells bear the responsibility of lowering the pump inlet in the well to the top of the aquifer, if necessary. Increased lift would decrease the pump discharge; or require a larger pump or a different type of a pump to maintain the same output.

An increase in operating expenses that may result from interference between wells is not necessarily an adverse impact. The Water Management Board considered this situation in the matter of Water Permit Application 2313-2, Coca-Cola Bottling Company of the Black Hills (Water Rights, 1995). The Board adopted findings of fact and conclusions of law that basically state that if the increased cost or decreased production is considered an adverse impact, it could be in conflict with SDCL 46-1-4, which requires South Dakota's water resources to be put to beneficial use to the fullest extent of which they are capable.

It should be noted however, that well interference (drawdown) measured at Water Rights' observation wells located near high capacity municipal wells in Spearfish, Sturgis and Rapid City has never been significant (i.e. drawdown of only a few feet or tens of feet) (Water Rights, 2010a).

Given the distance between the well that is to supply this appropriation and existing Madison wells well interference is not expected to be adverse.

TERM LIMITATION:

SDCL 46-2A-20 requires that "... no water permit for construction of works to withdraw water from the Madison formation in Butte, Fall River, Custer, Lawrence, Meade and Pennington counties may be issued for a term of more than twenty years, unless the water management board determines, based upon the evidence presented at the hearing that:

- (1) Sufficient information is available to determine whether any significant adverse hydrologic effects on the supply of water in the Madison formation would result if the proposed withdrawal were approved; and
- (2) The information, whether provided by the applicant or by other means, show that there is a reasonable probability that issuance of the proposed permit would not have a significant adverse effect on nearby Madison formation wells and springs."

Pursuant to SCL 46-2A-21, "at the end of the twenty-year limitation, the board may cancel a permit or amend the permit with a new term limitation of up to twenty years, if the board is unable to make a finding after notice and hearing that sufficient information is available to delete the term."

Although the criteria for approval of a water permit established by SDCL 46-2A-9 are met, (i.e., there is a reasonable probability that unappropriated water is available for the applicant's proposed use, and this proposed diversion can be developed without unlawful impairment of existing rights); evidence is not available to justify issuing this permit without a term limitation of 20 years.

CONCLUSIONS:

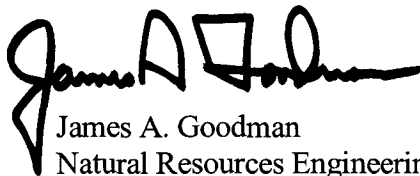
1. The Madison aquifer is a major regional aquifer and a viable source of water for this proposed appropriation.
2. This application proposes to appropriate 0.222 cubic feet of water per second. There is no limit to the annual volume of water that can be diverted other than the physical constraints of the maximum diversion rate.
3. There is a reasonable probability that unappropriated water is available in the Madison aquifer to supply this appropriation.
4. There is a reasonable probability this appropriation can be made without adversely impacting existing water rights including domestic users.
5. Information is not available to justify issuing these permits without a term limitation of 20 years.
6. Following notice and a public hearing, the Water Management Board can cancel this permit or amend it with a new term limitation after twenty years.



Ken Buhler

Natural Resources Engineering Specialist

Approved by



James A. Goodman

Natural Resources Engineering Director

REFERENCES:

- Carter, J.M., Driscoll, D.G., and Hamade, G.R., 2001a, Estimated Recharge to the Madison and Minnelusa Aquifers in the Black Hills Area, South Dakota and Wyoming, Water Years 1931-98: U.S. Geological Survey Water-Resources Investigations Report 00-4278, 66 p
- Carter, J.M., Driscoll, D.G., Hamade, G.R., and Jarrell, G.J., 2001b, Hydrologic Budgets for the Madison and Minnelusa Aquifers, Black Hills of South Dakota and Wyoming, Water Years 1987-1996: Water-Resources Investigations Report 01-4119, U.S. Department of the Interior, U.S. Geological Survey, Rapid City, SD
- Carter, J.M., and Redden, J.A., 1999a, Altitude of the Top of the Madison Limestone in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-744-D, 2 sheets, scale 1:100,000

- Carter, J.M., and Redden, J.A., 1999b, Altitude of the Top of the Deadwood Formation in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-744-E, 2 sheets, scale 1:100,000
- Greene, E.A., 1993, Hydraulic Properties of the Madison Aquifer System in the Western Rapid City Area, South Dakota: U.S. Geological Survey Water-Resources Investigations Report 93-4008, 56 p.
- Gries, J.P., 1981, unpublished maps prepared for the Office of Drinking Water, South Dakota Dept. of Water and Natural Resources for the Underground Injection Control Program.
- Hedges, L.S., Burch, S.L., Iles, D.L., Barari, R.A., and Schoon, R.A., 1982, Evaluation of Ground-Water Resources Eastern South Dakota and Upper Big Sioux River, South Dakota and Iowa, Task 1: Bedrock Topography [Sic.] and Distribution, Task 2: Extent of Aquifers, Task 3: Ground-Water Storage, Task 4: Computerized Data Base. Prepared for U.S. Army Corps of Engineers, contract DACW 45-80-C-0185
- Rahn, P.H., 1979, Ground Water Resources of Western South Dakota: U.S. Army Corps of Engineers, SDSM&T Project #2533
- Strobel, M.L., Jarrell, G.J., Sawyer, J.F., Schleicher, J.R., and Fahrenbach, M.D., 1999, Distribution of Hydrogeologic Units in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-743, 3 sheets, scale 1:100,000
- Water Rights Program, 1995, Findings of Fact, Conclusions of Law and Final Decision in the Matter of Water Permit Application No. 2313-2, Coca-Cola Bottling Company of The Black Hills , SD DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Water Rights Program, 2008, "Report for Water Permit Application No. 2631-2", Unpublished Report in Water Permit No. 2631-2, SD DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Water Rights Program, 2010a, Observation Well Files, DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Water Rights Program, 2010b, Water Permit/Right Files, DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Water Rights Program, 2010c, Well Completion Report Files, DENR-Water Rights Program, Joe Foss Building, Pierre, SD 57501
- Woodward Clyde Consultants, 1981, Well Field Hydrology Technical Report, for the ETSI Coal Slurry Pipeline Project, U.S. Dept. of the Interior, Bureau of Land Management

AFFIDAVIT OF PUBLICATION

RECEIVED

JUL 22 2010

STATE OF SOUTH DAKOTA
COUNTY OF LAWRENCE

WATER RIGHTS
PROGRAM

Teri Adler, being duly sworn, says: That the *Lawrence County Journal* is, and during all times hereafter mentioned, was a legal newspaper as defined in SDCL 17-2-2, as amended, published at Spearfish, Lawrence County, South Dakota, by Lee Enterprises; that affidavit is and, during all of said times, was employed as Customer Service Representative by the publisher of such newspaper and has personal knowledge of the facts stated in the 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:

<u>July 14,</u>	<u>2010</u>	<u>201</u>
<u>July 21,</u>	<u>2010</u>	<u>201</u>
<u> </u>	<u>201</u>	<u>201</u>
<u> </u>	<u>201</u>	<u>201</u>
<u> </u>	<u>201</u>	<u>201</u>

that the full amount of the fee charged for publishing the same, to-wit, the sum of \$ 46.19, insures solely to the benefit of the publisher of said newspaper; that no agreement or understanding for the division 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.

Teri Adler
Customer Service Rep

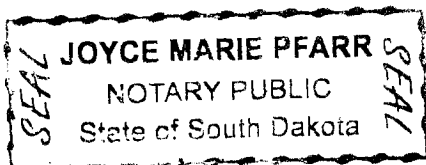
Subscribed and sworn to before me this

21st day of July, 2010

Joyce Marie Pfarr

My commission expires 08/14/2012

Notary Public, South Dakota



Account No. 60002414

Total Amount \$46.19

**NOTICE OF APPLICATION
NO. 1916-1 to Appropriate
Water**

Notice is given that Hills Materials Company, c/o Lynn Kading, PO Box 2320, Rapid City SD 57709 has filed an application for a water permit to appropriate 0.222 cubic feet of water per second from one well to be completed into the Madison Aquifer (approximately 1000 feet deep) located in NE 1/4 NE 1/4 Section 35-T6N-R3E for industrial use at the Centennial Quarry wash plant.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1916-1 for a 20-year term pursuant to SDCL 46-1-14 and 46-2A-20 because 1) although evidence is not available to justify issuing the permit without a 20 year term limitation, there is reasonable probability that there is unappropriated water available, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, 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 August 2, 2010.

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. Contact Eric Gronlund at the above Water Rights Program address to request

copies of information pertaining to this application.

/s/ Steven M. Pirner, Secretary

Department of Environment and Natural Resources
Published twice at the total approximate cost of \$46.19.

**Published Wed., July 14,
and Wed., July 21, 2010
Lawrence County Journal**



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

July 6, 2010

Lawrence County Journal
376 Main St Ste A
Deadwood SD 57732

ATTENTION: Legal Public Notice

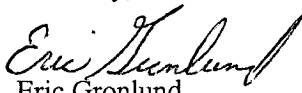
Enclosed is a Notice on Application No. 1916-1 to Appropriate Water to be published twice. Please publish the first notice on July 14, 2010 with the second publication 7 days later. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

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 Hills Materials Co., c/o Lynn Kading, PO Box 2320, Rapid City SD 57709 (Ph # 605-394-3300).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, **please send us an affidavit or use the enclosed Proof of Publication form.** The applicant pays the cost of publication, but the Water Rights Program records require an affidavit or Proof of Publication. Delays in receiving the affidavit can be costly to the applicant.

Sincerely,


Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

-----CUT HERE-----

No. 1916-1

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

Date _____

We are in receipt of your letter of July 6, 2010 enclosing Notice to Appropriate Water by Application No. 1916-1 which was first published in our issue of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name

Newspaper



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

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

July 6, 2010

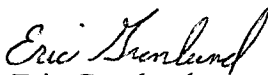
Hills Materials Co
Lynn Kading
PO Box 2320
Rapid City SD 57709

Dear Mr. Kading:

Water Permit Application No. 1916-1 for industrial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Publisher of the Lawrence County Journal printed at Deadwood SD (Ph # 605-578-3305). You will need to contact the newspaper and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and 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 and to arrange for payment. Early contact with the paper can eliminate delays. Upon receiving authorization, the publisher has been instructed to publish your notice once each week for two consecutive weeks. The newspaper has also 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
eric.gronlund@state.sd.us

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 July 14, 2010 with the second publication 7 days later. The applicant is responsible for payment. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352 or email: Karen.schlaak@state.sd.us.

NOTICE OF APPLICATION NO. 1916-1 to Appropriate Water

Notice is given that Hills Materials Company, c/o Lynn Kading, PO Box 2320, Rapid City SD 57709 has filed an application for a water permit to appropriate 0.222 cubic feet of water per second from one well to be completed into the Madison Aquifer (approximately 1000 feet deep) located in NE ¼ NE ¼ Section 35-T6N-R3E for industrial use at the Centennial Quarry wash plant.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1916-1 for a 20-year term pursuant to SDCL 46-1-14 and 46-2A-20 because 1) although evidence is not available to justify issuing the permit without a 20 year term limitation, there is reasonable probability that there is unappropriated water available, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on this application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, 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 August 2, 2010.

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. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

Published twice at the total approximate cost of _____.



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

AUG 12 2010

Hills Materials Company
Lynn Kading
PO Box 2320
Rapid City SD 57709

Dear Mr. Kading:

Enclosed is Water Permit No. 1961-1 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

This application was submitted with an \$800.00 application/license filing fee. The correct fee is \$700.00. Therefore, a refund of \$100.00 is due to you. You should be receiving the refund check within the next two weeks.

Form 10, *Notice of Completion of Works and Application of Water to Beneficial Use*, is enclosed. Please return this completed form after you have finished the system and have put the water to beneficial use. An investigation can then be scheduled so the water license may be issued, thus completing the acquisition of a water right.

An informational sheet *Common Water Right Questions* is also enclosed. This sheet is intended to answer some of the questions associated with obtaining and keeping a water right.

Sincerely,

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

enclosures

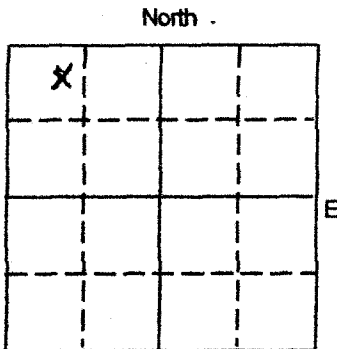
SOUTH DAKOTA WATER WELL COMPLETION REPORT

1916-1

11-02

Location NW 1/4 NW 1/4 Sec 35 Twp 6N Rg 3E

County LAWRENCE



Please mark well location with an "X"

Well completion Date 9/26/2010

Distance from nearest potential pollution source (Septic tank, abandoned well, feed lot, etc.) 1000 ft from Septic (identify source)

PROPOSED USE:

- ☐ Domestic/Stock ☐ Municipal ☐ Business ☐ Test Holes
☐ Irrigation ☒ Industrial ☐ Institutional ☐ Monitoring well

METHOD OF DRILLING:

AIR Rotary

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
20 LB/FT	7 IN	1.5 FT	825 FT	8 3/4 IN
LB/FT	IN	FT	FT	IN
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type PORTLAND No. of Sacks 185 Grout Weight 14 Lb/gal From 825 Ft To 0 Ft

Describe grouting procedure pressure grouted through casing

SCREEN:

☐ Perforated pipe ☐ Manufactured

Diameter _____ inches Length _____ feet

Material _____

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

DISINFECTION: Was well disinfected upon completion?

☒ Yes, How? Chlorine

☐ No, Why Not?

Lab sample sent to for water quality analysis

Well Owner: CENTENNIAL QUARRY
 Business Name: HILLS MATERIALS
 Address1: _____
 Address2: _____
 City, State, Zip: _____

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>MINNEKATA limestone</u>	<u>0</u>	<u>40</u>
<u>dirty limestone</u>	<u>40</u>	<u>60</u>
<u>open</u>	<u>60</u>	<u>160</u>
<u>dirty RED SAND</u>	<u>160</u>	<u>180</u>
<u>yellow to white SANDSTONE</u>	<u>180</u>	<u>220</u>
<u>No samples</u>	<u>220</u>	<u>825</u>
<u>MADISON limestone</u>	<u>825</u>	<u>1010</u>

STATIC WATER LEVEL

456 FEET

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other

Reduced flow rate _____ GPM

Can well be completely shut in?

WELL TEST DATA:

☐ Pumped Describe: AIR Developed
☐ Bailed
☒ Other

Pumping Level Below Land Surface

800 Ft. After 2 Hrs. pumped 125 GPM
600 Ft. After 2 Hrs. pumped 70 GPM

If pump installed, pump rate: _____ GPM

REMARKS

RECEIVED

JAN - 4 2011

WATER RIGHTS PROGRAM

This well was drilled under license # 705

And this report is true and accurate.

Drilling firm: Dakota Bice Drilling

Signature of License Representative: Frank Conway

Signature of Well Owner or Equitable Property Holder

Date: _____

Please return WHITE COPY to: DENR Water Rights, 523 E. Capitol Ave., Pierre SD 57501

NOTICE OF TRANSFER OF OWNERSHIP

For assistance call (605) 773-3352

RECEIVED

APR - 9 2015

WATER RIGHTS
PROGRAM

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

Water Right/Permit No. 1916-1Date: 1-1-15

I/We request that Water Right/Permit No. 1916-1 formerly owned by:
Hills Materials Company be transferred to:

New Owner Name: Simon ContractorsAddress: 1103 Old Town Lane Suite 201ACity, State, Zip Cheyenne WY 82009 Telephone No. 307-635-9005

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

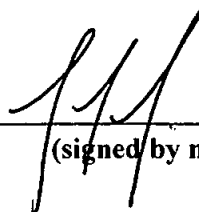
NE1/4NE1/4 Sec 35, Twn 6N, Rng 3E

☒ I understand that the validity of Water Right/Permit No. 1916-1 has not been determined by this transfer action. If I have any questions on validity, I understand that only the Water Management Board has the authority to determine if a water right/permit is valid (see note below.)

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

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

I, Simon Contractors, the new owner, certify that the above information is true and correct.


(signed by new owner)

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

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



1916-1

DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

RECEIVED

JUN 22 2015

WATER RIGHTS
PROGRAM

(email)
April 23, 2015

Mr. Wilkes
Hills Materials

RE: 2652A-2, 2652-2, 2071-2, 1916-1, 1547-1, 1187-1A

Thank you for visiting with me about the ownership changes for all water permits and water rights held by Hills Materials.

As I indicated on the phone – a fee is required for filing all ownership changes. The fee is \$50 for each one filed for a total of \$300. The check or money order for the total amount can be made payable to the Water Rights Program.

Also, the forms indicate the water rights and permits should be transferred to Simon Contractors, 1103 Old Town Lane, Suite 201A, Cheyenne WY. We can certainly transfer everything and use that address but it would be helpful if we had a contact person to include in the files for future reference. I am unable to read the signature of the person who filled out the forms.

Please include that information along with the \$300 fee by return mail. The address for mailing is:
DENR, Water Rights Program
523 E Capitol Ave
Pierre SD 57501 3182

Thank you in advance for your help.

Genny McMath
Water Rights Program
605 773-5455

OK mmw
\$ 300 -
101505.72750.80

Send with check!

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date 6/22, 20 15

RECEIVED OF Simon Contractors PO Box 2720 Rapid City SD 57709

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

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use	50	00
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form <u>1916-1</u>		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	50 00

No. 07430

By J. L. Goodman
Chief Engineer

1916-1



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

June 23, 2015

Simon Contractors
1103 Old Town Lane Ste 201A
Cheyenne WY 82009

RE: Water Permit or Right Nos. 2652A-2, 2652-2, 2071-2, 1916-1, 1547-1, 1187-1A

Dear Sirs:

I am writing to acknowledge receipt of the transfer of ownership forms and filing fees for changing ownership on Water Permit or Right Nos. 2652A-2, 2652-2, 2071-2, 1916-1, 1547-1, 1187-1A.

The ownership changes have been completed. The above listed water permits and water rights, formerly listed in the name of "**Hills Materials Company**" are now held by "**Simon Contractors**".

The fees for filing of the ownership changes came from your Rapid City office and will be forwarded by copy of this letter to that office. If you have any questions, please contact me.

Sincerely,

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

c: Michael R Wilkes, Hills Materials Co., Division of Simon Contractors, PO Box 2720,
Rapid City SD 57709 w/Receipts

Report of Examination of Works and/or Application of Water to Beneficial Use For Permits No. 1916-1

I have this day, August 15, 2017, made a thorough examination of the water use system constructed by Simon Contractors, 1103 Old Town Lane, Suite 201A, Cheyenne, WY 82009 of Permit Nos. 1916-1, bearing the priority of 5/4/2010 authorizing the diversion of .222 cu. ft. per second of the water from 1 well for Industrial purposes, in Lawrence County.

Inspection contact & relationship to permit holder if applicable: **Joe Ford, Northern Hills Superintendent**
Correspondence: **Hills Materials Company**
11663 Crook City Rd, Whitewood, SD 57793
605-578-2640

A. Works used to divert the water:

Well Information:

- 1) Well Drilling Firm: Dakota Bice Drilling (9/26/2010)
- 2) Well No. 1
- 3) Depth 1,010 feet
- 4) Well log Yes

Comments:

Casing:

- 1) Diameter 7 inches
- 2) Length 825 feet
- 3) Type Steel

Screen:

- 1) Type open hole
- 2) Length 185 feet
- 3) Static water level 456 feet

Pump:

- 1) Make Gould
- 2) Model 95L30
- 3) Size 6"
- 4) Capacity 100 GPM
- 5) Horsepower rating 30 hp

Air test @ completion: 70 gpm @ 600 ft., 125 gpm @ 800 ft.

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

- 1) Type HDPE butt fusion pipe (above ground)
- 2) Size 6 inches
- 3) Length approx. 1,600 feet

C. Works used to apply water to beneficial use:

The well is operated manually and uses a flexible hose emptying into a HDPE pipe which gravity flows to the pond supplying the washing operation at the quarry. Water from the wash operation is routed to a settling pond and then recycled back to the supply pond. The well is operated 2-3 months per year.

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by: Yes
- 2) Exceptions to compliance are: none

E. Condition and Location:

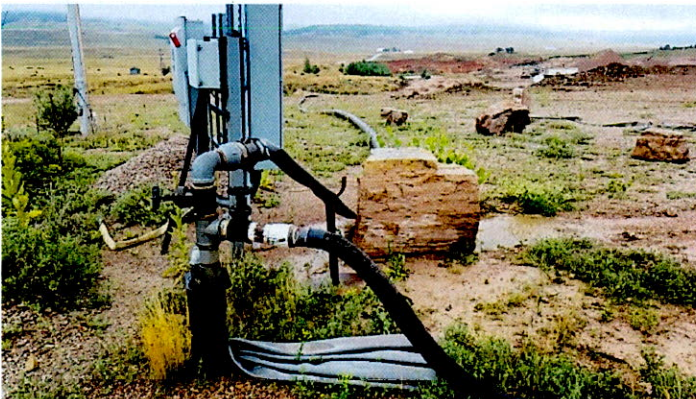
1. The system is in good condition with the point of diversion located as follows:
235' S and 45' W of the NE corner Section 35 T6N R3E (44.444618, -103.709931)
2. The works are capable of diverting and conveying to the place of use .22 cu. ft. per second (100 gpm) of water which is to be used for **industrial use** and the license should be issued for **.22 cfs**.
3. All structures, wells and lands on map – **Yes**

F. Comments or other permit(s) associated with the project: none



Steven Quissell
Water Rights Inspector
DENR Water Rights Program

Date Report Completed: August 22, 2017



Well head and piping



Supply pond for wash operation

Water Right #1916-1
Simon Contractors
August 15, 2017

Sec 26
T006N
R03E

Sec 25
T006N
R03E

Sec 30
T006N
R04E

235'

45'

settling and supply ponds

Well location
Lat: 44.444618
Lon: -103.709931

Sec 34
T006N
R03E

Sec 35
T006N
R03E

Sec 36
T006N
R03E

Sec 31
T006N
R04E

Steven Quissell
Water Rights Inspector
DENR Water Rights Program

Steven Quissell

Sec 2
T005N
R03E

Sec 1
T005N
R03E

Sec 6
T005N
R04E

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomapping, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

OCT 10 2017

1916-1

Simon Contractors
1103 Old Town Lane Suite 201A
Cheyenne WY 82009

Dear Sirs:

Enclosed is Water License No. 1916-1. 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.

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,

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

enclosures

c: Joe Ford, Hills Materials Company, 11663 Crook City Rd, Whitewood SD 57793

**STATE OF SOUTH DAKOTA
WATER LICENSE NO. 1916-1**

(1) Hills Materials Company, Rapid City SD made Application No. 1916-1, May 4, 2010 for a water permit to divert 0.222 cubic feet of water per second from ground water, one well (Madison Aquifer), Lawrence County, South Dakota for industrial purposes. Permit No. 1916-1, with a priority date of May 4, 2010 was approved August 2, 2010 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before August 2, 2015 and for the application to beneficial use of said water on or before August 2, 2019.

On June 22, 2015, Water Permit No. 1916-1 was transferred to Simon Contractors, 1103 Old Town Lane, Suite 201A, Cheyenne WY 82009.

(2) It is certified that the permit holder 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 0.22 cubic feet of water per second for beneficial use. The location of the diversion point is:

- 235'S and 45'W of the NE corner of Section 35 T6N R3E (NE ¼ NE ¼, Latitude 44.444618, Longitude -103.709931)

(3) The permit holder has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use.

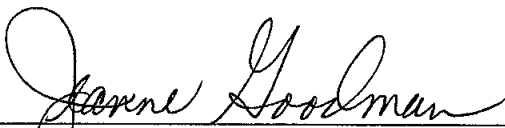
(4) Pursuant to South Dakota Water Law 46-5-30.1 Simon Contractors, 1103 Old Town Lane, Suite 201A, Cheyenne WY 82009 the holder and/or owner of Water Right No. 1916-1 is issued a license to appropriate water, the right to use 0.22 cubic feet of water per second from ground water, one well (Madison Aquifer) with a priority date of May 4, 2010 from the location specified in (2) of this license for industrial use purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 1916-1 and subject to the following qualifications:

- In accordance with SDCL 46-1-14 and 46-2A-20, Permit No. 1916-1 is issued for a twenty year term. Pursuant to SDCL 46-2A-21, the twenty year term may be deleted at any time during the twenty year period or following its expiration. If the twenty year term is not deleted at the end of the term, the Permit may either be cancelled or amended with a new term limitation of up to twenty years. Permit No. 1916-1 may also be cancelled for non-construction, forfeiture, abandonment or three permit violations pursuant to SDCL 46-1-12, 46-5-37, 46-5-37.1, and Board Rule ARSD 74:02:01:37.
- 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.

continued

- The well authorized by Permit No. 1916-1 shall be constructed by a licensed well driller and construction shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28. *The well was drilled in September, 2010 by Dakota Bice Drilling. A copy of the well completion report is on file with the Water Rights Program.*



Jeanne Goodman, Chief Engineer
Water Rights Program

Department of Environment and Natural Resources

OCT 10 2017

date

