

WATER PERMIT NO. 1990-1

Name of Applicant: Gilded Mountain Home Owners Association

Address: PO Box 584, Spearfish SD 57783 Phone: 605 641-6482

Amount of Water Claimed: 0.033 cfs Total Acres: NA

Source of Water Supply: groundwater (one additional well)

Water to be used for: water distribution system County: Lawrence

Type of Waste Disposal System:

Location: 1 mile southwest of Lead

PRIORITY Date Received: 3-22-19

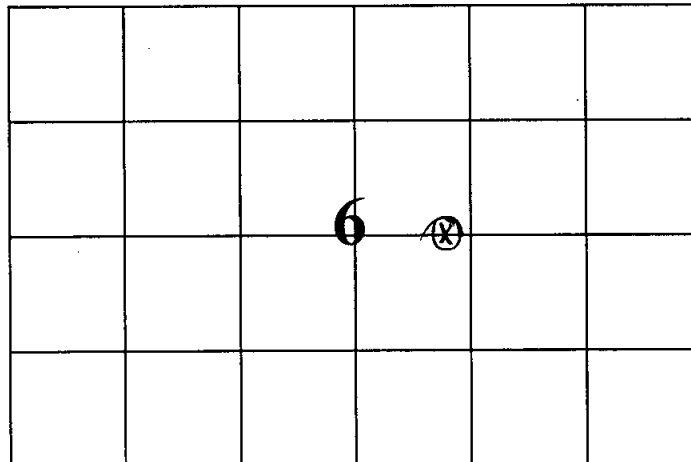
Application/License Fee: \$ 300

Corrected Application Received: 4-16-19

Period of Annual Use: Jan 1 – Dec 31

Remarks: Existing Water Right No. 1926-1

Diversion Point: along the boundary between the
SE 1/4 NE 1/4 and the NE 1/4 SE 1/4 Section 6-
T4N-R3N E



Land to be Irrigated: NA

Depth of Well: 40 feet deep

Well Driller: Alexander Drilling Inc

Remarks:

Type of Map: aerial

Prepared by:

Reviewed and the Number Assigned on: 4-16-19

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____

**SOUTH DAKOTA
WATER PERMIT NO. 1990-1**

Date of first receipt of application March 22, 2019.

Date of return to applicant for corrections, amendments or changes March 25, 2019.

Date of receipt of corrected application April 16, 2019.

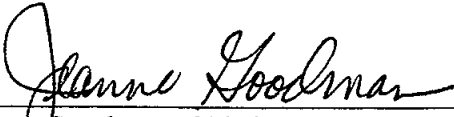
The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 1990-1 to Gilded Mountain Home Owners Association, PO Box 584, Spearfish SD 57783 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

1. Water Permit No. 1990-1 appropriates 9.4 acre feet of water annually at a peak diversion rate of 0.033 cubic feet of water per second (cfs) from one well completed into the Quaternary Alluvium Aquifer (40 feet deep) located along the boundary of the SE 1/4 NE 1/4 and the NE 1/4 SE 1/4 Section 6-T4N-R3E. The site is located approximately 1 mile southwest of Lead, SD.
2. The water appropriated shall be used for the purpose of a water distribution system 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. 1990-1 is July 1, 2019.
5. The date from which applicant may claim right is April 16, 2019. 
6. One-fifth of the construction is to be completed on or before January 1, 2022.
7. All construction is to be completed on or before July 1, 2024.
8. Water is to be put to beneficial use on or before July 1, 2028.
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. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Quaternary Alluvium aquifer.
3. Water Permit No. 1990-1 authorizes a total annual diversion of 9.4 acre foot of water.

WATER MANAGEMENT BOARD

By: 
Jeanne Goodman, Chief Engineer

Water Rights Program

Department of Environment and Natural Resources

JUL 18 2019

date



RECEIVED

MAR 22 2019

WATER RIGHTS
PROGRAM

Mail to: DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>1990-1</u> (office use only) Hydrologic Unit <u>10120203</u>
	Basin <u>Belle Fourche River</u>
	Newspaper <u>Black Hills Pioneer</u>

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

Check use(s) of water:

☐ Municipal	☒ Water Distribution System	☐ Recreational	☐ Institutional
☐ Rural Water System	☐ Commercial	☐ Fish & Wildlife	☐ Geothermal
☐ 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. <u>1926-1</u>		

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

Additional well and increase diversion rate authorized by Water Right No. 1926-1

1. Name to Appear on Water Permit Gilded Mountain Home Owners Association

Mailing Address PO Box 584 Spearfish SD 57783
(Address) (City) (State) (Zip Code)

X Phone (605) 641-6482 Mobile _____ Email X Munro Peaks@gmail.com

2. Amount of water claimed 0.033 *CFS or 15 **GPM and X 3,073,200 AF or 9.4 Gallons AF
Flow rate and volume are both required. (*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use)

3. Source of water supply one additional well (along boundary of SE 1/4 NE 1/4 and NE 1/4 SE 1/4)

4. Location of point of diversion X well located in the N 1/2 SE 1/4 Sec 6-T4N-R2E County Lawrence
(example - 3 wells in SW 1/4 NE 1/4 section 12-T104N-R53W)

If not a public water supply (e.g. municipal), will water be used outside of the area described above? ☐ Yes ☒ No

If "Yes," where will water be used? _____
(example - NW 1/4 section 12-T104N-R53W)

5. County or counties where water will be used Lawrence

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

new well at subdivision, and increased production to 30 gpm

1. X Sgt E. Munro
Name of Person

Director Gilded Mountain Homeowners Association, the applicant, certify under
Title (if applicable)

penalty of perjury that I have read this application, examined the attached map, and that the matters stated are true. I further certify, if acting on behalf of an entity or individual other than myself, that I am authorized to submit this application.

SOUTH DAKOTA WATER WELL COMPLETION REPORT

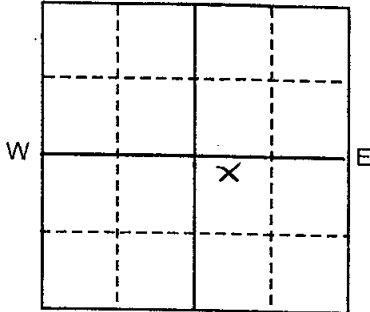
11-02

Location NW ¼ SE ¼ Sec 6 Twp 4N Rg 3E

County Lawrence

Please mark well
location with an "X"

North



W

E

1 Mile

Well Completion Date

January 31, 2019

Distance to nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)?
500.0 ft. from septic (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary downhole hammer

CASING DATA:

☒ Steel ☐ Plastic ☐ Other
 If other describe Set 32' of 6" sch 40 steel

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
LB/FT	IN	0.0 FT	30.0 FT	8.75 IN
LB/FT	IN	30.0 FT	40.0 FT	6.00 IN
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type	No. of Sacks	Grout Weight	From	To
Portland II	3	Lb/gal	20.0 Ft	0.0 Ft
		Lb/gal	Ft	Ft

Describe grouting procedure
with trimmie pipe while driving casing.

SCREEN:

☒ Perforated pipe ☐ Manufactured
 Diameter 6.00 Inches Length 10.0 Feet
 Material
 Slot Size .25 Set From 20.0 Feet to 30.0 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? w/chlorine solution

☐ No, Why Not?
 Lab to which water
 quality sample sent for analysis

Well Owner: Gilded Mountain Home Owners Assn.

Business Name:

Address: PO Box 584

City, State, Zip: Spearfish SD 57783

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
Drift	0	20
Gravel - 15+ gpm	20	25
Grey Schist	25	40

STATIC WATER LEVEL 12.0 FEET

If flowing: closed in pressure PSI

GPM flow 15.0 through Inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other

Reduced flow rate GPM

Can well be completely shut in?

WELL TEST DATA:

☒ Pumped Describe: w/air
☐ Bailed
☐ Other

Pumping Level Below Land Surface

Ft. After Hrs. pumped GPM

Ft. After Hrs. pumped GPM

If pump installed, pump rate: GPM

REMARKS

This well was drilled under license # 324 and this report is true and accurate.

Drilling firm: Alexander Drilling Inc.

Signature of License Representative:

Signature of Well Owner or Equitable Property Holder:

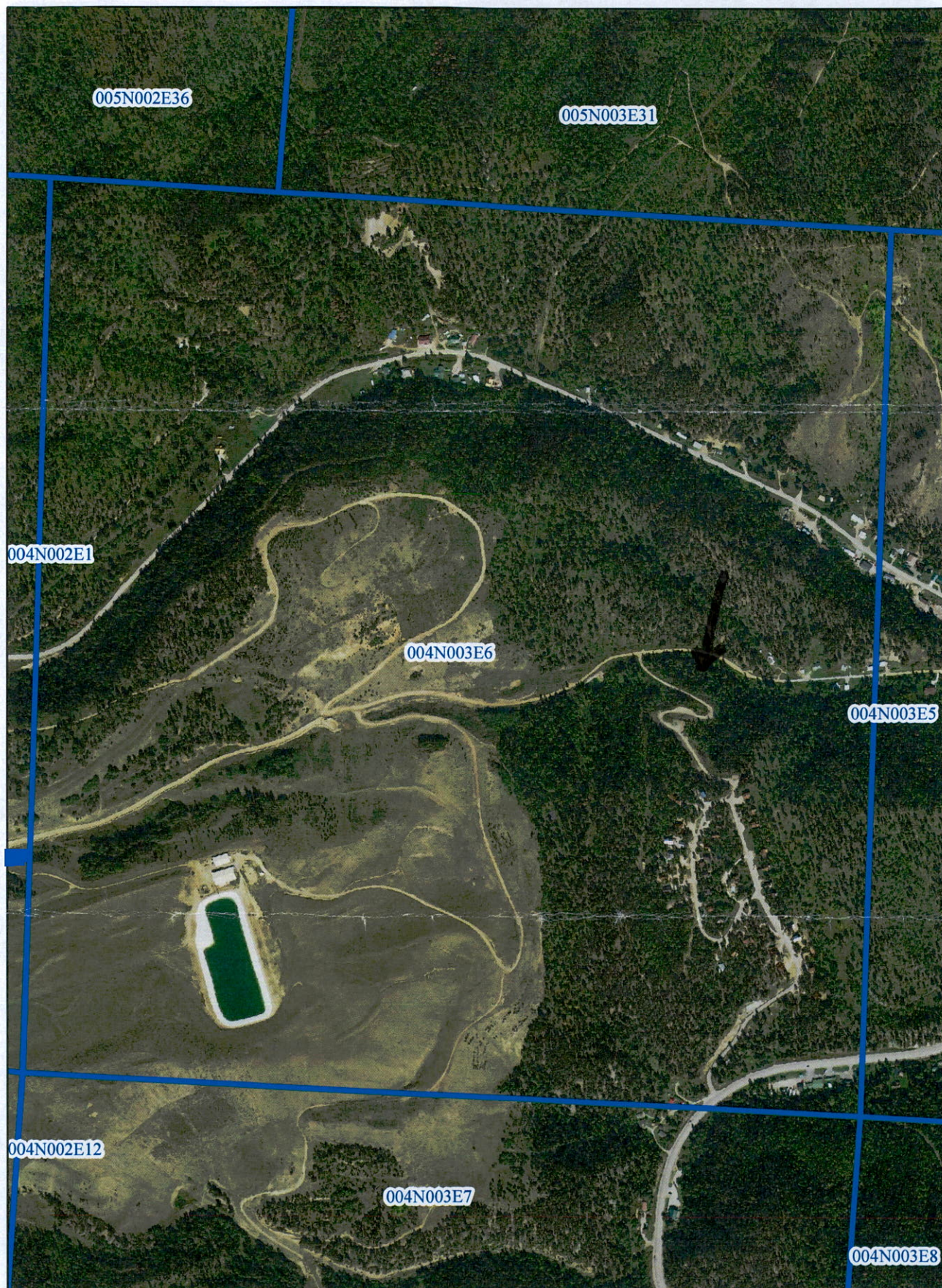
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Date:

FEB 19 2019

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Gilded Mountain LLC – Information

1. Will all three wells be used to supply Gilded Mountain's water system:

yes

2. Will the wells be in use at the same time or used on an alternating basis?

at the same time

3. What is the maximum pump rate from the wells to the water system at one time in gallons per minute?

30 gallons per minute

4. Please mark the location on the newest well on the attached map.

Please return to Eric Gronlund in the self-addressed stamped envelope.

The matter will be reviewed to determine if a new water permit application needs to be filed or if DENR can administrative authorize the third well to be included under Water Right No. 1926-1

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date April 16

, 20 19

RECEIVED OF Gilded Mountain HOA Inc. P05B0x 584 Spearfish SD 57783

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

Fee for Application for Permit No. <u>1990-1</u> 1990-1 to Appropriate Water, to construct and to put water to beneficial use	100	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>1990-1</u> 1990-1	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	300 00

No. **09122**

By

Jeanne Goodman
Chief Engineer
vm



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

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MAR 22 2019

WATER RIGHTS
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February 21, 2019

Scot E Munro
Gilded Mountain LLC
123 E Jackson Blvd, Suite 3
Spearfish SD 57783

Steve Ryan, Water System Manager
Gilded Mountain LLC
PO Box 584
Spearfish SD 57783

SUBJECT: New Well Recently Constructed Well for Gilded Mountain LLC

Mr. Munro and Mr. Ryan:

DENR received a well completion report from Alexander Drilling on February 19, 2019 for a well drilled to supply the Gilded Mountain water system. A copy of the well completion report is attached. The new well meets South Dakota well construction standards.

Gilded Mountain LLC holds Water Right No. 1926-1 appropriating 0.033 cubic feet of water per second (15 gallons per minute [gpm]) from two wells to supply the water distribution system.

As you are aware, DENR issued an order on November 13, 2018, for Gilded Mountain to discontinue use of a well that was completed by McDirt Excavation since it was not constructed or repaired by a licensed well driller and the well did not meet well construction standards. I presume this recent well was drilled to replace the well that Gilded Mountain was ordered to cease using.

The purpose of this letter is to discuss potential water permitting for this newest well. DENR presumes that Gilded Mountain continues to maintain the two original wells and this newest well will be a third well capable of supplying the water system. The question then becomes whether the combined diversion rate from the three wells will exceed the 15 gpm authorized by Water Right No. 1926-1.

- If combined diversion from the wells will exceed 15 gpm, a new water right permit is needed for the additional diversion. The new well completion report indicates the well is capable of producing 15 gpm. However, a licensing investigation last spring by our water rights inspector found the capacity from the wells limited to 15 gpm by a single flow control valve.
- If the combined diversion from the well does not exceed 15 gpm, then Gilded Mountain can request the third well be authorized by the Chief Engineer.

I have attached questions for either of you to answer and a aerial photo the section 6-T4N-R3E to mark the location of this newest well. Please complete and return in the self-addressed stamped envelope.

If you have any questions, please contact me at (605) 773-3352.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Gronlund".

Eric Gronlund
Water Rights Program, DENR

Enclosures



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

March 1, 2019

Gilded Mountain Home Owners Association
c/o Scot Munro
115 E Hudson St
Spearfish SD 57783

Dear Mr. Munro:

Regarding your phone call with Eric Gronlund, enclosed is a partially completed *Application for a Permit to Appropriate Water* for the additional well and increasing the diversion rate for the Gilded Mountain Home Owners Association.

Please review the application, complete and sign. Along with the return of the application, the following is also required.

- The application requests an appropriation of 15 gallons per minute (gpm). In addition to the pump rate, the application needs to include the annual volume in either gallons/year or acre feet/year. In calculating the annual volume, be reasonable but also plan for the maximum annual volume of use from the wells at full development. It is unrealistic that 30 gpm (total from both wells) will be pumped continuously during an entire year. Therefore, DENR requests an annual volume to be used by the association.
- You were previously sent a map. On the map, please mark the new well location with an "X".
- The application/license filing fee will be \$300.00.

Also, enclosed is a partially completed Notice of Transfer of Ownership form. Please return the completed form with a filing fee of \$50.00. A self-addressed stamped envelope is included.

If you have any questions, please contact Eric Gronlund or me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352
karen.schlaak@state.sd.us

enclosures

Scot Munro

From: Maggie Ryan <mags056@hotmail.com>
Sent: Tuesday, March 5, 2019 7:50 PM
To: Scot Munro
Subject: Re: Gilded Mountain Water Doc

Hi Scot,

This is in response to the questions on the form the state sent you regarding permit.

Question #2: Answer: 3,073,200 gallons per year

Also, when I spoke with Karen she requested a map showing the New well and the Old well and to also include my name and phone number on the bottom of the forms. Include it as: Steve Ryan, Operator, 605.580.5757

If you need any thing else just let me know.

Thanks,
Steve

From: Scot Munro <munropeaks@gmail.com>
Sent: Tuesday, March 5, 2019 10:25 AM
To: mags056@hotmail.com
Subject: Gilded Mountain Water Doc

Hello - Here is the Application for Permit .

Can you assist with some of this information? I am not sure how to proceed

Thanks,
Scot Munro
Great Peaks Realty
115 E Hudson
Spearfish, SD 57783
Cell: (605) 641-6482
Fax-(605)-717-7329
Email: munropeaks@gmail.com

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>



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DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

March 25, 2019

Gilded Mountain Home Owners Association
c/o Scot Munro
115 E Hudson St
Spearfish SD 57783

PAID
APR 16 2019
Ck# 1835

Dear Mr. Munro:

Thank you for submitting the *Application for a Permit to Appropriate Water* for the additional well and increasing the diversion rate authorized by Water Right No. 1926-1. In order to complete the application, the following is required.

- The application lists the well is located in the N 1/2 SE 1/4 Section 6-T4N-R3N. We have reviewed the aerial photo map and it appears the new well is located very near the boundary line of the SE 1/4 NE 1/4 and the NE 1/4 SE 1/4 Section 6. Do you agree with this location?
- Also, please submit the application/license fee of \$300 and also the \$50 transfer of ownership fee (total \$350).

If you have any questions, please contact Eric Gronlund or me.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
605 773-3352
karen.schlaak@state.sd.us



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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<http://denr.sd.gov>

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1990-1, Gilded Mountain Homeowners Association**

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. 1990-1, Gilded Mountain Homeowners Association, c/o Scot E Munro, PO Box 584, Spearfish SD 57783.

The Chief Engineer is recommending APPROVAL of Application No. 1990-1 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) it is in the public interest with the following qualifications:

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Quaternary Alluvium aquifer.
3. Water Permit No. 1989-1 authorizes a total annual diversion of 9.4 acre foot of water.

See report on application for additional information.

Jeanne Goodman, Chief Engineer
June 10, 2019

Report to the Chief Engineer
Water Permit Application No. 1990-1
Gilded Mountain Homeowners Association

15 May, 2019

Gilded Mountain Homeowners Association, % Scot E. Munro, has applied to appropriate 9.4 acre-feet of water annually at a maximum instantaneous diversion rate of 0.033 cubic feet per second (15 gallons per minute) from one well completed into the Quaternary Alluvium aquifer below Fantail Creek (40 feet deep) located along the boundary of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 6-T4N-R3E for a water distribution system. Gilded Mountain Homeowners Association also holds Water Right No. 1926-1, which authorizes 0.033 cfs from two wells completed into the Crystalline Rock aquifer located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 6-T4N-R3E. This site is located approximately 1 mile southwest of Lead, South Dakota.

Aquifer: Quaternary Alluvium (ALQ)

Hydrogeologic context and characteristics of the aquifer

The Quaternary Alluvium aquifer is a general term for aquifers that occur in the material deposited by streams. For this application, the alluvium is beneath and adjacent to Fantail Creek, which lies in Terry Gulch, and is composed of tailings from historic gold mining operations and colluvium (Gries, 1986). Fantail Creek's natural path had historically passed through where the Golden Reward mining site is, but the natural flows are likely to have been disturbed by historic mining activities and some water might flow down mine shafts instead of down the creek (Gries, 1986). Precipitation runoff that flows over undisturbed areas is collected by a French drain to protect it from the tailings of Liberty Pit and is released to a sand filter dam on Fantail Creek (Koerner, 2002). The precise boundary of the aquifer could not be delineated because it was too small to be included in the 7.5 minute geologic map of Lead (Redden, et al., 2013). The Quaternary Alluvium aquifer overlies the Crystalline Rock aquifer at the location of the well for this application (Redden, et al., 2013).

One well was completed for this application on January 31, 2019, by Alexander Drilling, Inc (Figure 1). The driller reported "drift" from 0 to 20 feet below land surface, gravel from 20 to 25 feet which could be pumped at a rate of 15 gallons per minute at the time of drilling, and grey schist from 25 to 40 feet. The driller did not encounter any fractures in the schist, and the well is drilled near the streambed for Fantail Creek (Sewell, 2019). Since the Crystalline Rock aquifer is essentially impermeable except where joints, faults, and fractures are found, the water for this well is from the Quaternary Alluvium aquifer and not the Crystalline Rock aquifer. The static water level was 12 feet below land surface at the time of drilling.

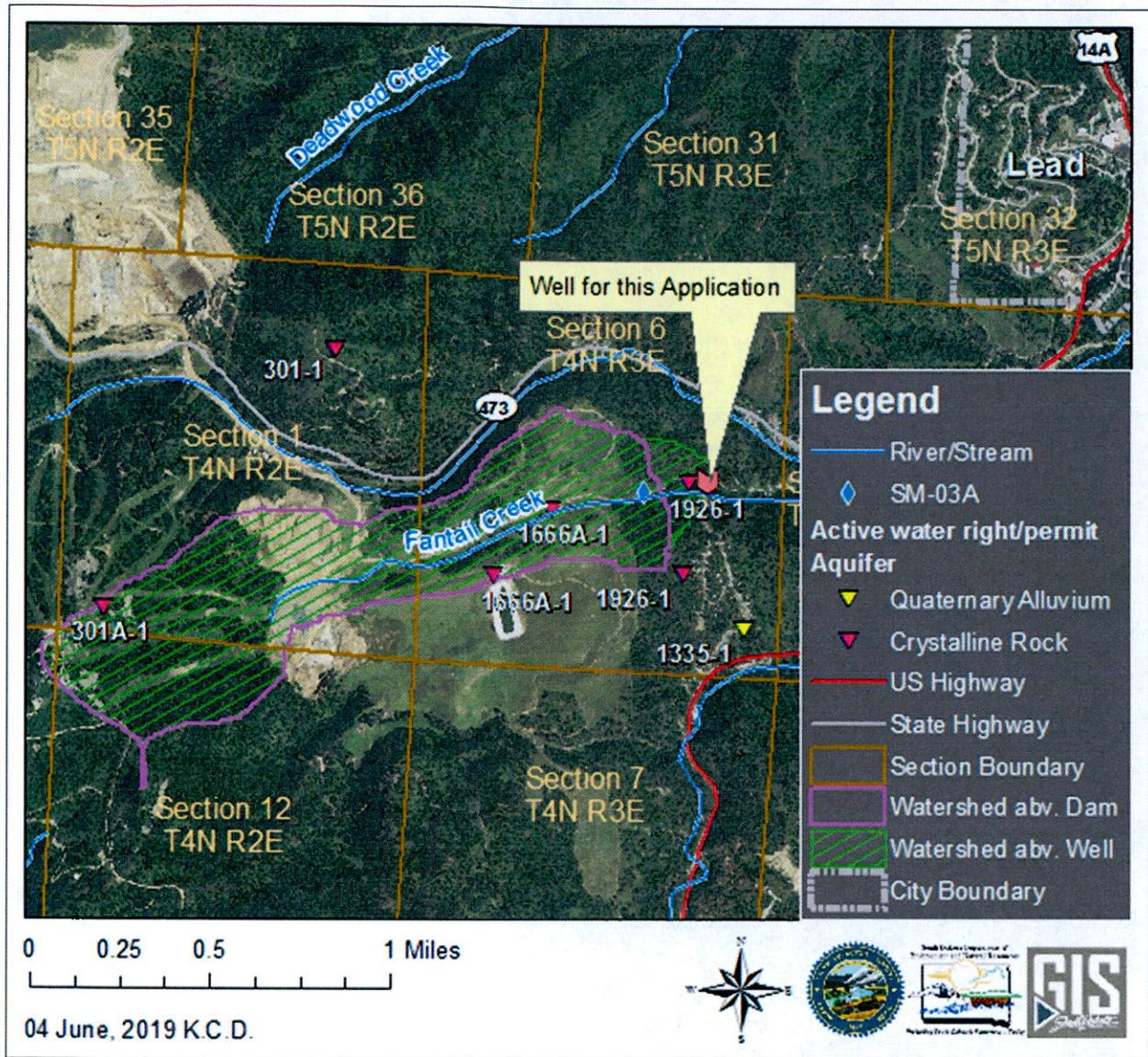


Figure 1: Map of the area for this application including nearby water rights/permits (SD Water Rights, 2019b), Golden Reward/Wharf Resources (USA), Inc. monitoring well SM-03A (Hocking, 2011), and relevant watershed areas for the application (U.S. Geological Survey, 2019).

Applicable South Dakota Codified Law

Pursuant to SDCL 46-2A-9, a permit to appropriate water may be issued 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. This report will address the availability of water and possibility of developing this application without unlawful impairment of existing rights only.

Report on Water Permit Application 1990-1

Pursuant to SDCL 46-6-3.1, 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 the water to the groundwater source. An exception allows water distribution systems to withdraw from groundwater sources older or stratigraphically lower than the Greenhorn Formation regardless of the results of a hydrologic budget. Gilded Mountain Homeowners Association is a water distribution system as defined in SDCL 46-1-6(17), but the Quaternary Alluvium aquifer is younger and stratigraphically higher than the Greenhorn Formation. Therefore a hydrologic budget must find that there is reasonable probability recharge exceeds discharge to approve this application.

Water Availability

Observation Well Data

Administrative Rule of South Dakota (ARSD) 74:02:05:07 requires that the board shall rely upon the record of observation well measurements in addition to other data to determine the availability of water. The DENR Water Rights Program maintains 36 observation wells in the Quaternary Alluvium aquifer but none are located in the alluvium below Fantail Creek (SD Water Rights, 2019a). The nearest observation well maintained by the Water Rights Program that is in the Quaternary Alluvium aquifer is Observation Well LA-98B, which is located approximately 13 miles north and completed into the alluvium below Spearfish Creek.

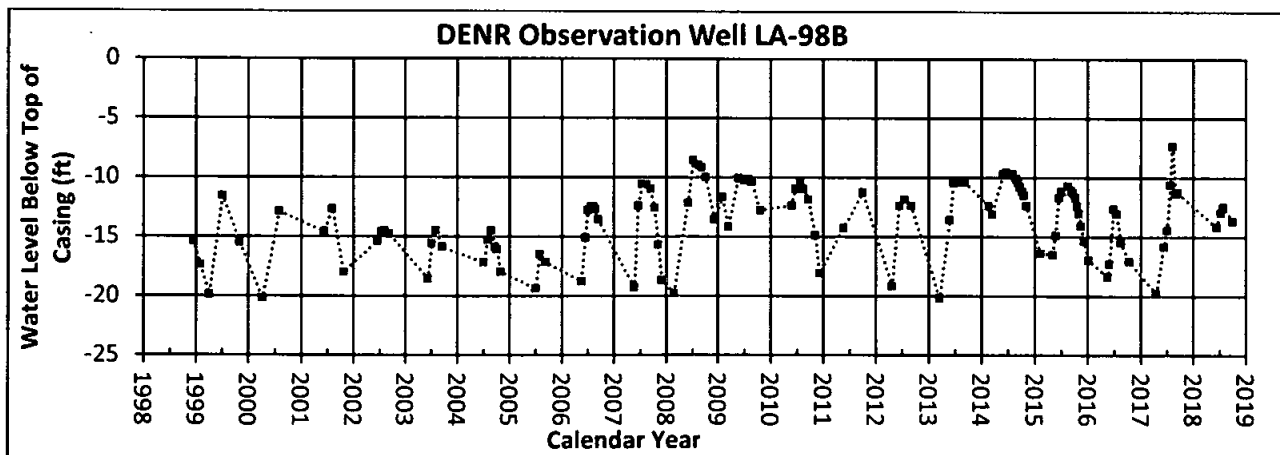


Figure 2: DENR Observation Well LA-98B. The elevation at top of casing is 3494 ft m. s. l. (SD Water Rights, 2019a)

The water levels in Observation Well LA-98B vary with seasonal weather patterns and show as much as 12 feet of variation in the alluvium (Figure 2). Golden Reward Mining Company completed observation wells in the late 1980s in order to monitor groundwater quality for their mine permit (Gries, 1986). Wharf Resources (USA), Inc., the current owner of the Golden Reward mining site, maintains Monitoring Well SM-03A located approximately 0.2 miles west of the well for this application and upstream of the sand filter dam (Hocking, 2011). The water

level in the well varied approximately 11 feet in the 5 years of record available (Figure 3). The well completion report for SM-03A (called SM-89-3A on June 21, 1989, when it was drilled) lists “tailings” from the surface to 9 feet below grade, alluvium from 9 feet to 23 feet below grade, and Precambrian rock from 23 to 30 feet below grade (SD Water Rights, 2019c). From August 2, 2006, through August 14, 2008, and again on August 6, 2009, the water level in SM-03A was measured below the depth of the alluvium, demonstrating the seasonal availability of water in this location. Although the aquifer in this location is occasionally dry and the alluvium in this area is narrow, the pump rate for the well for this application is relatively low. If Gilded Mountain Homeowner’s Association were to withdraw their entire appropriation of 9.4 ac-ft/yr, the pump would only run approximately 39% of the time at the proposed diversion rate. Therefore, based on observation well analysis, there is reasonable probability water is available for this application.

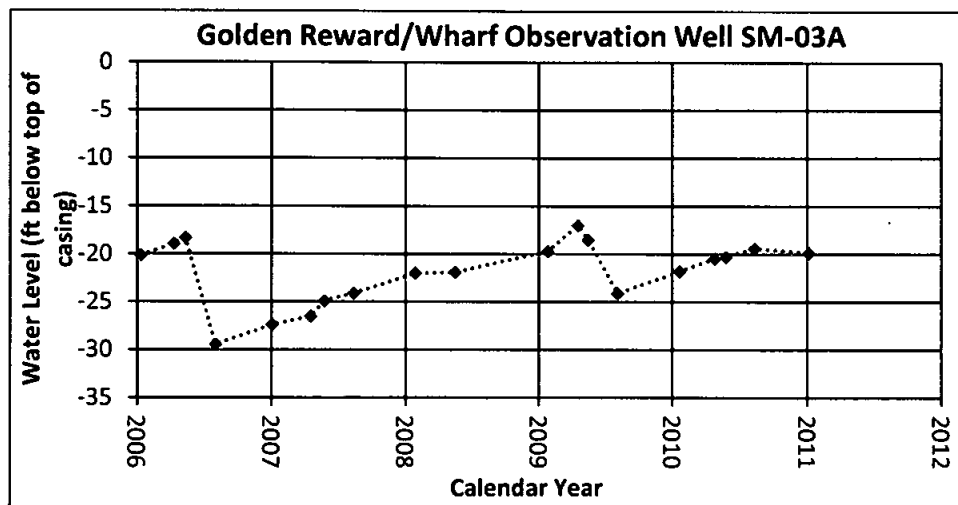


Figure 3: Golden Reward mining site monitoring well SM-03A owned by Wharf Resources (USA), Inc. (Hocking, 2011). The total depth of the well is 30 feet (SD Water Rights, 2019c).

Hydrologic Budget

Recharge to the aquifer is likely to occur by infiltration of precipitation and streamflow losses from Fantail Creek and groundwater interflow from the watershed (Driscoll, et al., 2002). Discharge from the aquifer is likely to occur through evapotranspiration, seepage to Fantail Creek when the potentiometric surface of the aquifer is above the potentiometric surface of the creek, seepage to the Crystalline Rock aquifer, and withdrawals from wells. The only appropriative well in the alluvium along Fantail Creek is the one for this application and domestic well use is generally negligible in a hydrologic budget due to domestic users’ low pump rate (SD Water Rights, 2019b).

Average annual precipitation for the watershed that flows to the well for this application is 28 inches and average annual yield to the stream for the watershed as measured at USGS Station 06436156 (Whitetail Creek at Lead) was 27.2% of the average annual precipitation (Driscoll, et

al., 2002). Driscoll, et al. (2002) noted “Average annual potential evaporation generally exceeds average annual precipitation throughout the [Black Hills].” Streamflow losses to the Crystalline Rock aquifer are negligible in the context of a hydrologic budget (Driscoll, et al., 2002). Groundwater interflow from the watershed does not measurably infiltrate into the Crystalline Rock aquifer, but is discharged as evapotranspiration or base streamflow when the potentiometric surface of the groundwater is higher than the surface of the land (Driscoll, et al., 2002). Therefore, essentially all of the rainfall in the aquifer is either discharged as streamflow or evapotranspiration.

The watershed area on Fantail Creek above the sand filter dam is 0.62 square miles and the watershed area above the site of the well for this application is approximately 0.65 square miles, leaving approximately 0.03 square miles (19.2 acres) of drainage that directly flows into the alluvium below Fantail Creek above the well site (U.S. Geological Survey, 2019). Based on that area, rainfall data, and streamflow data discussed above, approximately 12.2 ac-ft/yr flows past the well for this application from the area below the sand filter dam either as streamflow or groundwater flow in the alluvium. Before construction of the sand filter dam, the peak flow measured near the dam’s location was 513.76 gallons per minute and the average flow measured was 81.54 gallons per minute (Koerner, 2002). The sand filter dam likely decreases peak outflow from the drainage area, attenuating storm surges as it filters the water. If the average streamflow measured before construction of the dam is discharged from the dam, approximately 132 ac-ft/yr flows from the area above the dam into the portion of Fantail Creek outside the Golden Reward mining permit area. Measurements of surface area of water impounded by the dam based on Farm Service Agency imagery from 2004 to 2018 ranged from 0.12 acres to 0.03 acres. Using the maximum area measured of 0.12 acres and 50 inches of evaporation per year, the loss due to evaporation from the dam is 0.5 ac-ft/yr (Driscoll, et al., 2002). Data from a recent report for Wharf Resources (USA), Inc., which owns the Golden Reward mining site, suggests very little of the water impounded by the dam leaves as surface runoff, so most of it discharges through the alluvium below the dam (McCutcheon, 2011).

This application limits withdrawals from two wells for Water Right No. 1926-1 and one well for this application to 9.4 ac-ft/yr. However, there is no restriction on the amount of water withdrawn from any individual well other than the total annual withdrawal and maximum instantaneous pump rate. The well for this application could theoretically withdraw the entire 9.4 ac-ft/yr. Even so, based on a hydrologic budget, there is reasonable probability water is available for this application.

Existing Users

There is one other well completion report on file with the DENR in the same section as the well for this application that could be hydrologically connected to the Quaternary Alluvium below Fantail Creek (SD Water Rights, 2019c). The well was drilled on August 11, 1973, and the driller reported Precambrian rock from 0 to 28 feet below grade and Deadwood Formation from 28 feet to 50 feet below grade, which, as a note on the second page of the report says, is

Report on Water Permit Application 1990-1

“interesting if true” (SD Water Rights, 2019c). The Deadwood Formation is from the upper Cambrian and lower Ordovician geologic periods and is therefore newer and stratigraphically higher than Precambrian rock, which makes it unlikely that the driller’s report is accurate (Redden, et al., 2013). Because that well is only 50 feet deep, the formation for the well is unknown, the legal description is not given to the nearest 40-acre subsection, and the address is listed as Terry Gulch, there is a possibility it is connected to the alluvium along Fantail Creek. The nearest domestic well on file with the DENR that is definitely in the Quaternary Alluvium aquifer and is downstream from the well for this application is approximately 0.7 miles east of the site of this application along Whitetail Creek and is 34 feet deep (SD Water Rights, 2019c). However, Gries (1986) noted that domestic wells were present along Fantail Creek and downstream when he did his baseline study. Those wells might not be filed in the DENR Well Completion Report Database because of their age. There are no water rights or permits in the Quaternary Alluvium aquifer upstream of the well for this application (SD Water Rights, 2019b). The nearest water right or permit in the Quaternary Alluvium aquifer, Water Right No. 1335-1, is located in a different watershed upstream of where Fantail Creek joins Whitetail Creek and cannot be affected by this application (SD Water Rights, 2019b). The nearest water right or permit in the Quaternary Alluvium aquifer that is downstream from this application is Water Right No. 1628-1 located approximately 12 miles northeast of the well for this application along Whitewood Creek (SD Water Rights, 2019b).

In the past, the Water Management Board has recognized that to place water to maximum beneficial use, a certain amount of drawdown within the aquifer may occur. To protect domestic well users, the Water Management Board defined an “adversely impacted adequate well” in ARSD 74:02:04:20(7) as:

“A well in which the pump intake was set at least 20 feet below the top of the aquifer at the time of construction or, if the aquifer is less than 20 feet thick, is as near to the bottom of the aquifer as is practical and the water level of the aquifer has declined to a level that the pump will no longer deliver sufficient water for the well owner's needs.”

The Quaternary Alluvium aquifer is a relatively thin aquifer with a limited amount of water in storage. While the average annual withdrawal would not exceed average annual recharge to the aquifer, conditions may occur where the withdrawal exceeds recharge. When this occurs, water will be removed from storage, consequently reducing the saturated thickness of the aquifer. If this occurs for an extended period of time such that the saturated thickness is reduced to the extent that water rights/permits can no longer pump at their developed or “historically established” rates, this may be considered an adverse impact.

On December 28, 1984, a resident who lived along Fantail Creek contacted the DENR concerned that his 40-foot hand-dug well was dry because of snow-making activities by the Black Hills Chair Lift Company on Terry Peak (SD Water Rights, 2019d). No wells matching the description of the concerned resident’s well are on file with the DENR (SD Water Rights, 2019c). Natural

Report on Water Permit Application 1990-1

Resources Engineer Gale Selken investigated the complaint by examining topographic maps and maps from the DENR Minerals and Mining Program and concluded the Black Hills Chair Lift Company, which withdrew water from the Ben Hur mine, was not likely to have impacted water availability along Fantail Creek (SD Water Rights, 2019d). On December 31, 1984, Mr. Selken called the concerned resident and explained that it was unlikely his well was impacted by the snow-making activities and the individual informed Mr. Selken his well had water in it again on that date (SD Water Rights, 2019d).

No other complaints have been filed with the DENR regarding wells in the Quaternary Alluvium aquifer along Fantail Creek (SD Water Rights, 2019d). Because the maximum instantaneous diversion rate of the well for this application is relatively low and because of the other factors mentioned above, it is not likely the well for this application will unlawfully impact other domestic users and prior water rights.

Conclusions

1. Water Permit Application No. 1990-1 for Gilded Mountain Homeowners Association proposes to appropriate 9.4 ac-ft/yr at a maximum instantaneous diversion rate of 0.033 cfs (15 gallons per minute) from a well completed into the Quaternary Alluvium aquifer below Fantail Creek for a water distribution system.
2. Based on observation well data, a hydrologic budget, and the relatively small diversion rate proposed by this application, there is reasonable probability unappropriated water is available for this application.
3. It is not likely well interference caused by this well will unlawfully impact nearby domestic users or Water Rights/Permits with an earlier priority date.



Kimberly C. Drennon
Natural Resources Engineer

References

- Driscoll, D. G., Carter, J. M., Williamson, J. E. & Putnam, L. D., 2002. *Hydrology of the Black Hills Area, South Dakota. Water Resources Investigations Report 02-4094*, Rapid City, South Dakota: U.S. Geological Survey.
- Gries, J. P., 1986. *Hydrologic Base Line Study of Golden Reward Project, Prepared for Moruya Gold Mines of North America, Inc.*, Unpublished. Joe Foss Bldg., Pierre, South Dakota: SD DENR Minerals and Mining Program.
- Hocking, C. M., 2011. *Groundwater Characterization Study of the Wharf Expansion Project Area, prepared by RESPEC, Rapid City, SD for Wharf Resources USA, Inc., Lead, SD*, Unpublished. Joe Foss Bldg., Pierre, SD: SD DENR Minerals and Mining Program.
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- McCutcheon, C. M., 2011. *Surface Water Characterization Study of the Wharf Expansion Project Area prepared by RESPEC, Rapid City, SD for Wharf Resources (USA), Inc., Lead, SD*, Unpublished. Joe Foss Bldg., Pierre, South Dakota: SD DENR Minerals and Mining Program.
- Redden, J. A., Lisenbee, A. L. & Fahrenbach, M. D., 2013. *Geologic Map of the Lead Quadrangle, South Dakota; 7.5 Minute Series Geologic Quadrangle Map 19*, Rapid City, South Dakota: South Dakota Geological Survey.
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- SD Water Rights, 2019b. *Water Right/Permit File Database*, Joe Foss Bldg., Pierre, South Dakota: SD DENR Water Rights Program.
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- SD Water Rights, 2019d. *County Files*, Joe Foss Bldg. Pierre, South Dakota: SD DENR Water Rights Program.
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- U.S. Geological Survey, 2019. *StreamStats 4.3.0*. [Online]
Available at: <https://streamstats.usgs.gov/ss/>
[Accessed 15 May 2019].

Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, June 10, 2019 10:02 AM
To: 'munroPeaks@gmail.com'
Subject: Water Permit Application No. 1990-1
Attachments: 1990-1.pdf

Scot,
Attached is the report, recommendation and information regarding the public notice for Water Permit Application No. 1990-1, Gilded Mt Home Owners Association. As stated in the letter, you need to contact the paper to authorize publication and arrange for payment. I have emailed the notice to the paper. This same information is going in the mail to you today.

If you have questions, please let me know.

Karen Schlaak
SD DENR, Water Rights Program
(605) 773-3352



NOTICE OF APPLICATION NO. 1990-1 to Appropriate Water

Notice is given that Gilded Mountain Home Owners Association, c/o Scot E Munro, PO Box 584, Spearfish SD 57783 has filed an application for a water permit to appropriate 9.4 acre feet of water annually at a peak diversion rate of 0.033 cubic feet of water per second (cfs) from one well completed into the Quaternary Alluvium Aquifer (40 feet deep) located along the boundary of the SE 1/4 NE 1/4 and the NE 1/4 SE 1/4 Section 6-T4N-R3E for a water distribution system. Water Right No. 1926-1 authorizes 0.033 cfs from two wells located in the NW 1/4 SE 1/4 and the SW 1/4 NE 1/4 Section 6-T4N-R3E. The site is located approximately 1 mile southwest of Lead SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1990-1 with qualifications 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. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <http://denr.sd.gov/public> or contact Eric Gronlund for this information, or other information, at the Water Rights Program address provided below.

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 July 1, 2019.

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.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. 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.

Steven M. Pirner, Secretary, Department of Environment and Natural Resources. Published once at the total approximate cost of _____.

Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, June 10, 2019 9:54 AM
To: Legals (legals@bhpioneer.com)
Subject: 1990-1, Gilded Mt Homeowners Assoc.
Attachments: 1990-1public.short.docx; Form 8.pdf

Attached is a notice to be published on June 20, 2019 in the Black Hills Pioneer.

641-6482

Gilded Mountain Home Owners Association, c/o Scot E Munro, PO Box 584, Spearfish SD 57783 (605 ~~642-2761~~) has been notified to contact you to authorize publication and arrange for payment.

Please send the affidavit or return the attached Proof of Publication form ASAP to the Water Rights Program, 523 E Capitol, Pierre SD 57501.

Let me know if you have questions. Please acknowledge receipt of this email.

Karen Schlaak
SD DENR, Water Rights Program
(605) 773-3352





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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.**

June 10, 2019

Gilded Mountain Home Owners Association
c/o Scot E Munro
PO Box 584
Spearfish SD 57783

Dear Mr. Monro:

Water Permit Application No. 1990-1 for water distribution system use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Black Hills Pioneer printed at Spearfish SD (Ph # 605 642-2761). 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 from you, the publisher has been instructed to publish your notice. 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

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.

RECEIVED

JUN 27 2019

WATER RIGHTS
PROGRAM

NOTICE OF
APPLICATION NO.
1990-1 to Appropriate
Water

Affidavit of Publication

STATE OF SOUTH DAKOTA:

COUNTY OF LAWRENCE:

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

Notice Of Application
NO. 1990-1

a printed copy of which is hereto attached, was printed and published in said newspaper for 1 successive and consecutive weeks, the first publication being made on the 20th day of June, 2019, and the last publication on the day of , , that the full amount of fees charged for publishing same, to-wit: The sum of \$ 27.26, insures solely to the benefit of the publisher of the BLACK HILLS PIONEER, that no agreement or understanding for a division thereof has been made with any person and that no part thereof has been agreed to be paid to any other person whomsoever.

[Signature]
Subscribed and sworn to before me this 25th day of June, 2019

[Signature]
Notary Public, Butte County, South Dakota
My commission expires: 3-21-2023

Notice is given that Gilded Mountain Home Owners Association, c/o Scot E Munro, PO Box 584, Spearfish SD 57783 has filed an application for a water permit to appropriate 9.4 acre feet of water annually at a peak diversion rate of 0.033 cubic feet of water per second (cfs) from one well completed into the Quaternary Alluvium Aquifer (40 feet deep) located along the boundary of the SE 1/4 NE 1/4 and the NE 1/4 SE 1/4 Section 6-T4N-R3E for a water distribution system. Water Right No. 1926-1 authorizes 0.033 cfs from two wells located in the NW 1/4 SE 1/4 and the SW 1/4 NE 1/4 Section 6-T4N-R3E. The site is located approximately 1 mile southwest of Lead SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1990-1 with qualifications 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. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <http://denr.sd.gov/public> or contact Eric Gornlund for this information, or other information, at the Water Rights Program address provided below.

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 July 1, 2019.

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.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. 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.

Steven M. Pirmer,
Secretary,
Department of
Environment and
Natural Resources.

Published once at the
total approximate cost of
\$28.18.

#274
Jun 20



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

JUL 18 2019

Gilded Mountain Home Owners Association
c/o Scot Munro
PO Box 584
Spearfish SD 57783

Dear Mr. Munro:

Enclosed is Water Permit No. 1990-1 authorizing construction of the water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

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,

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

enclosures

1990-1

SD EForm - 1311LD V1

Form 10

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

MAIL TO: PMB 2020
DENR - Water Rights Program
523 E Capitol Ave
Pierre, SD 57501-3182
ph. (605) 773-3352

Date 8/9/2019

FROM: Steve Ryan, operator, Glendo Mt. HOA
(name)
1234 WASHINGTON ST.
(address)
LEAD S.D. 57754 605-580-5757
(city) (state) (zip) (phone)

I have completed the construction of the water use system and I have put the water to beneficial use to the maximum extent it is going to be used.

Water Permit No. 1990-1 states that the water use system is to be constructed by
7/1/2024, and water is to be put to beneficial use by 7/1/2028
(date) (date)

The water use system was completed on X 8-23-19
(date)

Applying the water to beneficial use was completed on X 8-23-19
(date)

You may schedule an investigation so that the water license may be issued.

X Steve Ryan date 8-23-19



Report of Examination of Works and/or Application of Water to Beneficial Use For Permit No. 1990-1

I have this day August 9, 2019 made a thorough examination of the water use system constructed by Gilded Mountain Home Owners Association, P.O. Box 584, Spearfish, SD 57783 of Permit No. 1990-1, bearing the priority of 4/16/2019 authorizing the diversion of 0.033 cu. ft. per second of water from one well for water distribution system purposes in Lawrence County.

Inspection contact & relationship to permit holder, if applicable:

Scot Munro, director, Gilded Mountain HOA
Steve Ryan, water system manager, 605-580-5757

A. Works used to divert the water:

Well Information:

- 1) Well Drilling Firm: Alexander Drilling (2019)
- 2) Well No. Alluvial Aquifer (well #3)
- 3) Depth 40 feet
- 4) Well log Yes

Casing:

- 1) Diameter 6 inches
- 2) Length 32 feet
- 3) Type Steel

Screen:

- 1) Type slotted steel, -20 to -30 ft (open hole -30 to -40 ft.)
- 2) Length 10 feet
- 3) Static water level 12 feet

Pump:

- 1) Make Grundfos
- 2) Model 10S15-21
- 3) Size 4"
- 4) Capacity 11 GPM (This is a 10 gpm rated pump producing 11 gpm as installed)
- 5) Horsepower rating 1.5 hp

Note: The 2019 well is one of three wells supplying the development. The original well was completed in 2008 and the #2 well was completed in 2012. The wells are controlled using level switches in the twin 25,000 gallon steel storage tanks. The operator manually switches between individual operation of the 2019 well or the 2012 well, or simultaneous operation of both wells. Determination of which wells are operated depends on the time of year and peak demands on the system. The 2008 well will only be used for emergency backup purposes or if system demand exceeds the total output capacity of the 2019 and 2012 wells. The 2008 well is not used as a regular supply source due to arsenic levels and rapid drawdown due to low yield.

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

- 1) Type PVC mainline
- 2) Size 6 inches
- 3) Length approx. 3,200 feet

C. Works used to apply water to beneficial use:

The storage tanks (total 50,000 gallons) gravity feed to the 48 residential lots. The typical home is used as vacation/rental property. Some of the homes utilize a booster pump to provide adequate pressure.

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 points of diversion located as follows:
2,895' S and 1,062' W of the NE corner Section 6, T4N, R3E (44.336719, -103.799124)
2. The works are capable of diverting and conveying to the place of use .025 cu. ft. per second (**11 gpm**) of water which is to be used for **water distribution system** use and the license should be issued for **.025 cfs**.
3. All structures, wells and lands on map – **Yes**

F. Comments or other permit(s) associated with the project:

Gilded Mountain also holds licensed Water Right No. 1926-1 authorizing a total of .033 cfs from two wells completed into Crystalline Rock.



Steven Quissell
Water Rights Inspector
DENR, Water Rights Program

Date report completed: 8/30/2019



Twin 25,000 gal. storage with well house in foreground

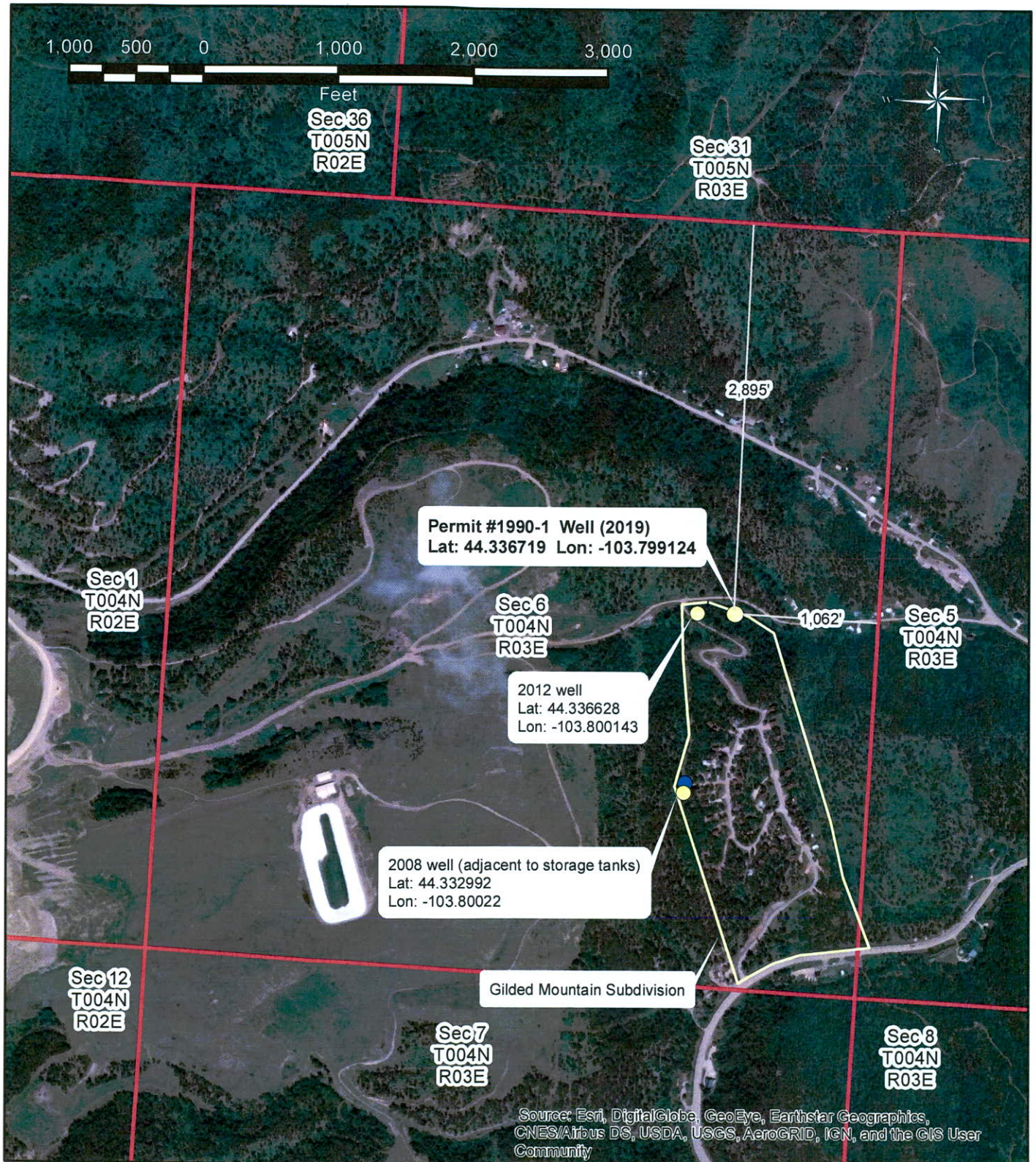


Well #3 completed in 2019

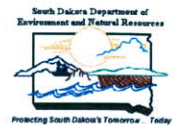


Pump house manifold

Water Right #1990-1
Gilded Mountain HOA
8/9/2019



Steven Quissell
Water Rights Inspector
DENR Water Rights Program





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

FEB 27 2020

1990-1

Scot Munro
Gilded Mountain Homeowners Assoc.
PO Box 584
Spearfish SD 57783-0584

Dear Mr. Munro:

Enclosed is Water License No. 1990-1. 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

**STATE OF SOUTH DAKOTA
WATER LICENSE NO. 1990-1**

(1) Gilded Mountain Home Owners Association, PO Box 584, Spearfish SD 57783-0584 made Application No. 1990-1, March 22, 2019 for a water permit to divert 9.40 acre feet of water annually at a peak diversion rate of 0.033 cubic feet of water per second from ground water, one well (Quaternary Alluvium Aquifer), Lawrence County, South Dakota for water distribution system purposes. Permit No. 1990-1, with a priority date of March 22, 2019 was approved July 1, 2019 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before July 1, 2024 and for the application to beneficial use of water on or before July 1, 2028. *The April 16, 2019 priority date specified in the permit was incorrect. The priority date should have been March 22, 2019. Issuance of this license corrects the error.*

The Permit holder submitted a "Notice of Completion of Works and Application of Water to Beneficial Use" on August 23, 2019 indicating the water use system was completed and water placed to beneficial use.

(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to completion of the water supply system and is entitled to divert 0.025 cubic feet of water per second for beneficial use. The location of the diversion point is:

- 2,895'S and 1,062'W of the NE corner of Section 6, T4N, R3E (NE ¼ SE ¼)
Latitude 44.336719, Longitude -103.799124

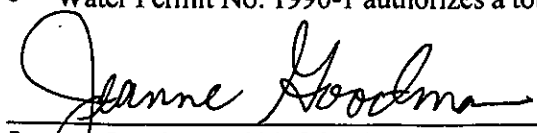
Gilded Mountain Home Owners Association also holds Water Right No. 1926-1 authorizing a total of 0.033 cfs from two wells completed into the Crystalline Rock.

(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 Gilded Mountain Home Owners Association, PO Box 584, Spearfish SD 57783-0584 the holder and/or owner of Water Right No. 1990-1 is issued a license to appropriate water, the right to use 0.025 cubic feet of water per second from ground water, one well (Quaternary Alluvium Aquifer) with a priority date of March 22, 2019 from the location specified in (2) of this license for water distribution system purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 1990-1 and subject to the following qualifications:

- The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
- The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Quaternary Alluvium aquifer.
- Water Permit No. 1990-1 authorizes a total annual diversion of 9.4 acre foot of water.



Jeanne Goodman, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

FEB 27 2020

date

