

Water Right Number 1123-2

1. Considered \_\_\_\_\_, Number 8, 19 72

2. Name of Applicant Palmer Gulch Development Company

3. Post Office Address Hill City, S.D.

4. Amount of Water claimed .04

5. Source of Water supply Ground Water

6. Water to be used for water supplies for operation of a trailer park

Acres to be irrigated --

7. Water to be diverted and used in Pennington County

about 2E 4N miles of Hill City

8. Proof of Publication Received 11-1-72

Not Received \_\_\_\_\_

9. Application Approved \_\_\_\_\_

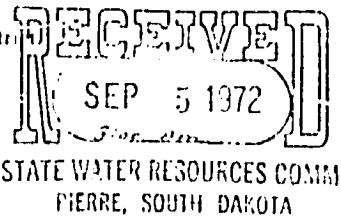
Subject to \_\_\_\_\_

Not Approved \_\_\_\_\_

Action Deferred \_\_\_\_\_

10. Remarks:

Map No. 954-2 Water Division No. 2 BATTLE CREEK  
 (Blanks to be filled by the Engineer for the W. R. C.)



## APPLICATION FOR PERMIT

## To Appropriate Water within the State of South Dakota

(NOTE--Draw a line through items not applicable)

1. Name of Applicant Palmer Gulch Development Company  
 Postoffice address Box 295 Hill City State South Dakota  
 If a corporation show date and place of incorporation February, 1972 South Dakota
2. Method of accomplishing work (contract, employment of others, or by direct labor) Contract
3. Name of diversion work Well for Holiday Inn Trav-L-Park Campground
4. Amount of water claimed (cubic feet per second) 20 gal. per min.
5. Source of water supply Well
6. Location of point of diversion Tract 1 of Tract 5  
Hone Sweet Hone Placer M & Co. EOL  
Section 4, T 2 S, R 5 E, B H M. County Pennington.
7. Annual period or periods during which water is to be used Year around
8. Use to be made of water. (Irrigation, industrial, municipal, commercial, recreation, etc.) recreation for drinking and household use.
9. For irrigation use. Total number of acres to be irrigated \_\_\_\_\_

List below each forty acre subdivision, or lot, or fraction thereof and show number of acres to be irrigated in each.

| Land Description | No. Acres Irr. | Land Description | No. Acres Irr. |
|------------------|----------------|------------------|----------------|
|                  |                |                  |                |
|                  |                |                  |                |
|                  |                |                  |                |
|                  |                |                  |                |

Attach sheet if more space is needed

10. Time required to complete construction of water supply system 30 days years. Additional time required to complete application of water to the proposed beneficial use 2 years.
11. Choice of newspaper for Notice of Intent to Appropriate Water publication Hill City Prevalier
12. Principal Features of the Proposed Water Supply System

A. Works proposed to divert water from its natural source.

Construct well and pump

B. Works proposed to transport water to place of use.

Construct pump and pipe system

C. Works proposed to apply water to beneficial use.

Construct water rivers for recreation and vehicle useEstimated Total Cost \$ 15,000.00

Attachments: Attach Form 2A if diversion from a well or dugout, or if storage of water is proposed. Attach map  
 (See instructions concerning preparation.)

STATE OF SOUTH DAKOTA

County of Pennington

Don B. Olson the applicant, certifies that I have read the foregoing application and have examined the attached map and that the matters therein stated are true and that I intend, and am able to complete the necessary construction.

Signed \_\_\_\_\_

Subscribed and sworn to before me this 28 day of August 1972

V. Grace Trapp  
 Notary Public (or other qualified officer)

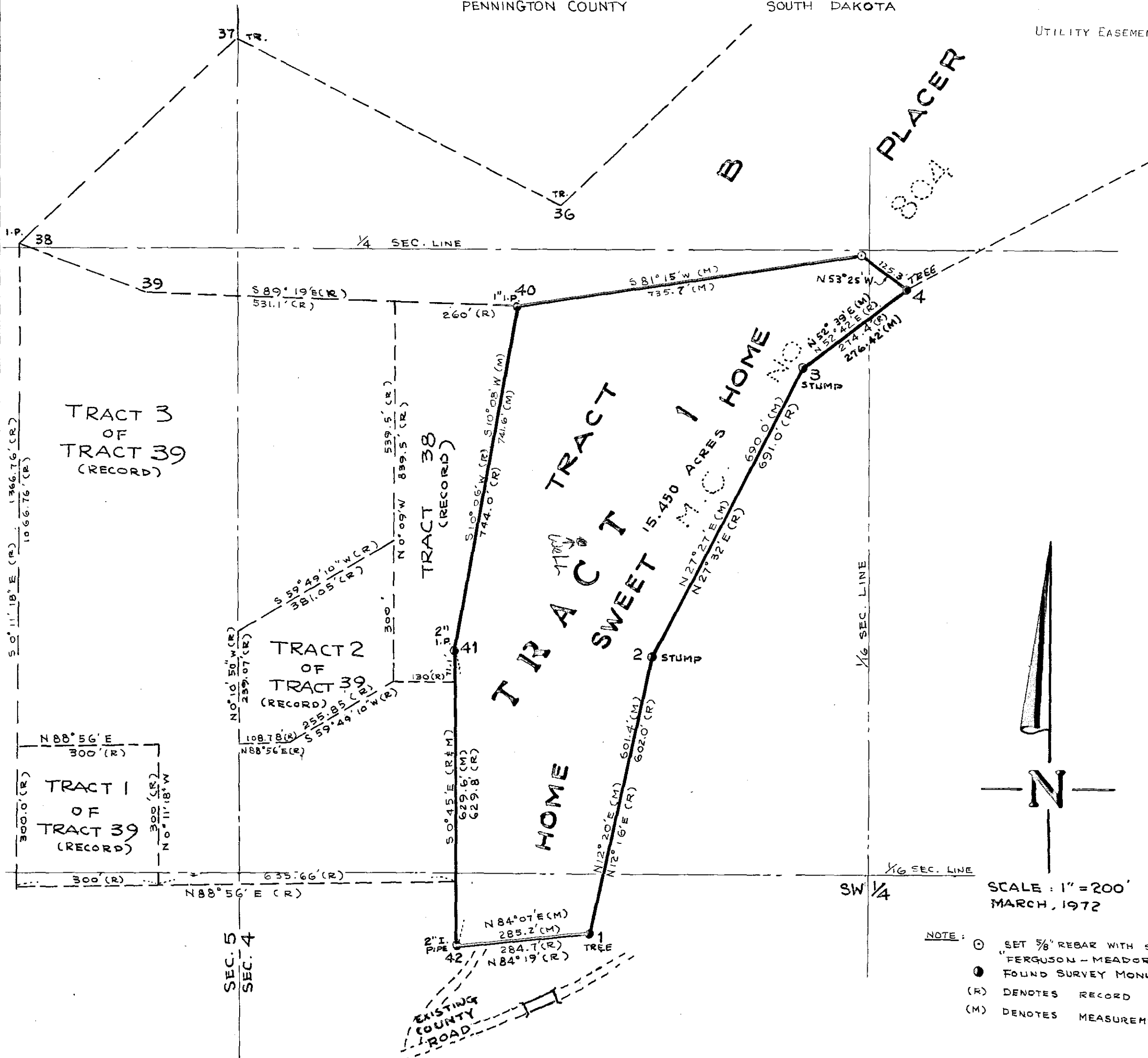
Witness \_\_\_\_\_

PLAT OF  
TRACT 1 OF TRACT B  
HOME SWEET HOME PLACER M.C.No.804  
LOCATED IN  
SECTION 4 , T.2S., R.5E., B.H.M.

PENNINGTON COUNTY SOUTH DAKOTA

LOT SETBACKS: 25' FRONT & REAR,  
5' SIDES

UTILITY EASEMENTS: 6' ON EACH SIDE  
OF ALL LOT LINES.



MAP NO 954-2 (APPL NO 1123-2)

CERTIFICATE OF OWNER

STATE OF SOUTH DAKOTA S.S.  
COUNTY OF PENNINGTON

WE, LESLIE B. CLARK AND ELIZABETH CLARK, DO HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE TRACT OF LAND SHOWN AND DESCRIBED HEREON, THAT THE SURVEY WAS DONE AT OUR REQUEST FOR THE PURPOSES INDICATED HEREON, AND THAT WE DO HEREBY APPROVE THE SURVEY AND WITHIN PLAT OF SAID LAND.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR HAND AND SEAL.

OWNERS: \_\_\_\_\_

ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_, BEFORE ME, A NOTARY PUBLIC, PERSONALLY APPEARED LESLIE B. CLARK AND ELIZABETH CLARK, KNOWN TO ME TO BE THE PERSONS DESCRIBED IN THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT THEY SIGNED THE SAME.

NOTARY PUBLIC: \_\_\_\_\_

MY COMMISSION EXPIRES: \_\_\_\_\_

RESOLUTION BY GOVERNING BOARD

STATE OF SOUTH DAKOTA S.S.  
COUNTY OF PENNINGTON

I, \_\_\_\_\_, AUDITOR OF PENNINGTON COUNTY, DO HEREBY CERTIFY THAT AT AN OFFICIAL MEETING HELD ON \_\_\_\_\_, 19\_\_\_\_, THE COUNTY COMMISSIONERS BY RESOLUTION DID APPROVE THE PLAT AS SHOWN HEREON.

PENNINGTON COUNTY AUDITOR

CERTIFICATE OF SURVEYOR

STATE OF SOUTH DAKOTA S.S.  
COUNTY OF PENNINGTON

I, RODNEY H. MEADOR, REGISTERED LAND SURVEYOR NO 1019 OF THE STATE OF SOUTH DAKOTA, DO HEREBY CERTIFY THAT BEING SO AUTHORIZED I MADE THE SURVEY AND WITHIN PLAT OF THE LAND SHOWN AND DESCRIBED HEREON AND THAT THE SAME IS, IN ALL THINGS, TRUE AND CORRECT.

REGISTERED LAND SURVEYOR: Rodney H. Meador

ON THE 27 DAY OF March, 19 72, BEFORE ME, A NOTARY PUBLIC, PERSONALLY APPEARED RODNEY H. MEADOR, KNOWN TO ME TO BE THE PERSON DESCRIBED IN THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME.

NOTARY PUBLIC: Robert J. Nelson

MY COMMISSION EXPIRES: 9-10-78

CERTIFICATE OF COUNTY TREASURER

I, TREASURER OF PENNINGTON COUNTY, DO HEREBY CERTIFY THAT ALL SPECIAL ASSESSMENTS WHICH ARE LIENS UPON THE WITHIN DESCRIBED LANDS ARE FULLY PAID ACCORDING TO THE RECORDS OF MY OFFICE.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_.

TREASURER OF

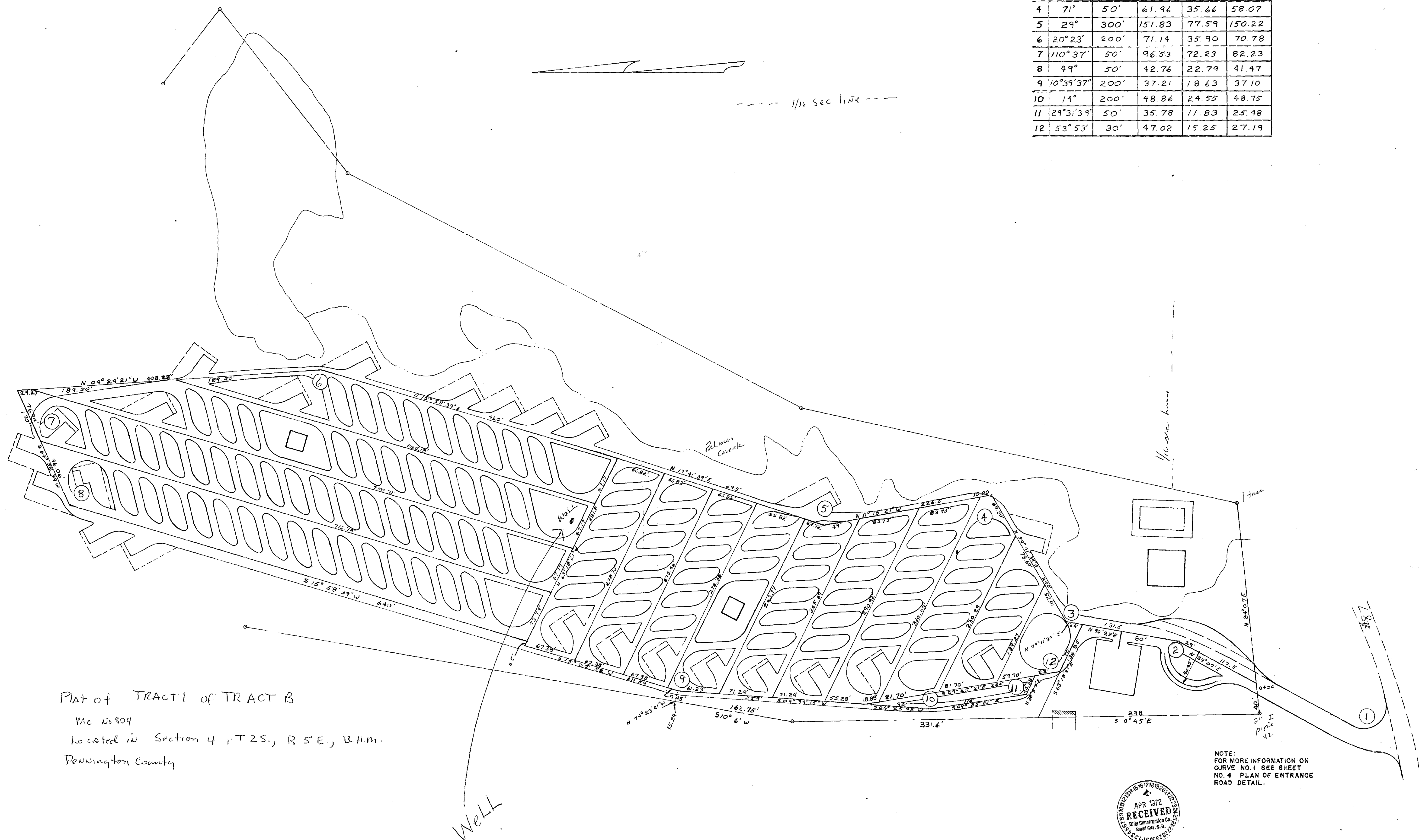
CERTIFICATE OF DIRECTOR OF EQUALIZATION

I, DIRECTOR OF EQUALIZATION OF PENNINGTON COUNTY, DO HEREBY CERTIFY THAT I HAVE ON RECORD IN MY OFFICE A COPY OF THE WITHIN DESCRIBED PLAT.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_.

DIRECTOR OF EQUALIZATION OF PENNINGTON COUNTY

|    | Δ         | R    | T      | L     | Ch     |
|----|-----------|------|--------|-------|--------|
| 1  | 40°       | 75'  | 52.36  | 27.30 | 57.30  |
| 2  | 19°45'    | 200' | 68.93  | 28.65 | 68.72  |
| 3  | 50°30'    | 60'  | 52.88  | 28.30 | 51.19  |
| 4  | 71°       | 50'  | 61.96  | 35.66 | 58.07  |
| 5  | 29°       | 300' | 151.83 | 77.59 | 150.22 |
| 6  | 20°23'    | 200' | 71.14  | 35.90 | 70.78  |
| 7  | 110°37'   | 50'  | 96.53  | 72.23 | 82.23  |
| 8  | 49°       | 50'  | 42.76  | 22.79 | 41.47  |
| 9  | 10°39'37" | 200' | 37.21  | 18.63 | 37.10  |
| 10 | 14°       | 200' | 48.86  | 24.55 | 48.75  |
| 11 | 29°31'39" | 50'  | 35.78  | 11.83 | 25.48  |
| 12 | 53°53'    | 30'  | 47.02  | 15.25 | 27.19  |



Plat of TRACT I of TRACT B

Mc No 809

Located in Section 4, T2S, R5E, B.M.

Pennington County

Well



|                                                                                                                          |                 |  |                                                                               |                   |
|--------------------------------------------------------------------------------------------------------------------------|-----------------|--|-------------------------------------------------------------------------------|-------------------|
| Talbot, Wermers, and Standing, Ltd.<br>ENGINEERS PLANNERS<br>SURVEYORS<br>VIRGINIA BEACH, VIRGINIA<br>MEMPHIS, TENNESSEE |                 |  | HOLIDAY INN TRAVEL CENTER<br>CENTER LINE CONTROL<br>MILL CITY SOUTH DIRECTION |                   |
| DESIGNED BY<br>DRAWN BY M.E.J.                                                                                           | DATE<br>4/13/72 |  | SCALE<br>1"=60'                                                               | FILE NO.<br>A-2-5 |

MRP NO 954-2 (APPL NO 1123.2)

# WATER RIGHT APPLICATION APPROVAL

The Water Resources Commission hereby approves Water Right Application No. 1123-2  
PALMER GULCH DEVELOPMENT CO. Box 295, Hill City  
 (Applicant) (Post Office Address)  
SOUTH DAKOTA With the following modifications.  
 (State)

Date of first receipt of application SEPTEMBER 5 19 72  
 Date of return to applicant for correction, amendments or changes required SEPTEMBER 19 19 72  
 Date of receipt of corrected application OCTOBER 12 19 72  
 Approved NOVEMBER 8 19 72 Recorded in Book 12 Page 162

WATER RIGHT PERMIT NO. 1123-2

The Water Resources Commission hereby grants and issues this Water Right Permit No. 1123-2 authorizing the construction of the water use system and the putting of water to beneficial use as stated in the Application and as modified in the Water Right Application approval, subject, however, to the following limitations and conditions:

1. The date from which applicant may claim right is SEPTEMBER 5 19 72
2. The equivalent of at least one-fifth of the work above specified is to be completed on or before NOVEMBER 23 19 72
3. The whole of said work is to be completed on or before DECEMBER 8 19 72
4. The limit of time from proof of beneficial use of water appropriated in accordance herewith is DECEMBER 8 19 74
5. The water appropriated shall be used for the purpose of COMMERCIAL USE - CAMPGROUND OPERATION
6. 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.
7. The amount of the appropriation herein granted shall not exceed .045 cubic feet per second; neither shall it exceed the capacity of the above described water supply system, nor shall it exceed the amount of water needed for ~~irrigation and if for the irrigation purpose said appropriation is limited to the amount of water per acre of land for which water is actually and beneficially applied in irrigation~~ USED FOR COMMERCIAL PURPOSES on or before DECEMBER 8 19 74 said water to be used during the following described annual period: CONTINUOUSLY

Witness my hand this 10<sup>TH</sup> day of NOVEMBER 19 72

WATER RESOURCES COMMISSION

By

Carol J. ...  
 Chief Engineer, Executive Officer

Certificate of Construction Issued JANUARY 19 19 81

Water License Issued JANUARY 19 19 81

Form 2A - Wells, Dugouts or Water Storage Dams (Supplement to form 2)

12. Principal Features of the Proposed Water Supply System (continued)

D. Well Information or Estimates

- (1) Drill Hole, Diameter 6 inches, Depth 101'
- (2) Casing, Type Steel Diameter 6 1/2" Thickness 3/8"  
(wood, concrete, steel, etc)
- (3) Perforated Screen.  
Type none, Diameter         , Length
- (4) Gravel Pack, Thickness none, Length of gravel pack

E. Dugout Information or Estimates.

- (1) Surface dimensions         , Depth

F. Fill out for Either a Well or a Dugout.

- (1) Water Bearing Materials. (Please attach a copy to test well log if available.)

Character of Water bearing materials Slate, some soft, decomposed,  
some medium hard, dark grey

Depth to top of water bearing material 81'

Depth to bottom of water bearing material 101'

Thickness of water bearing material 57'

Depth to water (ground surface to water level) 61.5'

- (2) Distance to nearest existing household or livestock watering wells.

On same owner's property          rds. On property owned by others 170 rds.

G. Water Storage Dams.

If the proposed water use system contains one or more water storage dams, please show in the space below, the height, maximum water depth, surface area and storage capacity of each storage dam. The location of each water storage dam should be shown on the water right map.

  
Signature of Applicant

Permit No. 1123-2

Water Diversion No. 2 Battle Creek Water District

### CERTIFICATE OF CONSTRUCTION

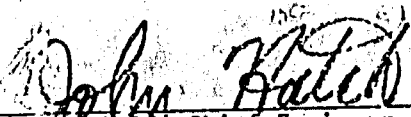
This is to Certify, That Palmer Gulch Development Company

\_\_\_\_\_ the holder \_\_\_\_\_ of  
Permit No. 1123-2, issued upon Application No. 1123-2, bearing date of priority of September 5,  
1972 authorizing the diversion of .045 cu. ft. per second of the waters of \_\_\_\_\_  
groundwater (one well) County of Pennington, State of South Dakota at a  
point 2010' north and 800' east of the SW Corner of Section 4-  
T2S-R5E

\_\_\_\_\_ for commercial - campground  
operation

purposes, has VO 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 .05 cu. ft. per second of water.

Date January 19, 1981

  
JOHN HATCH, Chief Engineer  
Water Rights Division

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 1123-2

(1) WHEREAS, On the 5th day of September A.D. 1972

Palmer Gulch Development Company

made Water Right Application No. 1123-2 for a permit to use .045 cubic feet per second of the waters of groundwater (one well)

County of Pennington, State of South Dakota, for commercial - campground operation purposes; and

(2) WHEREAS, On the 8th day of November A.D. 1972

Permit No. 1123-2, with a date of priority of September 5, 1972

was issued to said applicant \$ for the diversion of said water, and provided for the completion of construction of the water supply system therein described on or before the 8th day of December A.D. 1972 and for the

application to beneficial use of said water on or before the 8th day of December A.D. 1974

and;

(3) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota relating to completion of the construction of the water supply system and is entitled to divert .045 cubic feet per second of water for beneficial use and,

(4) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota relating to the application of water to beneficial use of the following extent,  
water to be used for commercial purposes

(5) 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 Palmer Gulch Development Company

of Hill City, SD  
the holder S and owner S of said permit No. 1123-2 a water right, dating from September 5, 1972  
to use of .045 cubic feet per second of the waters  
of groundwater (one well)

in the County of Pennington and State of South Dakota, or so much thereof as may be necessary for the  
purposes hereinbelow mentioned, to be diverted at a point 2010' north and 800' east of the  
SW Corner of Section 4-T2S-R5E

and conducted ~~to and upon~~ thru the campground's distribution system

for the purpose of commercial use

Subject to any limitations listed in Water Right Permit No. 1123-2 and subject to the laws of the State of South Dakota.

WITNESS, My hand and seal of our office at Pierre, South Dakota  
this 19th day of January A. D.  
Nineteen Hundred and eighty-one

WATER MANAGEMENT BOARD

By:

John Hatch  
Chief Engineer, Executive Officer JOHN HATCH

Permit No. 1123-2Water Division 2 Battle Creek Water DistrictREPORT OF EXAMINATION OF WORKS  
AND/OR APPLICATION OF WATER TO BENEFICIAL USE

TO: WATER RIGHTS, WATER MANAGEMENT BOARD / POSS BLDG., PIERRE, SOUTH DAKOTA 57501

I have this day made a thorough examination of the water use system constructed by Palmer Gulch Development Company of Box 295, Hill City, S. DAK. 57745 holder of Permit No. 1123-2, bearing date of priority of September 5, 1972 authorizing the diversion of .045 cu. ft. per second of the waters of Well for Commercial purposes, in Pennington County.

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

The Water Use System consists of,

A. Works used to divert the water:

pump - A.Y. McDonald 22 gpm pump Model 14100 E 9 Series "E", pumping 22 gpm

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

pvc Alains To Various Locations on The Campground

C. Works used to apply water to beneficial use.

Outlets to Buildings and other locations on The Camp Grounds.

The system is in the following condition: GoodThe point of diversion is located 2010 ft N and 800 ft E of the SW Corner of Sec. 4, T2S R5EThe works are capable of diverting and conveying to the place of use .05 cu. ft. per second of water which is to be used for Commercial Purposes.

Water has been put to beneficial use to the maximum extent as follows:

comprising a total of \_\_\_\_\_ acres of land.

Well depth 101 ft  
 pump @ 92 ft  
 pumping 22 gpm

License for .045 cfs.

Date

June 10, 1980

Leroy J. McNaugh  
 (Signature)

# RECEIPT

WATER RIGHTS COMMISSION

State of South Dakota

No 4 1920

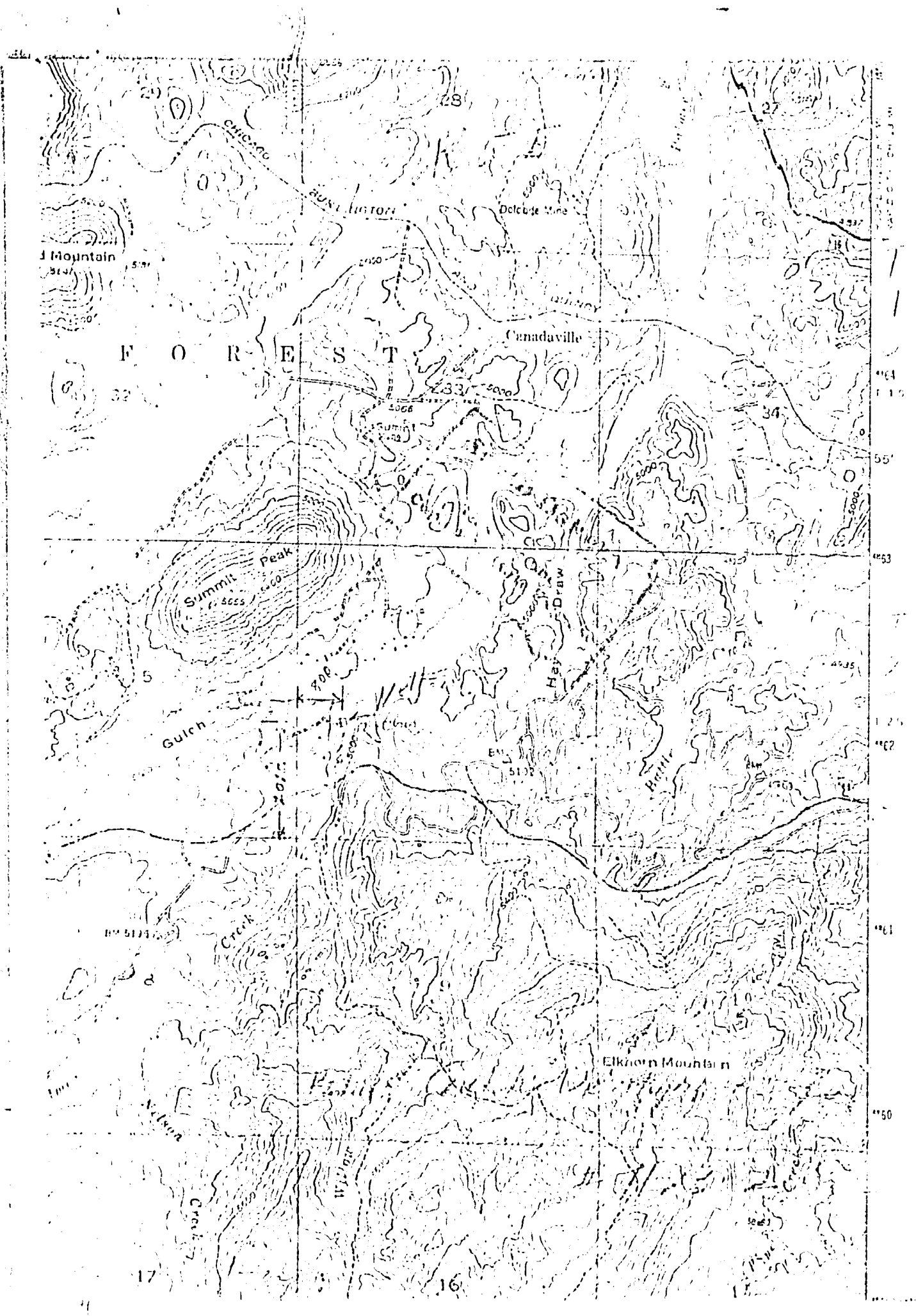
PIERRE, January 15, 1921

RECEIVED OF Palmer Gulch Dev. Co., Hill City, Mt. Rushmore ROR, Box 295, Hill City SD  
the following amount in fees for services rendered as provided for by law:

|                                                                                                                       |              |
|-----------------------------------------------------------------------------------------------------------------------|--------------|
| Fee for Application for Permit to Appropriate Water No. .... (examination,<br>processing, recording and filing) ..... |              |
| Fee for inspecting Construction, and issuing Cert. of Construction No. 1123-2 .....                                   | 12 00        |
| Fee for inspecting Beneficial Use, and issuing Water License No. ....                                                 |              |
| Fee for issuing Location Certificate-Dry Draw, No. ....                                                               |              |
| Fee for filing .....                                                                                                  |              |
| Fee for certified copy of .....                                                                                       |              |
| Fee for Print copy of map .....                                                                                       |              |
| Fee for Certifying .....                                                                                              |              |
| Fee for .....                                                                                                         |              |
| (any other work as provided by law)                                                                                   |              |
| <b>TOTAL</b>                                                                                                          | <b>12 00</b> |

WATER RIGHTS COMMISSION

By *John Hatch*  
Chief Engineer, Executive Officer  
JOHN HATCH



Form 8 - Proof of Publication - Notice of  
Intent to Appropriate Water

No. 1123-2

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA )  
County Pennington ) ss.

I, John J. Gerken hereby  
certify that the annexed printed copy of Notice of Intent to Appropriate  
Water was taken from the Hill City Prevalier and The Guide

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

town \_\_\_\_\_ of Hill City

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

October 19, 1972

October 26, 1972

John J. Gerken  
(Signature)

Publisher

(Title)

October 30, 1972

(Date Signed)

No. 1123-2  
**NOTICE OF INTENT  
TO APPROPRIATE WATER**  
Pierre, South Dakota 57501  
October 16, 1972  
Notice is hereby given that the  
Palmer Gulch Development Company  
whose post office address is Hill City,  
South Dakota, has made an ap-  
plication in accordance with the  
provisions of the water laws of South  
Dakota for a permit to appropriate for  
beneficial use .04 cubic feet of water  
per second of time from ground water  
through the Travel Park Well, the  
point of diversion of which is to be  
located in the NW1/4 SW1/4 of Section 4,  
Twp. 25, Range 3E. Said water to be  
used for the purpose of providing  
water supplies for operation of a  
trailer park.  
This application No. 1123-2 will be  
considered by the Water Resources  
Commission at their office at Pierre  
upon the 8th day of November, 1972, at  
2 p.m. All interested persons may  
appear and be heard.  
WATER RESOURCES COM-  
MISSION, By: s-Burton F. Jones,  
BURTON F. JONES, Water Rights  
Specialist

Prevalier, Oct. 19, 26

**RECEIVED**  
NOV 1 1972

STATE WATER RESOURCES COM.M.  
PIERRE, SOUTH DAKOTA

Publish first publication, on or before October 26, 1972NOTICE  
INTENT TO APPROPRIATE WATER

Pierre, South Dakota 57501

October 16, 1972the **Palmer Gulch Development Company**

Notice is hereby given that:

whose post office address is Hill City, South Dakota, has made an application in accordance with the provisions of the water laws of South Dakota for a permit to appropriate for beneficial use .04 cubic feet of water per second of time from the ground water through the

Trav-L-Park Well, the point of diversion of which is to be located in the

NW 1/4 SW 1/4

of Section 4, Twp. 2S, Range 5E. Said water to be used for the purpose of providing ~~irrigation for the following described lands~~  
water supplies for operation of a trailer park.

This application No. 1123-2 will be considered by the Water Resources Commission at their office at Pierre upon the 8th day of November, 1972, at 2:00 P. M. All interested persons may appear and be heard.

WATER RESOURCES COMMISSION

By:

**BURTON F. JONES, Water Rights Specialist**

BFJ/bw

cc: Gar. B. Olson, Palmer Gulch Development Co., Box 295, Hill City, S.D. 57745

SOUTH DAKOTA

Post. Ward to County  
by C-375. 1952  
Ex. Sec. Paul F. ...  
Mar. 21, 1952

PLACE

TRACT-38  
(RECORD)

TRACT  
HOME  
TRACT  
SWEET  
TRACT

TRACT 2  
OF  
TRACT 39  
(RECORD) 57

EXISTING ACCESS  
ROAD

FUTURE ACCESS  
ROAD ACROSS

$$\frac{EC-5}{EC-4}$$
SW  $\frac{1}{4}$



January 4, 2002

1123-2  
DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
[www.state.sd.us/denr](http://www.state.sd.us/denr)

2186-2

Satellite Cable Services, Inc.  
c/o Perry Norton  
Box 295  
Hill City SD 57745

Dear Mr. Norton:

On October 10, 2001 the investigation of your water use system, including the extent of application of water to beneficial use, as developed under Water Permit Nos. 1123-2, 2075-2 and 2186-2, was completed by Ken Buhler, a staff engineer with our program. The final water right document, the water license, can now be issued. This license will incorporate the three permits into one.

State law require that we charge a \$50.00 fee for the investigation and issuance of the water license. Upon receipt of the \$50.00 fee from you, we will complete processing the water license.

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

Also, enclosed is a *Notice of Transfer* form for No. 1123-2 which is listed under the name of Palmer Gulch Development Company. The form needs to be completed, signed by the owner, notarized and returned with a \$2.50 filing fee. In order to incorporate the three permits into one license the names are required to be the same.

The check or money order for the fees (\$52.50) should be made payable to the "Water Rights Program".

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

Sincerely,

*Karen Schlaak*

Karen Schlaak  
Water Rights Program

# RECEIPT

## Water Rights Program

South Dakota Department of Environment and Natural Resources

417050

Pierre, January 16, 2002

RECEIVED OF Recreational Adventures Co., Box 295, Hill City SD 57745  
the following amount in fees for services rendered as provided for by law: (Palmer Gulch Development Company)

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 1123-2

Fee for Filing Extension Request \_\_\_\_\_

Fee for \_\_\_\_\_

(Any Other Work Provided by Law)

Total

2 50

By Darland Erbe  
Chief Engineer

Name \_\_\_\_\_

# NOTICE OF TRANSFER OF OWNERSHIP

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

No. 1123-2

Date: 1-10-02

I/We request that Water Right No. 1123-2

formerly owned by: Palmer Gulch Development Company

be transferred to: (name & address) Recreational Adventures Co.

Box 295 Hill City SD 57745

Telephone No. 605-574-2526

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

1 well - NW 1/4 SW 1/4 Section 4-T2S-R5E

I/We understand that the validity of Water Right No. 1123-1 has not been determined by this transfer action. If I/We have any questions on validity, I/We understand that only the Water Management Board has the authority to determine if a water permit/right is valid (see note).

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

A fee of Two Dollars and Fifty Cents (\$2.50) is required to cover the filing fees as required under SDCL 46-2-13. This form must be signed by the new owner.

STATE OF SOUTH DAKOTA )

County of Pennington )

I/We J. ALAN JOHNSON 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 personal knowledge that the information herein stated is true.

[Signature] VP  
(Signed by new owner)

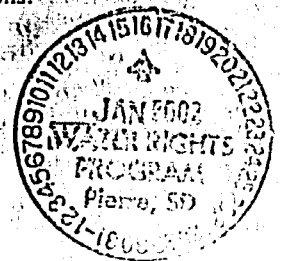
Subscribed and sworn to before me this 11th day of JANUARY, 20 02

Cynthia A. Vally, now Cynthia A. Mayet  
(Notary Public)

Commission Expires: 9-26-07

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

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





DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
[www.state.sd.us/denr](http://www.state.sd.us/denr)

MAR 01 2002

2035-2

1123-2

2186-2

J. Alan Johnson, V.P.  
Recreational Adventures, Co.  
Box 295  
Hill City, SD 57745

Dear Mr. Johnson:

Enclosed is Water License No. 2186-2. This is the final water right document completing your process of obtaining a Water Right.

Also enclosed are Receipt Nos. 417047, 417048, 417049 and 417050. The receipts are for the investigation and issuance of the Water License and for three transfers of ownership.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the well authorized by Water Right No. 2186-2, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

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

Sincerely,

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

NOTE: The applicable portions of Nos. 1123-2 and 2035-2 are incorporated into Water License No. 2186-2.

enclosures