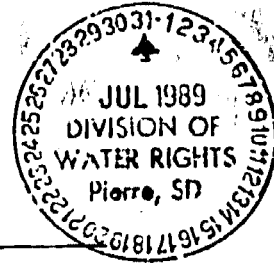


NOTICE OF TRANSFER OF WATER PERMIT



TO: Water Rights
Foss Building
Pierre, SD 57501

Date: _____

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

N 1/2 SE 1/4 Section 1, T3N, R7E

formerly owned by Ham & McFarland

has been transferred to Gregor McFarland, HC 75 Box 324, Sturgis, SD 57785

(please include complete mailing address)
together with any rights to the beneficial use of water thereon as evidenced by

Water Right Permit No. 382B-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 Div. 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, Gregor McFarland 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.

Gregor McFarland
(Signed)

Subscribed and sworn to before me this 21st Day of July, 19 89.

Barbara Swenson
(Notary Public)

Barbara Swenson
Notary Public
My Commission Expires April 9, 1993

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

411852

Pierre, July 31, 1987

RECEIVED OF Gregor McFarland, HC 75 Box 324, Sturgis, SD 57785
the following amount in fees for services rendered as provided for by law:

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

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

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

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

Fee for Filing Transfer Form. Water Right No. 382B-1

Fee for Filing Extension Request _____

Fee for Certified Copy of _____

Fee for Print Copy of Map _____

Fee for Certifying _____

Fee for _____ (Any Other Work Provided by Law)

Total

2 50

2 50

By John H. Stokely
Chief Engineer

Water Right No. 382B-1
Upper Cheyenne - Water District

Report of Examination of Works and/or Application of Water to Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, May 6, 1988, made a thorough examination of the water use system constructed by Ham & McFarland, (original owner) Gregor McFarland (present owner) of Water Right No. 382-1, bearing priority dates of 1893, 1901, 1903 and 1908 authorizing the diversion of 22.08 cubic feet of water per second (cfs) of waters of Elk Creek for irrigation purposes, in Meade County.

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

A. Works used to divert the water:

a dam - 4 feet high, 7 feet wide

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

irrigation ditch -- 6 feet wide, 8 feet deep

C. Works used to apply water to beneficial use:

gravity system

The system is in the following condition fair. The point of diversion is located approximately 1,500 feet east and 1,500 feet north of the west 1/4 corner of Section 12-T3N-R7E (NE 1/4 NW 1/4). The works are capable of diverting and conveying to the place of use 10+ cfs to be used for irrigation. Water has been put to beneficial use to the maximum extent as follows:

Section 1-T3N-R7E	NE 1/4 SW 1/4	5.3 acres
	NW 1/4 SE 1/4	4.7 acres

comprising a total of 10 acres of land and the license should be issued for 0.14 cfs with a priority date of April 27, 1908.

Applicable permit qualifications have been complied with. Yes

Exceptions to compliance are: none

Investigated May 6, 1988 by Rassool Ahadi, Staff Engineer. Investigation report reviewed by:

Delvin D Brosz
 Delvin D Brosz
 Natural Resources Engineer
 DENR, Water Rights Program

8-7-88
 date



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

SEP 23 1998

Fred McFarland
Box 2110
Rapid City SD 57709

Gregor McFarland
HC 75 Box 324
Sturgis SD 57785

Dear Sirs:

Enclosed are your water licenses, vested water right validation, and receipt for the Notice of Transfer payment. Based on transfers of ownership, Vested Water Right No. 382-1 was divided and reissued to reflect separate ownership as follows:

No. 382A-1, Fred McFarland – irrigation of 24.3 acres in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 12 and SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 1; all in T3N-R7E – Priority date of March 1, 1901.

No. 382B-1, Gregor McFarland – irrigation of 10 acres in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 1-T3N-R7E – Priority date of April 27, 1908.

As long as the water is used beneficially as stated in Water License No. 382A-1 and 382B-1, South Dakota Water Laws provide that you have continuing right to the use of the water.

If you have any questions, please contact this office.

Very truly yours,

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

ks

enclosures

SOUTH DAKOTA

VESTED WATER RIGHT NO. 382B-1 FOR IRRIGATION

Date of Receipt of Claim March 19, 1959.

Date of Validation September 20, 1992.

The Water Management Board validated Vested Water Right Claim No. 382B-1 for irrigation purposes for Gregor McFarland, HC 75 Box 324, Sturgis SD 57785 with the following limitations, conditions and qualifications:

1. Vested Water Right No. 382B-1 appropriates 0.14 cubic feet per second of water from Elk Creek to irrigate 10 acres. The point of diversion is located in the NE 1/4 NW 1/4 Section 12-T3N-R7E. The irrigated lands are located in the NE 1/4 SW 1/4 and the NW 1/4 SE 1/4 Section 1; all in T3N-R7E.
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: April 1 - November 30.
3. The priority date of the Vested Water Right is April 27, 1908.
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.

WATER MANAGEMENT BOARD

By: _____

John Hatch
John Hatch, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

SEP 23 1992

date



STATE OF SOUTH DAKOTA
REISSUED VESTED WATER LICENSE NO. 382B-1
DIVISION OF NO. 382-1 INTO 382A-1 AND 382B-1

(1) Ham and McFarland, Piedmont SD were issued Vested Water License No. 382-1, April 7, 1959 for a water right to appropriate 22.08 cubic feet of water per second from Elk Creek, Meade County, South Dakota for irrigation purposes. Vested Water License No. 382-1, with priority dates of January 4, 1893, March 1, 1901, March 30, 1903 and April 27, 1908 was issued to Ham and McFarland with construction of the described water supply system completed and the application to beneficial use of said water completed.

Based on transfers of ownership, Vested Water Right No. 382-1 is being divided and reissued to reflect separate ownership as follows:

No. 382A-1, Fred McFarland – irrigation of 24.3 acres in the NE ¼ NW ¼ Section 12 and SE ¼ SW ¼ Section 1; all in T3N-R7E -- Priority date of March 1, 1901.

No. 382B-1, Gregor McFarland – irrigation of 10 acres located in the NE ¼ SW ¼ and NW ¼ SE ¼ Section 1-T3N-R7E – Priority date of April 27, 1908.

On September 20, 1992, the Water Management Board validated Nos. 382A-1 and 382B-1. The water rights were validated for the actual amount applied to beneficial use, based on a May 6, 1988 investigation of the systems.

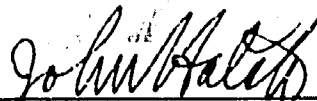
(2) It is certified that the vested right holder is entitled to divert 0.14 cubic feet of water per second for beneficial use. The location of the diversion point is approximately 1,500 feet east and 1,500 feet north from the west ¼ corner of Section 12-T3N-R7E (NE ¼ NW ¼).

The location of the irrigated acreage is:

NE ¼ SW ¼ Section 1-T3N-R7E	5.3 acres
NW ¼ SE ¼ Section 1-T3N-R7E	4.7 acres

Total 10 acres

(3) Pursuant to South Dakota Water Law 46-5-30.1 Gregor McFarland, HC 75 Box 324, Sturgis SD 57785 the holder and/or owner of Vested Water Right No. 382B-1 is issued a license to appropriate water, the right to use 0.14 cubic feet of water per second from Elk Creek with a priority date of April 27, 1908 from the location specified in (2) of this license. The water to be used for the purpose of irrigation. This license is subject to any limitations or qualifications listed in Vested Water Right No. 382-1 and subject to South Dakota State Law.



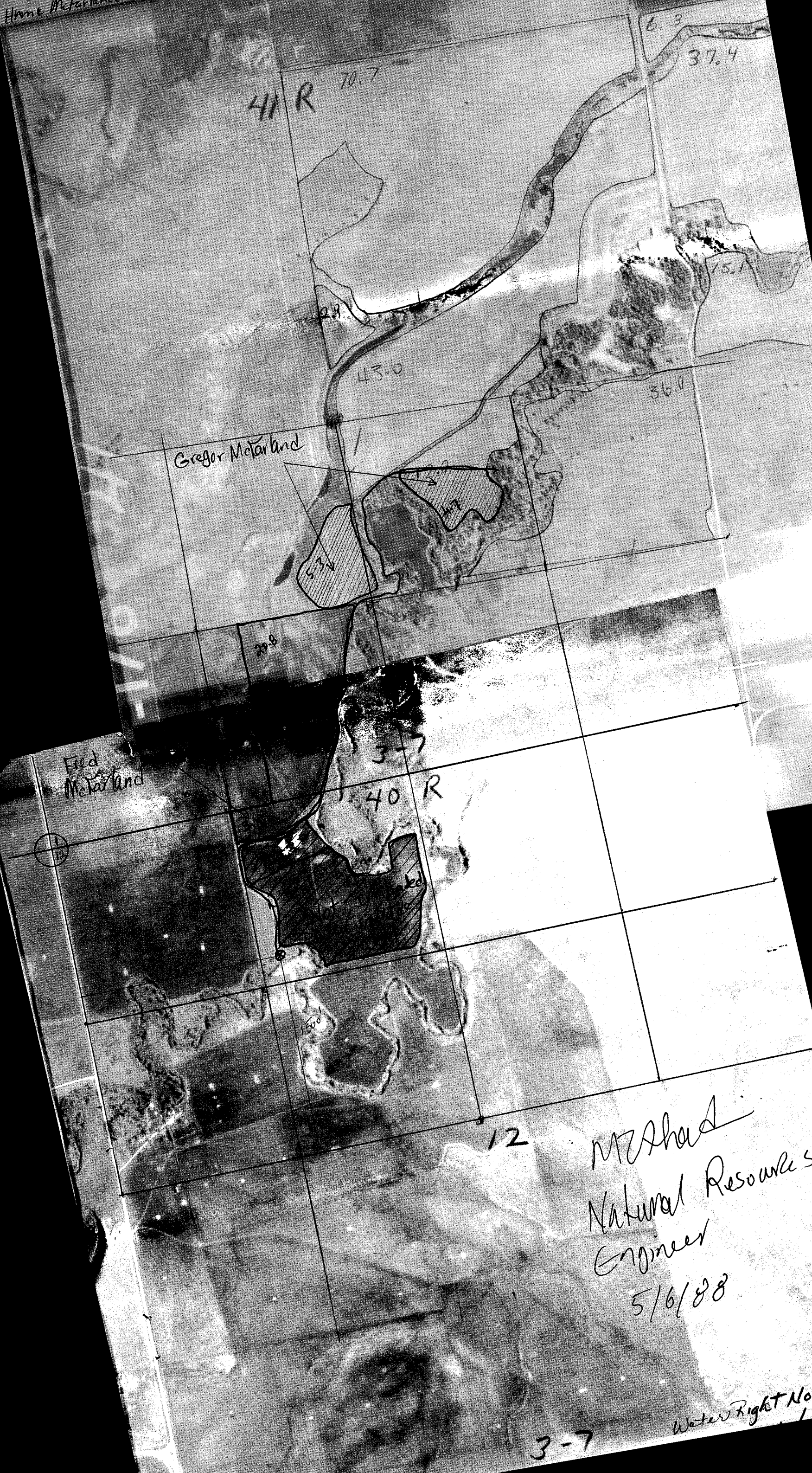
JOHN HATCH, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

SEP 23 1998
date



NOT TO SCALE

382
Horne McFarland



M. J. Shad
Natural Resources
Engineer
5/6/88

3-7
Water Right Nos.
1