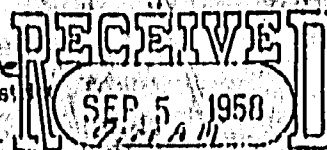


No. 349-1Water Division No. 1

(Blanks to be filled by the Engineer for the W. R. C.)

Dist. Belle Fourche

APPLICATION FOR PERMIT

STATE WATER RESOURCES COMM.
PIERRE, SOUTH DAKOTA

To appropriate Water within the State of South Dakota

(NOTE—Draw a line through items not applicable.)

1. Name of applicant ~~Isarta-Flaxson~~ Keffeler Ranch Inc., 26 Hereford Route
 For office address Sturgis, County Meade, State So. Dak.

I. If a corporation

(a) Name of same

(b) Date and place of incorporation

(c) Amount of capital stock

(d) Amount paid in

(e) Names and addresses of directors

(NOTE—A certified copy of articles of incorporation must accompany the application.)

II. Method of accomplishing the work and financial resources of the applicant:

(a) Method of accomplishing work (Whether by contract, employment of others, or by direct labor)

Contractor and own Labor

(b) Cash on hand, \$

(c) Treasury stock, \$

(d) Bonds to be issued, \$

(e) Other resources, \$

2. Name of diversion work Alkali3. Amount of water claimed 5 cubic feet per second4. Source of water supply flow from Alkali Creek5. Location of point of diversion (on attached paper)

on bank County.

6. Annual period or periods during which water is to be used whenever available

7. To be used for:

I. Irrigation or domestic use: Gravity, overhead sprinkling or combination system? Gravity(a) Number of acres to be irrigated 348 acres.

(b) Legal subdivisions to be irrigated

(NOTE—A list of lands to be irrigated, giving each subdivision and fraction with acreage thereon, should be written here, or may be appended as a part of this application. Same must also be shown on accompanying map.)

(c) Statement as to domestic use (giving location, etc.)

II. Stockwatering, mining, milling, power, fish culture, fire protection and public recreation:

(a) Nature of use Name any of the above uses claimed(b) Amount of power to be generated horse power.

Amount claimed for engine cooling

(c) Location of plant

(d) Method of developing power

(e) Point where water will be returned to stream

Map No. 314-1



LOUIS CARLSON.

Area	Location	Acres
1	NE 1/4 sec 19 - T34 N R2 E	3
2	NE 1/4 sec 20	1/2
3	NE 1/4 sec 20	96
4	NE 1/4 sec 21	22
5	SE 1/4 sec 21	1
6	SW 1/4 sec 21	64
7	NE 1/4 sec 22	50
8	NE 1/4 sec 23	25
9	SW 1/4 sec 24	21
10	NE 1/4 sec 25	21
11	NE 1/4 sec 26	21
12	SE 1/4 sec 20	21
13	SE 1/4 sec 20	21
14	SW 1/4 sec 21	21

Map No. 314-1
 Appls. Nos. 347-1
 348-1
 349-1

A. Estimated cost of work:

(a) Head Gates, \$ 600.00

(b) Pumping plant, \$

(c) Fluming, \$ (d) Canal earth, \$ 500.00

Rock, \$

(e) Other structures dikes and ditches \$ 800.00

Total, \$ 2000.00

B. Description of diversion works:

I. Nature of works: (Reservoir, dam, ditch, flume, pumping plant, etc.)

Diversion ditch and dike

II. Dimensions of works:

- (a) Dam: Height 5 feet; length at bottom feet; length at top feet; thickness at bottom feet; thickness at top feet; slope at front water face dirt; slope at back face material used in construction dirt and concrete
- (b) Reservoir: Capacity when filled acre feet. Surface area at highwater mark acres.

DEPTH AT OUTLET-Feet	SURFACE AREA AT EACH DEPTH AT OUTLET-ACRES	FEET	ACRE-Feet CAPACITY

- (c)* Head gate: Width 4 feet; height 4 feet; Material Concrete, sand and rock
- (d) Canal: Total length one miles.

LOCATION BELOW HEADGATE	DEPTH	BOTTOM WIDTH	WIDTH AT WATER-LINE	GRADE PER MILE
At Mile feet feet feet feet				
At Mile feet feet feet feet				
At Mile feet feet feet feet				
At Mile feet feet feet feet				
At Mile feet feet feet feet				
At Mile feet feet feet feet				

(Give dimensions where reductions in size are made.)

10. Time required for completion of work years.
11. Time required for complete application of water to the proposed beneficial use years.
12. Choice of newspaper for publication of notice of intention to appropriate Sturgis Tribune

STATE OF SOUTH DAKOTA

County of Meade ss.

I, Louis Carlson, being first duly sworn on my oath depose and say: That my relation to the above described undertaking is that of owner, that I have read the above foregoing statement, examined the map accompanying the same, and that I know of my own personal knowledge that the matters therein stated and shown are true.

Signed Louis Carlson

Subscribed and sworn to before me this 3rd day of Sept 1958

Notary Public (or other qualified officer.)

*Each diversion must have a headgate or measuring device.

Remarks by State Water Resources Commission:

"Vested Right" Claimed

The diversion rate limitation of 1 cubic foot per second for each 70 acres irrigated shall not apply to this Dry Draw irrigation diversion during periods of flood flows, when such flows are in excess of the amount of water required to satisfy domestic use requirements and other water rights.

STATE OF SOUTH DAKOTA
County of Hughes ss.

Pierre, South Dakota, September 25, 1958

This is to certify that the foregoing application was received by the Commission at 8:00 o'clock

11 m. upon the 25th day of September, 1958

State Water Resources Commission

By:

Geo. Brinner
Chief Engineer, Executive Officer

Number of permit 3219-1

Date of first receipt of application September 5, 1958

Date of return to applicant for correction, amendments or changes required as follows: Sept 25, 1958

Date of receipt of corrected application August 14, 1959

Date from which applicant may claim right 1952

Approved September 23, 1959. Recorded in Book 5 Page 219

This is to certify that we have examined the foregoing application for a permit to appropriate water of the State of South Dakota, and we hereby grant the same as stated herein, subject, however, to the following limitations and conditions:

1st. The equivalent of at least one-fifth of the work above specified is to be completed on or before

Completed, 1959

2nd. The whole of said work is to be completed on or before Completed, 1959

3rd. The limit of time for proof of beneficial use of water appropriated in accordance herewith is

Completed, 1959

4th. The water appropriated shall be used for the purpose of irrigation

5th. The prior right of all persons who, by compliance with the laws of the State of South Dakota, have acquired a right to the use of water must not be injuriously affected by this appropriation.

6th. The amount of the appropriation herein intended shall not exceed 5.0 cfs. cubic feet per second; neither shall it exceed the capacity of the above described system of diversion works, nor the least amount of water that experience may hereafter indicate as necessary for the production of crops in the exercise of the best husbandry; and further, said appropriation must be limited to not more than one-seventieth (1/70) of one cubic foot of water per second of time for each acre of land to which water is actually and beneficially applied for irrigation on or before Completed, 1959; said water to be used during the following described annual period:

Witness my hand this 23rd day of September, 1959

State Water Resources Commission

By:

Geo. Brinner
Chief Engineer, Executive Officer

Certificate of Construction Issued September 23, 1959

Water License Issued September 23, 1959

Louis Carlson

5. Location of point of diversion 450 ft S and 1349 ft E of NW corner section 19 T 5 N R 8 E

150 ft S and 540 ft E of NW corner section 21 T 5 N R 8 E

520 ft S and 870 ft W of NE corner section 19 T 5 N R 8 E

Louis Carlson

358 acres irrigated

Area 1	NE 1/4, Sec. 19)	
Area 2	NW 1/4, Sec. 20)	3 acres
Area 3	NE 1/4, Sec. 20)	112 acres
Area 4	NW 1/4, Sec. 21)	96 acres
Area 12	E 1/2 SW 1/4, Sec. 20)	22 acres
Area 13	SE 1/4, Sec. 20)	29 acres
Area 14	W 1/2 SW 1/4, Sec. 21)	87 acres
		<u>9 acres</u>
		358 acres

STATE OF SOUTH DAKOTA

WATER LICENSE No. 349-1

WHEREAS, On the 5th day of September A. D. 1958

Louis Carlson

of Sturgis County of Meade and State of South Dakota duly made application (No. 349-1) to us for a permit to use 5.0

cubic feet per second of the waters of Alkali Creek

County of Meade, State of South Dakota, for irrigation purposes; and

WHEREAS, On the 23rd day of September A. D. 1959
Permit No. 349-1 was issued to said applicant... for the diversion of said water, and ~~recognizing~~ the
completion of the works of diversion therein described ~~XXXXXX~~ ~~XXXXXX~~

in 1952 ~~XXXXXX~~ and ~~XXXXXX~~ application to beneficial use of said
water ~~XXXXXX~~ ~~XXXXXX~~ in 1952 ~~XXXXXX~~
and,

WHEREAS, On the 10th day of September A. D. 1959
the holder... of said permit duly made proof of the completion of adequate works for the diversion of 5.0
cubic feet per second of said waters, as evidenced by our Certificate No. 349-1
dated September 23, 1959 confirming the completion of works of sufficient capacity for
diverting and conveying to the place of intended use 5.0 cubic feet per second of water, with date of
priority of 1952 ~~XXXX~~ and,

WHEREAS, On the 10th day of September A. D. 1959
proof was duly made of the application to beneficial use of 5.0 cubic feet per second of said water;
on 358 acres in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 19; NW $\frac{1}{4}$, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ Sec. 20;
and NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 21, all in T 5 N, R 8 E.

NOW, THEREFORE, By the virtue of the authority vested in us by the laws of the State of South Dakota,
 We hereby grant and confirm to Louis Carlson
 of Sturgis, South Dakota the holder and owner of said permit No. 349-1
 a water right, dating from 1952 to the use of Alkali Creek
 cubic feet per second of the waters of Meade
 in the County of Meade and State of South Dakota, or so much thereof as may be
 necessary for the purposes hereinbelow mentioned, to be diverted at a point 450' S, 1349' E of NW
Cor., Sec. 19, T 5 N, R 8 E and a point 150' S, 540' E of NW Corner, Sec. 21, T 5 N,
and a point 520' S, 870' W of NE Corner Sec. 19, T 5 N, R 8 E
 and conducted to and upon 358 acres in the NE 1/4 NE 1/4, Sec. 19; NW 1/4, NE 1/4, E 1/4 SW 1/4 and
SE 1/4 Sec 20; and NW 1/4, E 1/4 SW 1/4, Sec. 21, all in T 5 N, R 8 E more specifically
described in Certificate of Completion of Works, number 349-1.
 for the purpose of irrigation

subject, however, to the laws of the State of South Dakota applicable to a license for the use of the waters of the
 State, and subject, also to the local or community customs, rules and regulations which have been or may be
 adopted from time to time by a majority of the users from a common source of supply, canal or lateral from
 which such water may be taken, when such rules and regulations have for their object the economical use of such
 water.

WITNESS, My hand and seal of our office at Pierre, South Dakota,
 this 23rd day of September A. D. Nineteen
 Hundred and Fifty-nine

State Water Resources Commission

By:

J. W. GRIMES, Chief Engineer, Executive Officer

STATE OF SOUTH DAKOTA

Water License No. _____

To _____

Source of Supply _____

County _____

Am't _____ c. f. s.

Point of Diversion _____

Place of Use _____

Purpose _____

Date of Priority _____

Recorded _____

In Book _____ of _____ Page _____

Permit No. 349-1Bella Fourche
Water Division No. 1 River Water District

Certificate of Completion of Works

TO ALL WHOM IT MAY CONCERN:

This is to Certify, That Louis Carlsonof Sturgis, County of Meade, and State of
South Dakota, the holder of Vested Right Permit No. 349-1, issued upon ApplicationNo. 349-1, bearing date of priority of 1952, authorizing the diversion of5.0 cu. ft. per second of the waters of Alkali CreekCounty of Meade, State of South Dakota, at a point 450' S, 1349' Eof NW Corner, Sec. 19; a point 150' S 540' E of NW Cor Sec. 21; and a
point 520' S 870' W of NE Corner Sec. 19, all in T 5 N, R 8 E.for irrigation

purposes, has fully complied with the provisions of the laws of the State of South Dakota relating to proof of

completion of the works of diversion set out and described in said Permit; that said works are found in satisfactory

condition for diverting and conveying to the place of intended use 5.0 cu. ft.

per second of water; and that the lands proposed to be irrigated by the use of said water are described as follows,

to-wit:

NE 1/4 NE 1/4 Sec. 19) 3 acresNW 1/4 Sec. 20) 112 acresNE 1/4 Sec. 20) all in T 5 N 26 acresNW 1/4 Sec. 21) R 8 E 22 acresE 1/2 SW 1/4 Sec. 20) 29 acresSE 1/4 Sec. 20) 87 acresW 1/2 SW 1/4 Sec. 21) 9 acres358 acresWitness my hand this 23rd day of September A. D. 1959

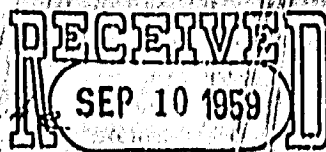
State Water Resources Commission

By

J. W. GRIMES, Chief Engineer, Executive Officer

Location No. 349-1Belle FourcheWater Division No. 1

Water District

STATE WATER RESOURCES COMM.
PIERRE, SOUTH DAKOTA

Proof of Application of Water to Beneficial Use

PETITION OF HOLDER

Ques. 1. State your name, residence, occupation and postoffice address.

Ans. Louis Carlaon Rancher Pox 266 Sturgis South Dakota

Ques. 2. If acting in behalf of a corporation, state its name, principal place of business (if a foreign corporation, give name and postoffice of statutory agent,) your position with reference to same, and your authority for appearing in its behalf.

Ans. _____

Ques. 3. State date of posting and date of recording notice of appropriation.

Ans. project was set up by SDS in 1952 was not recorded

Ques. 4. State source of water supply and give exact location of point of diversion.

Ans. 450 ft S & 1349 ft. E of Northwest corner section 19 T 5 N R 8 E
520 ft S & 870 ft W of North East corner section 19 T 5 N R 8 E
150 ft S & 540 ft E of Northwest corner section 21 T 5 N R 8 E

Ques. 5. Describe your works of diversion giving length and height of each dam and state amount of water they are capable of conveying from point of diversion to place of use, and give name of canal or ditch or other works by which water is conducted to such place of use, and date of completion of same.

Ans. Diversion Dam with head gate into Canal .6 mile into a dry draw
for .2 mile into diversion dam into Canal 230 Yds. into diversion Dam into
spreader ditches and dikes. One canal 255 yds. long into spreader ditch
792 yds. long

Ques. 6. State for what purpose water is used and describe place of use. (If for irrigation, name each subdivision in which used, and number of acres in each subdivision that have ACTUALLY been irrigated with said water.)

Ans. used for flood irrigation

will irrigate approximately 358 48 acres

Ques. 7. If for other than irrigation purpose, state how applied, amount of horse power generated, etc.

Ans. _____

Ques. 8. What is the minimum amount of water required for the use specified above?

Ans. _____

Ques. 9. If you are not the person or representative of the corporation to whom above mentioned permit was originally issued, please state how ownership was acquired by present holder.

Ans. _____

Ques. 10. State when, how, in what amount and to what extent, the water diverted under above mentioned permit has been used.

Ans. System was started in 1942 and water has been used since this time in any amount available.

(Sign) Louis Carlson

I hereby certify that the foregoing testimony was read to the above subscriber before its signing, that I believe him to be the person he represents himself to be, and that said testimony was subscribed and sworn to before me, at my office in Sturgis, County of Mead

State of South Dakota, on this 3rd day of Sept A. D. 1958

Deborah L. Healy
Veronica J. Johnson } Witnesses Walter C. Walker Jr.

I, the undersigned, do hereby certify that I am a duly qualified elector residing in the immediate vicinity of the diversion works designated in the foregoing testimony, that I have no interest in the works, water or land above described, that I have read the foregoing testimony and that I know of my own personal knowledge that the matters therein stated are true.

Location No. _____

PROOF OF APPLICATION OF

WATER TO BENEFICIAL USE

PETITION OF HOLDER

Amount of Water _____ c. f. s.

Source _____

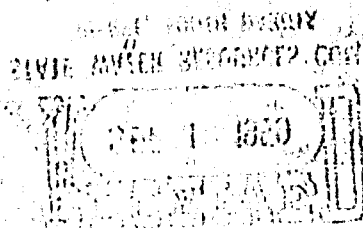
County _____

Purpose _____

Place of Use _____

Date of recording _____

Received and filed _____



RECEIPT

WATER RIGHTS COMMISSION

State of South Dakota

No 4 8309

PIERRE,

June 23, 1961

RECEIVED OF Keffeler Ranch Inc. 26 Hereford Rt., Sturgis, SD 57725

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

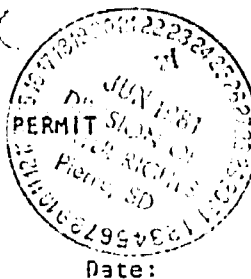
Fee for Application for Permit to Appropriate Water No. (examination, processing, recording and filing)		
Fee for inspecting Construction, and issuing Cert. of Construction No.		
Fee for inspecting Beneficial Use, and issuing Water License No.		
Fee for Issuing Location Certificate-Dry Draw, No.		
Fee for filing transfer of WRE 349-1		2.50
Fee for certified copy of		
Fee for Print copy of map		
Fee for Certifying		
Fee for (any other work as provided by law)		
TOTAL		2.50

WATER RIGHTS COMMISSION

By _____
Chief Engineer, Executive Officer
JOHN HATCH / bt

NO. 349-1

NOTICE OF TRANSFER OF WATER



TO: Water Rights
Foss Building
Pierre, SD 57501

Date: _____

This is to rotify you that the title to the lands described as follows:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 19; NW $\frac{1}{4}$, NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ Section 20; NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 21;

all in T5N, R8E

formerly owned by Louis Carlson

has been transferred to Keffeler Ranch Inc., 25 Hereford Rt, Sturgis, SD 57755

together with any rights to the beneficial use of water thereon as evidenced by

Water Right Permit No. 349-1 as provided for in SDCL 46-5-32 and 46-5-33.

You are therefore hereby requested to file this "Notice of Transfer of Water Permit" in its appropriate file at the Office of Water Rights, Water Management Board as evidence of the change of ownership.

A fee of Two Dollars and Fifty Cents (\$2.50) is hereto attached to cover filing fees as required under SDCL 46-2-13.

STATE OF SOUTH DAKOTA)
County of Meade) ss.

I, Mark Keffeler being first duly sworn on my oath depose and say:
That my relation to the above described undertaking is that of Owner, that I have read the above foregoing statement, and I know of my own personal knowledge that the information herein stated is true.

Keffeler Ranch, Inc.

By *Mark Keffeler*
(Signed) President

Subscribed and sworn to before me this 22nd Day of June, 1981.

Janice Lundgren
(Notary Public)

JANICE LUNDGREN
NOTARY PUBLIC
My Commission Expires Nov 24, 1983

OVERSIZE

DOCUMENT IS

SUPPLEMENTARY

TO MICROFILM FILE

SOUTH DAKOTA
Department of
Water & Natural Resources

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

September 21, 1988

NOTICE

Thompson Ranch, Inc.
HC 75, Box 134
Sturgis SD 57785

Dear Sir:

I am writing to notify you that pursuant to the Notice of Intent to Validate Vested Water Right Claims dated June 20, 1988 that I intend to oppose validation of your water right claim No(s). 345-1, 346-1, 347-1, 348-1 and 349-1 until a field inspection has been completed. The claim has either never been inspected or an inspection was conducted so long ago that a new inspection is needed. An inspection is needed to determine the current state of your vested water right claim.

A staff member from the Division of Water Rights will be contacting you and scheduling an inspection of your water project. If we can answer any questions, please contact us.

Very truly yours,

John Hatch

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



STATE OF SOUTH DAKOTA - BUREAU OF ADMINISTRATION - OFFICE OF RECORDS MANAGEMENT - CERTIFICATE OF AUTHENTICITY
THIS IS TO CERTIFY THAT THE MICROFILMED IMAGE APPEARING ON THIS SLIDE OF MICROFILM IS AN ACCURATE REPRODUCTION OF THE ORIGINAL RECORD AND WAS MICROFILMED IN THE REGULAR COURSE OF BUSINESS ACCORDING TO THE PROVISIONS OF SOUTH DAKOTA COMPILATION ACT. IT IS FURTHER CERTIFIED THAT THE MICROFILMING PROCESS USED FOR MICROFILMING OF THE ABOVE RECORDS WAS IN A MANNER AND ON MATERIAL WHICH MEET THE RECOMMENDED REQUIREMENTS OF THE NATIONAL BUREAU OF STANDARDS FOR ANNUAL MICROFILMING REPRODUCTION. REFERENCE: 25-1 ROL 106-88
DATE MICROFILMED: 8-28-88
FILMED BY: [Signature]
FILM OPERATOR: [Signature]

Water Rights Program -- File Documentation

NAME: Ed Thompson (need to transfer ownership from Keffeler Ranch Inc.)

ADDRESS: HC 75 Box 134, Sturgis SD 57785

DATE: September 20, 1999 **COUNTY:** Meade

RE: Validation Investigation of Vested Right Claim No. 349-1

COMMENTS:

On September 21, 1988, Notice was given to Thompson Ranch, Inc. that the Chief Engineer was opposing validation of No. 349-1 until a field inspection could be completed. The basis for the opposition was to determine if the project was developed as described on the original claim since no inspection had been completed.

INVESTIGATION RESULTS:

On July 14, 1999, a field inspection with Ed Thompson found the irrigation project still in use with the same diversion points and diversion works as described on the Proof of Application of Water to Beneficial Use form. The irrigated acreage with spreader dikes is located within the area described on the Certificate of Completion of Works. However, the total number of acres (336) is less than the 358 acres listed on No. 349-1. The acreage being irrigated is described below. All in T5N-R8E:

Section 19:	Section 20:	Section 20:	Totals by Section
NE $\frac{1}{4}$ NE $\frac{1}{4}$ 4 ac	NE $\frac{1}{4}$ SW $\frac{1}{4}$ 26 ac	NW $\frac{1}{4}$ SE $\frac{1}{4}$ 16 ac	Section 19: 4 ac
Section 20:	SE $\frac{1}{4}$ SW $\frac{1}{4}$ 6 ac	SW $\frac{1}{4}$ SE $\frac{1}{4}$ 22 ac	Section 20: 308 ac
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	NW $\frac{1}{4}$ NE $\frac{1}{4}$ 15 ac	Section 21:	Section 21: 24 ac
NE $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	NE $\frac{1}{4}$ NE $\frac{1}{4}$ 11 ac	NW $\frac{1}{4}$ NW $\frac{1}{4}$ 6 ac	Total 336 ac
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 31 ac	SW $\frac{1}{4}$ NE $\frac{1}{4}$ 32 ac	SW $\frac{1}{4}$ NW $\frac{1}{4}$ 18 ac	
SE $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	SE $\frac{1}{4}$ NE $\frac{1}{4}$ 29 ac		

Portions of section 19 and 20 (153 acres) are also irrigated from a dry draw diversion authorized by Water Right Permit No. 1523-1.

RECOMMENDED ACTION:

Vested Right Claim No. 349-1 needs to be scheduled for validation for 336 acres as described above with a diversion rate of 4.80 cfs (1 cfs per 70 acres). Since the acreage and diversion rate are being slightly reduced, Notice will need to be given to Mr. Thompson of the proposed action.



Ron Duvall, Natural Resources Engineer
Water Rights Program



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

October 25, 1999

Ed Thompson
HC 75 Box 134
Sturgis SD 57785

Dear Mr. Thompson:

I am writing in response to inspection of several of your vested water right claims and a water right permit on July 14, 1999. After reviewing the irrigated acreage, the following actions need to be taken:

No. 345-1

This vested right claim is for 302.9 acres in sections 24, 25; all in T5N-R8E. The inspection found 302.9 acres being irrigated within the areas described on the original claim. Enclosed is a map of the irrigated acreage and a short documentation of what the inspection found. Claim No. 345-1 will be scheduled for validation by the Water Management Board for irrigation of 302.9 acres from the diversion points described on the claim. A transfer of ownership form is also enclosed to change the name on No. 345-1 from LeRoy Thompson to you.

No. 346-1

This vested right claim is for 151 acres located primarily in section 18-T5N-R8E. The inspection found that 151 acres have been developed for irrigation with 5 additional acres outside of the area described on the original claim. Enclosed is a map of the irrigated acreage and a short documentation of what the inspection found. Claim No. 346-1 will be scheduled for validation by the Water Management Board for irrigation of 151 acres from the diversion points described on the claim. Enclosed is a partially-completed application form and map for the 5 additional acres and a second diversion point not included on No. 346-1. As I recall, the second diversion point and four acres (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of the five acre area were developed at a later date. If so, this application should be treated as a new application as opposed to another vested water right claim. If I am incorrect and all of the project was completed on or before March 2, 1955, then you may claim a vested right. An Affidavit of Water Use form is enclosed if you intend to claim a vested water right for the additional acreage. A transfer of ownership form is also enclosed to change the name on No. 346-1 from LeRoy Thompson to you.

During the inspection, it was also noted that a large area was also being irrigated in section 13-T5N-R7E from a diversion near the center of the section. Water Right No. 1198-1 covers this area and no action is needed.

No. 347-1

This vested right claim is for 21 acres in section 19-T5N-R8E. The inspection found that the 21 acres are being irrigated as described on the original claim. However, the legal description of the diversion point on the claim (SE $\frac{1}{4}$ NW $\frac{1}{4}$) does not match legal description on the original map (SW $\frac{1}{4}$ NE $\frac{1}{4}$) which is the actual location. To correct this error, the Notice of Validation will need to be readvertised at our expense to describe the correct location of the diversion point. After readvertisement, the vested right can be scheduled for validation by the Water Management Board for irrigation of 21 acres. Enclosed is a map of the irrigated acreage and a short documentation of what the inspection found. A transfer of ownership form is also enclosed to change the name on No. 347-1 from Keffeler Ranch Inc to you.

On a related matter, there is an additional area near the center of section 19 that you pointed out as being irrigated. This area, coincidentally, is also 21 acres in size. After reviewing our files, I could not find a water right for irrigation of the area. Enclosed is a partially-completed application form to cover the acreage with a map showing the acreage and diversion point. This application can be for either a new water right permit or a vested right claim depending on when the acreage was first developed for irrigation. In order to qualify for vested status the project needs to have been developed on or before March 2, 1955. If you intend to claim a vested right, there is an Affidavit of Water Use form that needs to be filled out to document when the project was developed.

No. 348-1

This vested right claim is for 158 acres primarily in section 28-T5N-R8E. The inspection found 158 acres being irrigated as described on the original claim with the irrigated area shifted slightly to the south since the section lines were not properly drawn on the original map. The legal description of the irrigated acreage in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ section 28 does not match legal description on the original claim (NE $\frac{1}{4}$ SE $\frac{1}{4}$). To correct this error, the Notice of Validation will need to be readvertised at our expense to describe the correct location of this part of the irrigated acreage. After readvertisement, the vested right can be scheduled for validation by the Water Management Board for irrigation of 158 acres. Enclosed is a map of the irrigated acreage and a short documentation of what the inspection found. A transfer of ownership form is also enclosed to change the name on No. 348-1 from Keffeler Ranch Inc to you.

No. 349-1

This vested right claim is for 358 acres in sections 19, 20 and 21; all in T5N-R8E. The inspection found 336 acres being irrigated within the area described on the claim. The remaining acreage (358 - 336 = 22 acres) is not being irrigated. Enclosed is a map of the irrigated acreage and a short documentation of what the inspection found. Claim No. 349-1 will be scheduled for validation by the Water Management Board for irrigation of 336 acres from the diversion points described on the claim. A transfer of ownership form is also enclosed to change the name on No. 349-1 from Keffeler Ranch Inc to you.

October 25, 1999
Ed Thompson
Page 3 of 3

No. 1523-1

This water right permit was issued to you on February 26, 1992, for irrigation of 388 acres in sections 17, 18, 19, and 20; all in T5N-R8E. Portions of the acreage in sections 19 and 20 are also irrigated from Alkali Creek under No. 349-1. The inspection found 299 acres developed for irrigation under No. 1523-1. Enclosed is a copy of the inspection report and map. Based on the inspection, Permit No. 1523-1 is ready to be licensed for 299 acres upon receipt of the \$50.00 licensing fee. Licensing this permit is the final step in obtaining a water right.

I apologize for the length of this letter and the number of enclosures. I have tried to layout the enclosures and provide directions as clearly as possible. If you have any questions, please give me a call at (605) 773-3352 and I will try to assist you.

Sincerely,



Ron Duvall
Natural Resources Engineer
Water Rights Program

enclosures

October 25, 1999

No. 349-1

Enclosed is a short documentation of what the inspection found and a map showing the irrigated area. This claim will be scheduled for validation by the Water Management Board for irrigation of 336 acres. Notice of the time and place of hearing will be provided to you.

There are no applications needed to correct anything associated with this claim. Please complete the transfer of ownership form in the manila folder containing all of the transfer forms. Thank you,

Ron



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

January 12, 2000

Ed Thompson
HC 75 Box 134
Sturgis SD 57785

Dear Mr. Thompson:

I am writing to followup on my letter of October 25, 1999 regarding your vested water right claims and water right permit. Enclosed is a copy of the letter and instruction sheet.

To date, we have not received a response. Please take a look at the packet of information I sent you in October and let me know if you have any questions. I can be reached at (605) 773-3352. We can not validate your vested right claims or license your permit until we get your response to the items mentioned.

Thank you again for taking the time to show me around. I look forward to your response.

Sincerely,

Ron Duvall
Natural Resources Engineer
Water Rights Program

enclosures

NOTICE OF TRANSFER OF OWNERSHIP

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

No. 349-1



Date: Nov. 22, 1999

I/We request that Vested Water Right No. 349-1

formerly owned by: Keffeler Ranch, Hereford Route, Sturgis SD 57785

be transferred to: (name & address) Thompson Ranch, Inc., HC 75 Box 134 Sturgis, SD 57785

Telephone No. 605-347-3183

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

All in T5N-R8E:

Section 19:	Section 20:	Section 20:	Totals by Section
NE $\frac{1}{4}$ NE $\frac{1}{4}$ 4 ac	NE $\frac{1}{4}$ SW $\frac{1}{4}$ 26 ac	NW $\frac{1}{4}$ SE $\frac{1}{4}$ 16 ac	Section 19: 4 ac
Section 20:	SE $\frac{1}{4}$ SW $\frac{1}{4}$ 6 ac	SW $\frac{1}{4}$ SE $\frac{1}{4}$ 22 ac	Section 20: 308 ac
NW $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	NW $\frac{1}{4}$ NE $\frac{1}{4}$ 15 ac	Section 21:	Section 21: 24 ac
NE $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	NE $\frac{1}{4}$ NE $\frac{1}{4}$ 11 ac	NW $\frac{1}{4}$ NW $\frac{1}{4}$ 6 ac	Total 336 ac
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 31 ac	SW $\frac{1}{4}$ NE $\frac{1}{4}$ 32 ac	SW $\frac{1}{4}$ NW $\frac{1}{4}$ 18 ac	
SE $\frac{1}{4}$ NW $\frac{1}{4}$ 40 ac	SE $\frac{1}{4}$ NE $\frac{1}{4}$ 29 ac		

I/We understand that the validity of Vested Water Right No. 349-1 has not been determined by this transfer action. If I/We have any questions on validity, I/We understand that only the Water Management Board has the authority to determine if a water permit/right is valid (see note).

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

A fee of Two Dollars and Fifty Cents (\$2.50) is required to cover the filing fees as required under SDCL 46-2-17. This form must be signed by the new owner.

STATE OF SOUTH DAKOTA)

County of Meade)

I/We Thompson Ranch, Inc., being first duly sworn on my oath depose and say that my relation to the above described undertaking is that of Owner, that I have read the above foregoing statement, and that I know of my own person. I knowledge that the information herein stated is true.

(Signed)

Subscribed and sworn to before me this 28th day of January, 2000.

(Notary Public)

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

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

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

№ 416573

July 6, 2000

Pierre, _____

RECEIVED OF Thompson Ranch, Inc., HC 75 Peresford Rte., box 134, Sturgis, SD 57785-8908
the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct
and to put water to beneficial use _____

Fee for Application for Permit No. _____ to Appropriate Water, for Future
Use _____

Fee to retain Future Use Permit No. _____ after period of seven years.

Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water
License No. _____

Fee for Filing Transfer Form Vested Water Right No. 349-1

Fee for Filing Extension Request _____

Fee for _____

2 50=

Total

2 50

(Any Other Work Provided by Law)

By Harold E. Ebel
Chief Engineer



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

August 17, 2000

NOTICE

TO: Thompson Ranch, Inc.
Ed Thompson
HC 75 Box 134
Sturgis SD 57785

FROM: Garland Erbele, Chief Engineer
Water Rights Program
605 773-3352

SUBJECT: Hearing to Consider Validation of Recognized Vested Right Claim No. 349-1

A Notice of Intent to validate Claim No. 349-1 was published on June 22 and 29, 1988 in the Meade County-Times Tribune. The Water Rights Program opposed validation of No. 349-1 for purposes of completing an on-site investigation of the claim. The investigation of Claim No. 349-1 was completed on July 14, 1999, by Ron Duvall, staff engineer. The investigation found that the number of acres being irrigated has been reduced from 358 acres to 336 acres. The diversion rate is to be reduced, accordingly, from 5.0 cubic feet of water per second (cfs) to 4.8 cfs. This reduced diversion rate is based on the statutory application rate of 1 cfs per 70 acres ($336 \text{ acres} / 70 = 4.8 \text{ cfs}$).

The Water Management Board will consider validation of Claim No. 349-1 at 8:30 am, September 28, 2000, Radisson (Angostura Room), 445 Mt. Rushmore Road, Rapid City SD. The agenda time is an estimate. The actual time of the hearing may be later than 8:30 am due to prior agenda items.

Pursuant to the findings of the on-site investigation, validation of Claim No. 349-1 is recommended for a diversion rate of 4.8 cfs from Alkali Creek to irrigate 336 acres. Following the hearing, the Board is authorized to 1) validate the claim as recommended for 336 acres and 4.8 cfs, 2) validate the claim as licensed prior to the on-site investigation, 3) validate the claim based on evidence presented at the public hearing, or 4) defer validation of the claim. Applicable provisions of the published notice of intent to validate Claim No. 349-1 will still apply at this hearing. A copy of the June 22 and 29, 1988, publication is available upon request.

This hearing is an adversary proceeding. You have the right to be represented by a lawyer. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law. Contact Eric Gronlund by September 11, 2000 at the above Water Rights Program address to assure access to the hearing by the handicapped or to obtain an interpreter for the hearing impaired.

c: Diane Best, Assistant Attorney General

CERTIFICATION

I hereby certify that on August 17, 2000, I have personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated August 17, 2000 regarding a Hearing to Consider Validation of Recognized Vested Right Claim No. 349-1 addressed as stated below:

Thompson Ranch, Inc.
Ed Thompson
HC 75 Box 134
Sturgis SD 57785

A copy of the above described Notice was sent Inter-office to:

Diane Best, Assistant Attorney General, Capitol Building

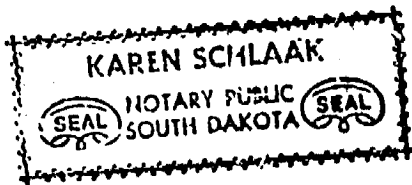
Genny McMath

Genny McMath
Environmental Scientist
Water Right Program

STATE OF SOUTH DAKOTA)
) SS
COUNTY OF HUGHES)

Sworn to, before me, this 18th day of August, 2000.

Karen Schlaak
Notary Public



KAREN SCHLAACK, Notary Public
My Commission Expires
April 1, 2001

SOUTH DAKOTA

VESTED WATER RIGHT NO. 349-1 FOR IRRIGATION

Date of Receipt of Claim September 5, 1958.

Date of Validation September 28, 2000.

The Water Management Board validated Vested Water Right Claim No. 349-1 for irrigation purposes for Thompson Ranch, Inc., HC 75 Box 134, Sturgis SD 57785 with the following limitations, conditions and qualifications:

1. Vested Water Right No. 349-1 authorizes 4.80 cubic feet of water per second from Alkali Creek located in the NE ¼ NW ¼, NE ¼ NE ¼ Section 19 and NW ¼ NW ¼ Section 21 to irrigate 336 acres located in the NE ¼ NE ¼ Section 19; N ½, E ½ SW ¼, W ½ SE ¼ Section 20; W ½ NW ¼ Section 21; all in T5N-R8E.
2. The appropriation may not exceed the amount of water needed for beneficial use for irrigation. The appropriation may not exceed 3 acre feet per irrigated acre per year. The water is to be used during the following annual period: January 1 – December 31.
3. The priority date of the Vested Water Right is January 1, 1952.
4. The water use system has been constructed and water has been applied to beneficial use.
5. Water Rights obtained in compliance with the laws of the State of South Dakota must not be unlawfully impaired by this appropriation.

QUALIFICATION

The diversion rate limitation of 1 cubic feet of water per second for each 70 acres irrigated shall not apply to this dry draw irrigation diversion during periods of flood flows, when such flows are in excess of the amount of water required to satisfy domestic use requirements and other water rights

WATER MANAGEMENT BOARD

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

NOV 01 2000

date



REISSUED STATE OF SOUTH DAKOTA

VESTED RIGHT WATER LICENSE NO. 349-1 FOR IRRIGATION

(1) Louis Carlson, Sturgis SD was issued Vested Water Right License No. 349-1, September 23, 1959 for a right to appropriate 5.0 cubic feet of water per second from Alkali Creek, Meade County, South Dakota, for irrigation purposes with a priority date of January 1, 1952. Construction of the described water supply system and application of water to beneficial use has been completed and complies with applicable provisions of South Dakota State Law.

On February 9, 2000, Vested Right No. 349-1 was transferred to Thompson Ranch, Inc.

On September 28, 2000, the Water Management Board validated Vested Right No. 349-1. Vested Right No. 349-1 is being reissued to reduce the amount of water claimed and the number of acres irrigated to the actual amount applied to beneficial use, based on a July 14, 1999 inspection of the system.

(2) It is certified that the vested right owner is entitled to divert 4.8 cubic feet of water per second for beneficial use. The location of the diversion points are: 450 feet south and 1,349 feet west of the northwest corner (NE 1/4 NW 1/4); 520 feet south and 870 feet west from the northeast corner (NE 1/4 NE 1/4) Section 19 and 540 feet east and 150 feet south of the northwest corner (NW 1/4 NW 1/4) of Section 21; all in T5N-R8E.

The location of the irrigated acreage is:

** Portions of Sec 19 & 20 are also irrigated from a dry draw diversion authorized by Water Right No. 1523-1.

All in T5N-R8E			
Section 19		Section 21	
NE 1/4 NE 1/4	4 acres	NW 1/4 NW 1/4	6 acres
		SW 1/4 NW 1/4	18 acres
Section 20		Section 20	
NW 1/4 NW 1/4	40 acres	NE 1/4 SW 1/4	26 acres
NE 1/4 NW 1/4	40 acres	SE 1/4 SW 1/4	6 acres
SW 1/4 NW 1/4	31 acres		
SE 1/4 NW 1/4	40 acres	NW 1/4 NE 1/4	15 acres
		NE 1/4 NE 1/4	11 acres
NW 1/4 SE 1/4	16 acres	SW 1/4 NE 1/4	32 acres
SW 1/4 SE 1/4	22 acres	SE 1/4 NE 1/4	29 acres
Total 336 acres			

(3) Pursuant to Section 46-5-30.1 Thompson Ranch, Inc., HC 75, Box 134, Sturgis SD 57785 the holder and/or owner of Vested Water Right No. 349-1 is reissued a license to appropriate 4.8 cubic feet of water per second from Alkali Creek with a priority date of January 1, 1952 from the location specified in (2) of this license. The water is to be used for the purpose of irrigation. This license is subject to any limitations, conditions or qualifications listed in Vested Water Right No. 349-1 and subject to South Dakota State Law.

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

NOV 01 2000

date





349-1
DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

Ed Thompson
Thompson Ranch, Inc.
HC 75 Box 134
Sturgis SD 57785

Dear Mr. Thompson:

On September 28, 2000, the Water Management Board took action to validate and approve your water rights based on the inspections conducted by Ron Duvall, staff engineer. For your records, enclosed are the following:

- Vested Water Right and Reissued Vested Water Right No. 345-1.
- Vested Water Right No. 346-1, Water Permit No. 1731-1 and Water License No. 1731-1 (which incorporates the applicable portions of No. 346-1).
- Vested Water Right No. 347-1, Water Permit No. 1732-1 and Water License No. 1732-1 (which incorporates the applicable portions of No. 347-1).
- Vested Water Right and Reissued Vested Water Right No. 348-1.
- Vested Water Right and Reissued Vested Water Right No. 349-1.
- Water License No. 1523-1.
- Receipts for payment of transfer fee for Nos. 345-1, 346-1, 347-1, 348-1 and 349-1.
- Receipts for payment of license fee for Nos. 1731-1, 1732-1 and 1523-1.

As long as you use the water beneficially, as stated in the Water Licenses, State Water Laws provide that you have a continuing right to use the water.

Sincerely,

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

enclosures

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