

Considered: _____

WATER PERMIT NO. 2186-2

Phone: 605 574-2525

Name of Applicant: Satellite Cable Services, Inc.

Post Office Address: Box 295, Hill City SD 57745

Amount of Water Claimed: 0.26 cfs Total Acres: NA

Source of Water Supply: groundwater (two wells)

Water to be used for: commercial County: Pennington

About 2 miles SE of Hill City

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

F.F. & C/.L. Adopted _____ Not Approved _____ Deferred _____

PRIORITY Date Received: 6-10-91 Fee: \$225 Remarks See Permit

Nos. 2035-2 and 1123-2

Corrected Application Received _____ Period of Annual Use January 1 - Dec 31

WATER QUALITY APPROVAL RECEIVED _____ APPROVED/CONDITIONAL (Circle one)

WI-1 Description same as Application YES _____ NO _____ REMARKS _____

Diversion Point: NW 1/4 SW 1/4 Sec 4-T2S-R5E;

SE 1/4 NE 1/4 Sec 5-T2S-R5E

Land to be Irrigated: NA

Well Log: Driller: Alexander Drilling Licensed YES X NO _____

Depth of Well: 205' & 125' REMARKS _____

Type of Map: plat PREPARED BY: Rodney K Johnson Reviewed and the Number

Assigned on 6-10-91 By Karen Schlaak

Mail to: Water Rights Div.
523 E. Capitol
Pierre, SD 57501
(605) 773-3352

No. 2186-2 Hydrologic Unit 10120109
Map No. _____ Basin Upper Cheyenne
Newspaper Pennington County Prevalier News

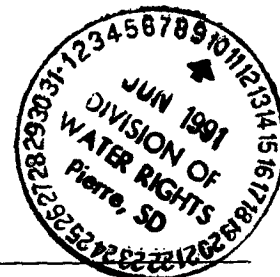
Box 266, Hill City (Thurs)

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

Check use of water: Industrial ☐ Commercial ☒ Municipal ☐ Other Common Distribution System ☐
Rural Water System ☐ Suburban Housing ☐ Geothermal Heat ☐ Institutional ☐ Recreational ☐
Domestic ☐ (above 18gpm) Other ☐

Type of Application: Check one or more of the following

New ☒ Vested Right ☐ Future Use ☐ Change Use ☐
☐ Amend Permit No. _____ with old priority date retained
Change diversion point(s) ☐ Add diversion point(s) ☒ Other ☐ _____
☐ Application to: Change diversion point(s) ☐ Add diversion point(s) ☐ on Permit No. _____
☐ Construction to use water reserved by Future Use Permit No. _____



- Name of Applicant SATELLITE CABLE SERVICES, INC. Phone No. (605) 574-2525
Post Office Address Box 295 Hill City State SD Zip Code 57745
(Street, RR or Box) (City)
- Amount of water claimed (c.f.s.) 120 g.p.m. 0.26 cfs
- Source of water supply 2 wells
- Location of point of diversion well #4 - NE 1/4, NW 1/4, SW 1/4, Sec 4, T2S, R5E BHM
well #6 - SE 1/4, SE 1/4, NE 1/4, Sec 5, T2S, R5E BHM
County PENNINGTON
- Counties where water will be used PENNINGTON
- Annual period during which water is to be used JAN-DEC WITH PEAK USE MAY-SEPT
- Give a brief description of proposed 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)

WE ADDED TWO WELLS TO OUR SYSTEM TO ACCOMMODATE INCREASED DEMAND AT THE RESORT.

Attachments: Attach Form 2A if diversion from a well or dugout, or if storage of water, is proposed. Attach map (see instruction)

STATE OF SOUTH DAKOTA)
County of PENNINGTON)^{ss}

I, J. Alan Johnson the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Signed J. Alan Johnson

Subscribed and sworn to before me this 27th day of June 1999 RE

Robert Emery
Notary Public

**SOUTH DAKOTA
WATER PERMIT No. 2186-2**

Date of first receipt of application June 10, 1991.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2186-2 to Satellite Cable Services, Inc., Box 295, Hill City SD 57745 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. 2186-2 appropriates 0.26 cubic feet of water per second from two wells (Precambrian Rock) 205 and 125 feet deep located in the NW 1/4 SW 1/4 Section 4; and the SE 1/4 NE 1/4 Section 5; all in T2S-R5E.
2. The water appropriated shall be used for the purpose of supplying water to a resort and may not exceed the amount of water needed for beneficial use for commercial purposes.
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. 2186-2 is August 28, 1991.
5. The date from which applicant may claim right is June 10, 1991.
6. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATION

The wells 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.

WATER MANAGEMENT BOARD

By: 
Chief Engineer, Water Rights Division
Department of Environment and Natural Resources

FEB 20 1992

date

SOUTH DAKOTA WATER WELL COMPLETION REPORT

10-85

1/4 Sec 4 Twp 25 Rg 5E

Well Owner:

Name Rushmore KOAAddress Hill City, S.D. 5774

Well Log: Depth

Formation	From	To
DRIFT - Broken schist - gtz	0	25
Schist - gray - (Hd - md. Hd)	25	42
Schist gtz - gray Hd	42	43
H ₂ O - trace	43	
Schist gray - Hd - to m. Hd	43	94
Schist Fracture w/ gtz	94	95
Schist, gtz - gray Hd	95	98
Schist w/ gtz - H ₂ O - 4 gpm	98	99
Schist, gtz Hd	99	117
Schist Fract - H ₂ O - 20 gpm	117	118
Schist gray, Hd	118	205

Well

W

E

1 mile

Date 4-13-90

USE



Municipal



Test Holes



Industrial



Stock

Drilling

Whale Hammer

Casing



Plastic



Other

Casing 31' - 160 PVC

INCH DIAMETER FROM TO HOLE DIAMETER

INCH 6 IN 5 FT 29 FT 10 IN

INCH IN FT FT IN

INCH IN FT FT IN

INCH IN FT FT IN

STATIC WATER LEVEL 60 Feet

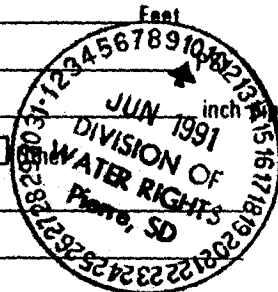
If flowing: closed in pressure

GPM flow through

Controlled by ☐ Valve ☐ Reducers ☐

If other; specify

Can well be completely shut in?

Grouted? ☒ YES ☐ NOGrout depth? 5' - 29' FEETGrouting material? type III portNumber of sacks? 6Grouting procedure teeing PipeGrout weight? 14-15 LB/GALPerforated pipe ☐ Manufactured

IN Length FEET

Set From Feet To Feet

Set From Feet To Feet

Set From Feet To Feet

Grout seal used? ☐ YES ☒ NOGrout material? Cosing Set Hd. Rock

Grout (s) and location?

Grout tested upon completion? ☐ YES ☐ NOGrout analysis ☐ YES ☐ NO

Grout sent to

WELL TEST DATA:

☒ Pumped w/AIR 20 gpm☐ Bailed Describe:☐ Other

Pumping Level Below Land Surface

ft. After Hrs. pumped GPM

ft. After Hrs. pumped GPM

ft. After Hrs. pumped GPM

REMARKS:

This well was drilled under license # 324

And this report is true and accurate.

Drilling firm Alexander Drilling

Signature of License Representative:

Ray Alexander

Signature of Well Owner:

Date

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

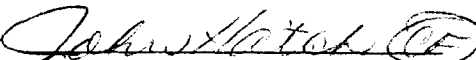
412702

Pierre, _____ June 10, 19 91

RECEIVED OF Satellite Cable Services, Inc., Mt. Rushmore KOA, Box 295, Hill City, SD 57745

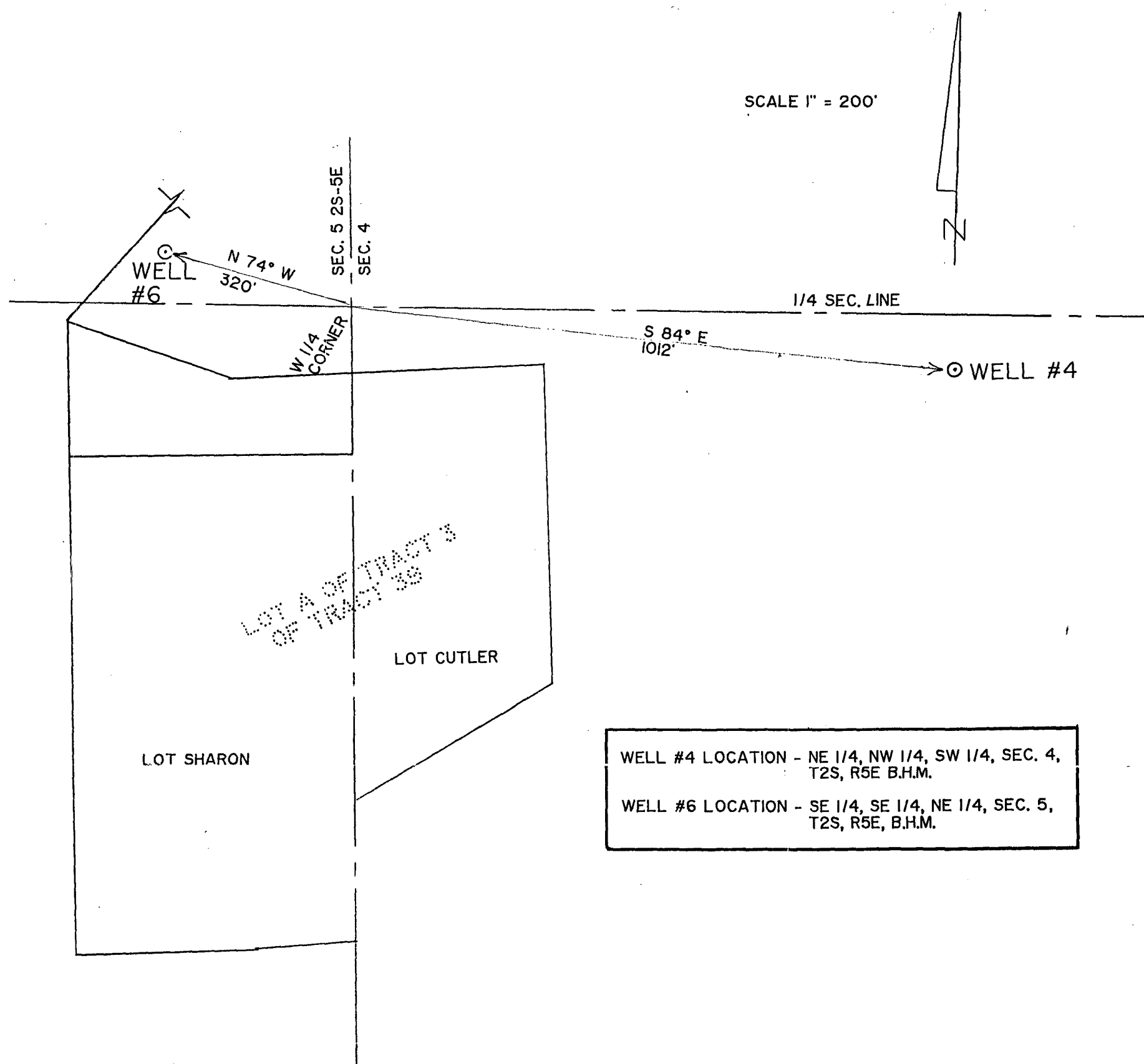
the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>5186-2</u> to Appropriate Water, to construct works and to put water to beneficial use _____	225	00
Fee for Application for Permit No. _____ to Appropriate Water for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form _____		
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	225 00

By John H. Hotal 
Chief Engineer



MAP OF SURVEY OF WELL LOCATIONS IN TRACT B OF HOME SWEET HOME PLACER MS #804,
IN NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of SECTION 4, T2S, R5E, BHM and
IN SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of SECTION 5, T2S, R5E, BHM, PENNINGTON COUNTY, SD



WELL #4 LOCATION - NE 1/4, NW 1/4, SW 1/4, SEC. 4,
T2S, R5E B.H.M.
WELL #6 LOCATION - SE 1/4, SE 1/4, NE 1/4, SEC. 5,
T2S, R5E, B.H.M.

I, Rodney K. Johnson, Registered Professional Engineer, do hereby certify that I made this map based on an actual survey and that it correctly represents the locations of the wells on the within described lands as requested by the owners. IN WITNESS WHEREOF I have hereunto set my hand and seal this 15th day of April, 1991.

Rodney K. Johnson

STATE OF SOUTH DAKOTA ss
COUNTY OF CUSTER

On this 15th day of April 1991, before me, a Notary Public, personally appeared Rodney K. Johnson, known to me to be the person described in and who executed the foregoing certificate. IN WITNESS WHEREOF I have hereunto set my hand and official seal.

my commission expires June 18, 1995

Notary Public

REPORT ON APPLICATION NO. 2186-2
for Satellite Cable Services, Inc.
July 12, 1991

Application No. 2186-2 proposes to appropriate 0.26 cfs (120 gpm) from two wells 205 and 125 feet deep located in the NW 1/4 SW 1/4 of section 4; and the SE 1/4 NE 1/4 of section 5, respectively; all in T2S R5E BHM in Pennington County. The water will be used for commercial purposes.

AQUIFER - PRECAMBRIAN ROCK (CRSL)

The Precambrian rock in this area consists of phyllite and schist (Redden, 1975). Groundwater is found in fractures and foliations within the rock. Well yields are usually small and are unpredictable. According to the well logs submitted by the driller water was produced from fractures and the wells produced 20 and 100 gpm using air for development. These completion reports indicate the aquifer is capable of producing at least on the short term the amount of water requested.

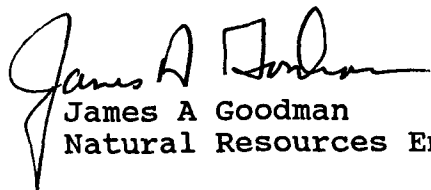
The Division of Water Rights does not monitor any observation wells in this area or into the Precambrian rock. Water levels will respond to precipitation but no accurate assessment can be made.

REVIEW OF EXISTING WATER PERMITS/RIGHTS

There are no other permits/rights in this area. The closest permitted groundwater diversion is over 2 miles from this area. There may be domestic wells in this area, however, interference is not expected to be a concern.

CONCLUSIONS

1. Water is available from the Precambrian rock.
2. The aquifer is under water table conditions and drawdown caused by pumping is not expected to be significant. Interference is not expected to be a problem.
3. Both of these wells have been constructed in accordance with SD Well Construction Standards.


James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

Redden, J.A., 1975, Precambrian Geology of the Black Hills, in SDGS Bulletin No. 16, SD DENR, SDGS, Vermillion, SD, 57069.

RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2186-2, Satellite Cable Services, Inc.

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Division, Department of Environment and Natural Resources concerning Water Permit Application No. 2186-2, Satellite Cable Services, Inc., Box 295, Hill City, SD 57745.

The Chief Engineer is recommending APPROVAL of Application No. 2186-2 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) in the public interest with the following qualification:

The wells 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.

See report on application for additional information.

A handwritten signature in black ink, appearing to read "John Hatch", is written over the typed name.

JOHN HATCH, Chief Engineer
July 22, 1991



GREAT FACES. GREAT PLACES.

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

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

July 24, 1991

J. Alan Johnson
Satellite Cable Services, Inc.
Box 295
Hill City, SD 57745

Dear Mr. Johnson:

Water Permit Application No. 2186-2 for commercial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Pennington County Prevalier News printed at Hill City, SD. For your information, a copy of the notice, the recommendation of the Chief Engineer and a 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 of Hearing and to arrange for payment. Early contact with the paper can eliminate delays. The publisher has been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

for Karen Schlaak

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.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

GREAT FACES. GREAT PLACES.

July 24, 1991

Pennington County Prevalier News
Box 266
Hill City, SD 57745

ATTENTION: Legal Department

Enclosed is a Notice of Hearing on Application No. 2186-2 to be published twice. Please publish the first notice on Aug 1, 1991, with the second publication 7 days later.

The APPLICANT MUST VERIFY TO YOU THAT THE NOTICE IS TO BE PUBLISHED, before you make the first publication. Please BILL the APPLICANT for the cost of publication. The APPLICANT is Satellite Cable Services, Inc., Box 295, Hill City, SD 57745.

A copy of BOTH publications must be SENT to the WATER RIGHTS DIVISION. IMMEDIATELY return the FIRST publication with the FIRST Transmittal form on the bottom of this page. The first copy is needed to check the publication for errors so any corrections can be made in the second publication. Publication errors can invalidate the public notice and cause the applicant costly delays.

Please be sure the SECOND publication is returned IMMEDIATELY with the enclosed Proof of Publication form. DO NOT WAIT until the end of the month or the billing cycle. No action may be taken on the permit application until proof of publication has been received.

Sincerely,

for Karen Schlaak

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

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

FIRST TRANSMITTAL NOTICE

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

No. _____

Date _____

We are in receipt of your letter of _____ enclosing Notice of Hearing to
Appropriate Water by Application No. _____ which was first published in our issue
of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name _____

Newspaper _____

Instruction to Newspaper - Publish first Notice on August 1, 1991, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 2186-2 to Appropriate Water

Notice is given that Satellite Cable Services, Inc., Box 295, Hill City, SD 57745 has filed an application for a water permit to appropriate 0.26 cubic feet of water per second from two wells (Precambrian Rock) 205 feet and 125 feet deep located in the NW 1/4 SW 1/4 Section 4; and the SE 1/4 NE 1/4 Section 5; all in T2S-R5E. The water will be used for commercial purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2186-2 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. Unless a petition is filed opposing the application or the applicant files a petition contesting the chief engineer's recommendation, the Water Management Board will NOT CONDUCT a HEARING to consider this application and the chief engineer will issue the permit as recommended. Petitions filed in support of the application will NOT require the Board to hear the application.

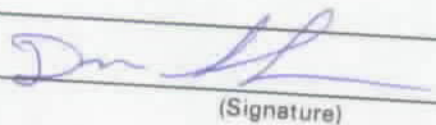
Any person interested in opposing or supporting this application must file a written petition with BOTH the applicant and Chief Engineer. The applicant must also file a petition if opposed to the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Division, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by August 19, 1991. 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.

For purposes of publishing 1) the notice of hearing on Application No. 2186-2 and 2) the chief engineer's recommendation, a meeting at the Division of Water Rights office to hear this application is scheduled for August 28, 1991, at 9:00 am in Room 413, Joe Foss Building, 523 E Capitol, Pierre SD. If this application is opposed or the recommendation is contested, the August 28, 1991, hearing date will be rescheduled for a regularly scheduled Board meeting. Notice of the time and place of the rescheduled hearing before the Board will be given by First Class Mail to the applicant and persons filing petitions. Anyone not filing a petition, but interested in attending the hearing, may contact the Division of Water Rights to confirm a hearing date and location. The August 28, 1991, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by August 19, 1991.

If a hearing is held, the Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application based on the facts presented at the public hearing. Any hearing will be an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. 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 the Water Rights Division to request copies of information pertaining to this application or to assure access to the hearing by the handicapped.

This application is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16; 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15; 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2, 46-5-30.4, 46-5-31; 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14, 46-6-26; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
County Pennington) ss.1. Don Gerkencertify that the attached printed Notice was taken
from the Hill City Prevailer NewsA newspaper which during the whole time of publication of
said notice herein after stated, has been and is printed and
published in the Hill City Prevailer News
PO Box 266 of Hill City, S.D. 57745County of Pennington and State of South Dakota;
that the said notice was published in said newspaper on the
following two dates:July 7 and August 7

(Signature)

managing editor

(Title)

8-8-91

(Date Signed)

Cost of Printing: \$71.82Notice Of
Hearing
On Application
No. 2186-2 To
Appropriate
Water

Notice is given that Satellite Cable Services, Inc., Box 295, Hill City, SD 57745 has filed an application for a water permit to appropriate 0.26 cubic feet of water per second from two wells (Precambrian Rock) 205 feet and 125 feet deep located in the NW 1/4 SW 1/4 Section 4; and the SE 1/4 NE 1/4 Section 5; all in T2S-R5E. The water will be used for commercial purposes.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends Approval of Application No. 2186-2 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. Unless a petition is filed opposing the application or the applicant files a petition contesting the chief engineer's recommendation, the Water Management Board will NOT CONDUCT a HEARING to consider this application and the chief engineer will issue the permit as recommended. Petitions filed in support of the application will NOT require the Board to hear the application.

Any person interested in opposing or supporting this application must file a written petition with BOTH the applicant and Chief Engineer. The applicant must also file a petition if opposed to the Chief Engineer's recommendation. The Chief Engi-

neer's address is "Water Rights Division, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by August 19, 1991. 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.

For purpose of publishing 1) the notice of hearing on Application No. 2186-2 and 2) the chief engineer's recommendation, a meeting at the Division of Water Rights office to hear this application is scheduled for August 28, 1991, at 9:00 am in Room 413, Joe Foss Building, 523 E Capitol, Pierre SD. If this application is opposed or the recommendation is contested, the August 28, 1991, hearing date will be rescheduled for a regularly scheduled Board meeting. Notice of the time and place of the rescheduled hearing before the Board will be given by First Class Mail to the applicant and persons filing petitions. Any one not filing a petition, but interested in attending the hearing, may contact the Division of Water Rights to confirm a hearing date and location. The August 28, 1991, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by August 19, 1991.

If a hearing is held, the Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application based on the facts presented at the public hearing. Any hearing will be an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. 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 the Water Rights Division to request copies of information pertaining to this application or to assure access to the hearing by the handicapped.

This applicant is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16, 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17, 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15; 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2, 46-5-30.4, 46-5-31; 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14, 46-6-26; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15. #3007-31, 8-7-91

South Dakota

GREAT FACES. GREAT PLACES.

FEB 20 1992

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

J Alan Johnson
Satellite Cable Services, Inc.
Box 295
Hill City, SD 57745

Dear Mr. Johnson:

Enclosed is Water Permit No. 2186-2 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

We will schedule an inspection so that the Water License may be issued to you, thus completing your acquisition of a Water Right.

Very truly yours,



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

enclosures



January 4, 2002

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
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, 2035-2 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
Water Rights Program

Water Rights Program - File Documentation

NAME: Josh Daiss, KOA, Palmer Gulch KOA

ADDRESS: Box 295, Hill City SD 57745

DATE: 1-8-2002 **COUNTY:** PE **TELEPHONE:**

RE: Transfer of Nos. 1123-2, 2035-2 and 2186-2

COMMENTS:

Regarding my letter dated 1-4-2002, Josh Daiss, general manager of the Palmer Gulch KOA called.

Mr. Daiss stated they would like transfer forms for all three permits.



Karen Schlaak
Environmental Scientist

Name
NOTICE OF TRANSFER OF ~~OWNERSHIP~~

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

No. 2186-2

Date: 1-10-2

I/We request that Water Permit No. 2186-2

formerly owned by: Satellite Cable Services, Inc.

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

Box 298, Hill City SD 57745

Telephone No. 605-574-2525

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

2 wells - SW 1/4 NW 1/4 Section 4 and SE 1/4 NE 1/4 Section 5; all in T2S-R5E

I/We understand that the validity of Water Permit No. 2186-2 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).

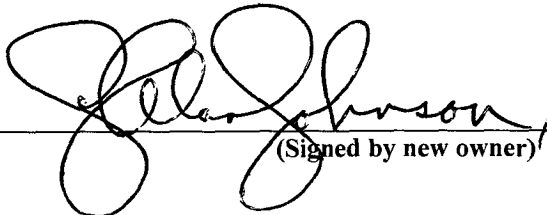
You are requested to file this "Notice of Transfer" in the appropriate file with the Water Rights Program, as evidence of the change of ownership.

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.


(Signed by new owner) VP

Subscribed and sworn to before me this 14th day of JANUARY, 20 02

Cynthia A. Wely, now Cynthia A. Mayes
(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.



RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

417048

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: (Satellite Cable Services Inc.)

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 2186-2

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

2 50

2 50

By

Darland Ebel

Chief Engineer

grw

RECEIPT

Water Rights Program

South Dakota Department of Environment and Natural Resources

NE 417047

Pierre, January 16, 2002

RECEIVED OF Recreation Adventures Co., Box 295, Hill City, SD 57755
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. 2186-2

Fee for Filing Transfer Form _____

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

50 00

By

Darland Erbe

Chief Engineer

gm

Permit No. 2035-2 & 2186-2
Upper Cheyenne River - Water District

Other permit/license(s) associated with project: 1123-2

Contact Person & Address: Perry Norton, Box 295, Hill City, SD 57745

Report Of Examination Of Works

On, October 10, 2001, I made a thorough examination of the water use system constructed by Satellite Cable Services, Inc. of Box 295, Hill City, SD 57745 holder of Permit Nos. 2035-2 and 2186-2, bearing the priorities of August 28, 1987 and June 10, 1991 respectively, authorizing the diversions of 0.13 and 0.26 cu. ft. per second respectively of the waters of groundwater for commercial purposes, in Pennington County.

The system is in the following condition good. The points of diversion are located as follows: Well #1, 1570 feet north and 720 feet east of the SW corner of Sec. 4, T2S-R5E with a longitude of -103.53586 and a latitude of 43.901726; Well #2, 2170 feet north and 785 feet east of the SW corner of Sec. 4, T2S-R5E with a longitude of -103.53562 and a latitude of 43.903349; Well #3, 2633 feet north and 590 feet east of the SW corner of Sec. 4, T2S-R5E with a longitude of -103.53636 and a latitude of 43.904589; Well #4, 2680 feet north and 1010 feet east of the SW corner of Sec. 4, T2S-R5E with a longitude of -103.53461 and a latitude of 43.904714; Well #5, 3190 feet north and 1470 feet east of the SW corner of Sec. 4, T2S-R5E with a longitude of -103.53281 and a latitude of 43.906167; and Well #6, 2730 feet north and 310 feet west of the SE corner of Sec. 5, T2S-R5E with a longitude of -103.53958 and a latitude of 43.905251. The works are capable of diverting and conveying to the place of use 0.3267 cu. ft. per second of water which is to be used for commercial use. Water has been put to beneficial use to the maximum extent and the license should be issued for 0.3267 cfs.

Review of Permit Qualifications And Regulations:

- 1) Special qualifications to permit being abided by yes
- 2) All structures, wells and lands on map yes
- 3) Irrigation Questionnaires checked to determine if permit owner started irrigation by the end of construction period na
- 4) Exceptions to compliance are: none

Report On the Specifics of the System

Diversion Point Information:

Well #1

- 1) Well Drilling Firm: Alexander Drilling
- 2) No. of Wells one
- 3) Depth(s) 442 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 6 inches
- 2) Length 30 feet
- 3) Type steel

Screen:

- 1) Type none-open hole completion
- 2) Length 412 feet (open hole interval)
- 3) Static water level 11 feet

Pump\ Motor:

- 1) Pump Make Grundfos
- 2) Pump Model 16S30-24
- 3) Capacity 16 GPM
- 4) Motor Make Franklin Electric
- 5) Horsepower rating 3 hp

Well #2

- 1) Well Drilling Firm: Alexander Drilling
- 2) No. of Wells one
- 3) Depth(s) 160 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 6 inches
- 2) Length unknown feet
- 3) Type steel

Screen:

- 1) Type none-open hole completion
- 2) Length unknown feet of open hole interval
- 3) Static water level 13 feet

Pump\ Motor:

- 1) Pump Make Grundfos Submersible
- 2) Pump Model 25S10-10
- 3) Capacity 20 GPM
- 4) Motor Make Franklin Electric
- 5) Horsepower rating 1 hp

Well #3

- 1) Well Drilling Firm: Ham Drilling
- 2) No. of Wells one
- 3) Depth(s) 340 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 6 inches
- 2) Length 45 feet
- 3) Type PVC

Screen:

- 1) Type none-open hole completion
- 2) Length 295 feet

3) Static water level 8 feet

Pump\ Motor:

1) Pump submersible

2) Capacity 10 GPM

4) Motor Make Franklin Electric

5) Motor Model No. 2801080103

6) Horsepower rating 1 hp

Well #4

1) Well Drilling Firm: Alexander Drilling 2) No. of Wells one

3) Depth(s) 205 feet

4) Well log is available yes

Casing:

1) Diameter 6 inches

2) Length 31 feet

3) Type PVC

Screen:

1) Type none-open hole completion

2) Length 176 feet (open hole interval)

3) Static water level 6 feet

Pump\ Motor:

1) Pump Make Grundfos Submersible

2) Pump Model 16S15-10

3) Capacity 16 GPM

4) Motor Make Franklin Electric

5) Motor Model No. 2823007103

6) Horsepower rating 1.5 hp

Well #5

1) Well Drilling Firm: Alexander Drilling 2) No. of Wells one

3) Depth(s) 205 feet

4) Well log is available yes

Casing:

1) Diameter 6 inches

2) Length 30 feet

3) Type steel

Screen:

1) Type none-open hole completion

2) Length 175 feet

3) Static water level 11 feet

Pump\ Motor:

- 1) Pump Make Grundfos Submersible
- 2) Pump Model 16S10-10
- 3) Capacity 10 GPM
- 4) Motor Make Franklin Electric
- 5) Horsepower rating 1 hp

Well #6

- 1) Well Drilling Firm: Alexander Drilling
- 2) No. of Wells one
- 3) Depth(s) 125 feet
- 4) Well log is available yes

Casing:

- 1) Diameter 6 inches
- 2) Length 40 feet
- 3) Type PVC

Screen:

- 1) Type none-open hole completion
- 2) Length 85 feet
- 3) Static water level 6 feet

Pump\ Motor:

- 1) Pump Make Grundfos Submersible
- 2) Pump Model 75S50-8
- 3) Capacity 75 GPM
- 4) Motor Make Franklin Electric
- 6) Horsepower rating 5 hp

Distribution System:

- 1) Type PVC 2) Size 4 inches
- 1) Type PVC 2) Size 1 1/2 inches
- 1) Type Polyethylene 2) Size 1 inches
- 1) Type copper 2) Size 3/4 inches

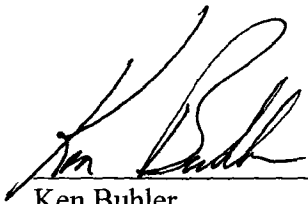
COMMENTS:

Water from all wells is pumped to the shop for treatment. From the shop water is diverted to four above ground steel storage tanks, 2@ 10,000 gal. Ea., 2@ 15,000 gal Ea. The Water is used for approximately 500 campsites, 30 cabins, a 62 room lodge, housing for approximately 90 employees, 6 shower houses, 2 swimming pools and a water slide.

Well No. 2, [20 gpm(0.045 cfs)] is covered under Water Right No.1123-2.

Wells No. 1, 3, and 5, (16 gpm, 10 gpm and 10 gpm respectively), [36 gpm(0.08 cfs) total diversion rate], are covered under 2035-2. Although 2035-2 proposed to increase the diversion rate authorized for well No.2, at the time of the licensing investigation, well No. 2 was still only plumping at the rate authorized by 1123-2

Wells No. 4 and 6 (16 gpm, and 75 gpm respectively) [91 gpm (0.2022 cfs) total diversion rate], are covered under 2186-2



Ken Buhler
Natural Resources Engineering Specialist
DENR, Water Rights Program

1/4/02

Date

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
WATER RIGHTS PROGRAM

January 4, 2002

RE: Change of Diversion Point for Water Permit No. 2186-2, Satellite Cable Services, Inc.

An inspection of Permit No. 2186-2 found that a well used to supply this permit is located in a different legal location than that specified in the original advertising. SDCL 46-5-13.1 provides that a point of diversion may be changed or additional points of diversion may be approved without application or publication of a notice of hearing if the new diversion point is from the same source of water, no additional water is appropriated and the chief engineer makes a finding that the change does not increase the potential for interference with existing diversions.

Water Permit No. 2186-2 appropriates 0.26 cubic feet of water per second (cfs) from two wells located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, T2S-R5E. An inspection found that Well #4 is located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4, T2S-R5E. No additional appropriation of water is required for this diversion.



Ken Buhler
Natural Resources Engineering Specialist

The Chief Engineer makes a finding that the additional diversion points do not increase the potential for interference with existing diversions. In making the finding, "does not increase the potential for interference" is interpreted to mean potential for adverse interference.



Garland Erbele, Chief Engineer
Water Rights Program



PALMER GULCH RESORT/MT. RUSHMORE KOA

Box 295, Hill City, SD 57745 5 mi. W. of Mt. Rushmore on Hwy. 244 (605) 574-2525 1-800-562

General Information

Welcome to Palmer Gulch and the Mt. Rushmore KOA. We sincerely want you to enjoy your stay and come back often. In addition to trail rides, two swimming pools, spas, fishing, minigolf, waterslide, sports courts, and other regular features, we also schedule special breakfast trail rides, all day rides to Harney Peak, Indian dances, free shuttles to the lighting programs at Mt. Rushmore and Crazy Horse, worship services and who knows what else. Be sure YOU know by picking up an activity schedule at the office and watching the activity board on the front porch of the office.

Palmer Gulch has an elevation of 5400' and is located at the foot of Harney Peak, the highest point in the United States east of the Rockies. Palmer Creek flows through the Gulch and we are surrounded by National Forest and the Black Elk Wilderness Area. Our Ponderosa Restaurant and Lounge serves three meals a day, featuring buffets and family favorites.

At the MAIN OFFICE, you'll find:

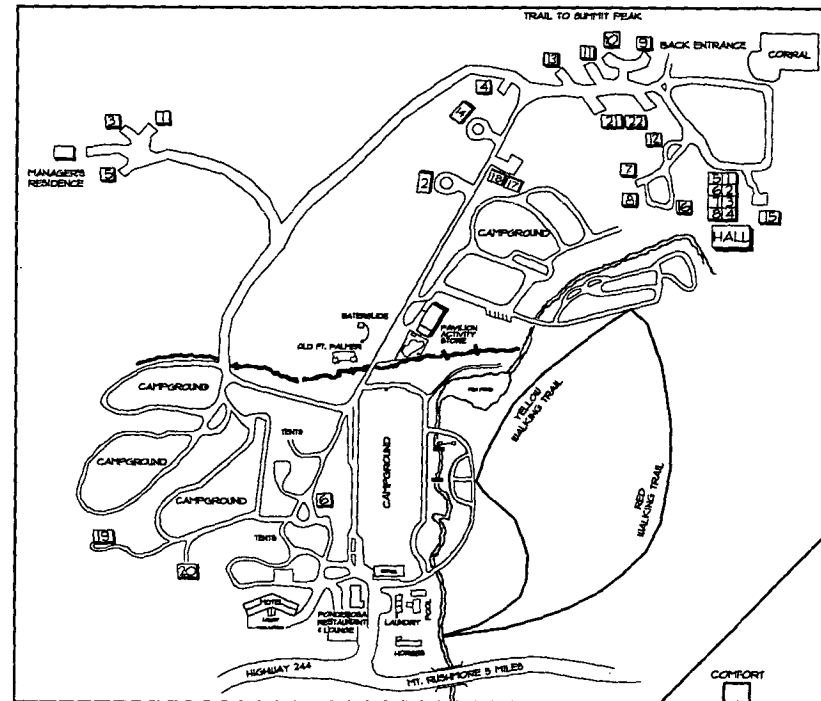
- Travel and Hiking Information
- Weekly Activity Schedules
- Propane and Ice
- Church Information
- Black Hills Motorcoach Tours
- Rental Cars
- Deadwood Shuttle Tickets
- Groceries
- Camping Supplies
- Gasoline
- Souvenirs and Gifts
- Fishing Licenses and Supplies
- Shuttle Service to Nightly Crazy Horse Lighting
- Shuttle Service to Nightly Mt. Rushmore Lighting
- Beer and Pop
- Stamps and Mail Drop
- UPS Shipping Service
- Firewood
- Coffee & Espresso
- Fresh Homemade Fudge
- A Friendly Smile

At the OUTPOST STORE, you'll find:

- Waterslide Tickets
- Minigolf Tickets
- Free Evening Movies
- Fresh Hot Popcorn
- Groceries and Gifts
- Ice, Pop, Film and Stamps
- Firewood
- Best Selection of Candy and Toys
- Basketballs, Volleyballs, Horseshoes

At the FISHING POND, you'll find:

- Paddle Boat Rentals
- Bicycle Rentals

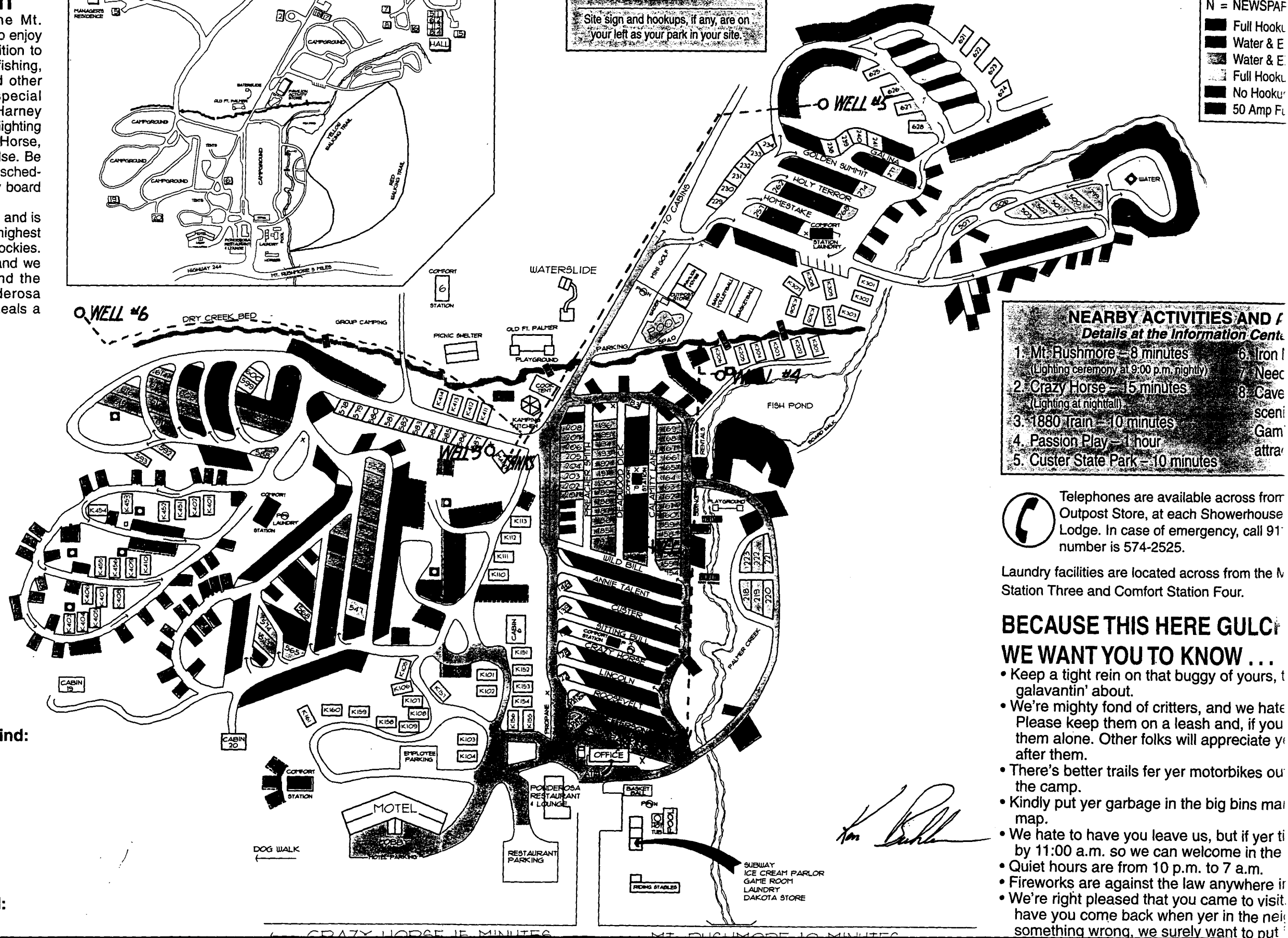


Your Site Number Is:

Site sign and hookups, if any, are on your left as you park in your site.

LEGEND

- P = POP
- Ⓢ = PHONES
- N = NEWSPAPER
- Full Hookup
- Water & E
- Water & E
- Full Hookup
- No Hookup
- 50 Amp F



NEARBY ACTIVITIES AND Details at the Information Center

1. Mt. Rushmore - 8 minutes (Lighting ceremony at 9:00 p.m. nightly)
2. Crazy Horse - 15 minutes (Lighting at nightfall)
3. 1880 Train - 10 minutes
4. Passion Play - 1 hour
5. Custer State Park - 10 minutes
6. Iron Horse
7. Neoclassical
8. Cave Scenic
9. Game
10. Attractions

Telephones are available across from Outpost Store, at each Showerhouse Lodge. In case of emergency, call 911 number is 574-2525.

Laundry facilities are located across from the Motel Station Three and Comfort Station Four.

BECAUSE THIS HERE GULCH WE WANT YOU TO KNOW...

- Keep a tight rein on that buggy of yours, t galavantin' about.
- We're mighty fond of critters, and we hate Please keep them on a leash and, if you them alone. Other folks will appreciate y after them.
- There's better trails fer yer motorbikes ou the camp.
- Kindly put yer garbage in the big bins mai map.
- We hate to have you leave us, but if yer ti by 11:00 a.m. so we can welcome in the
- Quiet hours are from 10 p.m. to 7 a.m.
- Fireworks are against the law anywhere ir
- We're right pleased that you came to visit. have you come back when yer in the nei something wrong, we surely want to put

Water Right Map

1123-2, 2035-2 & 2186-2



SW corner of
Sec. 4, T2S-R5E

600 0 600 1200 Feet



Ken Buhler

Ken Buhler
Natural Resources Engineering Specialist
DENR-Water Rights Program



STATE OF SOUTH DAKOTA

WATER LICENSE NO. 2186-2

(1) Satellite Cable Services, Inc., Box 295, Hill City SD 57745 made Application No. 2186-2, June 10, 1991 for a water permit to divert 0.26 cubic feet of water per second (cfs) from groundwater (two wells), Pennington County, South Dakota for commercial purposes. Permit No. 2186-2, with a priority date of June 10, 1991 was approved August 28, 1991 and issued to the applicant for diversion of water with construction of the described water supply system and the application to beneficial use of said water completed.

Water Right No. 1123-2 and Water Permit No. 2035-2 are associated with this water use system. The locations and priority dates are described below. The applicable portions of Nos. 1123-2 and 2035-2 are incorporated into No. 2186-2. On January 16, 2002, Nos. 1123-2, 2035-2 and 2186-2 were transferred to Recreational Adventures, Co.

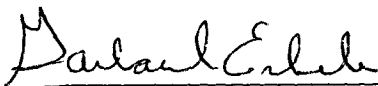
An investigation conducted for licensing purposes found one of the wells under Water Permit No. 2186-2 was not in the location authorized by the permit. Pursuant to SDCL 46-5-13.1, the Chief Engineer makes a finding that the change in location of diversion point does not increase the potential for interference with existing water rights.

(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to completion of the construction of the water supply system and is entitled to divert 0.326 cubic feet of water per second for beneficial use. The location of the diversion points are as follows:

Well	all from SW corner Section 4-T2S-R5E		cfs	Priority dates
# 1	1570 ft north & 720 ft east	NW ¼ SW ¼ Sec 4	0.035	8-28-1987
# 2	2170 ft north & 785 ft east	NW ¼ SW ¼ Sec 4	0.045	9-5-1972
# 3	2633 ft north & 590 ft east	NW ¼ SW ¼ Sec 4	0.022	8-28-1987
# 4	2680 ft north & 1010 ft east	SW ¼ NW ¼ Sec 4	0.035	6-10-1991
# 5	3190 ft north & 1470 ft east	SE ¼ NW ¼ Sec 4	0.022	8-28-1987
# 6	2730 ft north & 310 ft west	SE ¼ NE ¼ Sec 5	0.167	6-10-1991

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

(4) Pursuant to South Dakota Water Law 46-5-30.1 Recreational Adventures Co., Box 295, Hill City SD 57745 the holder and/or owner of Incorporated Water Right No. 2186-2 is issued a license to appropriate water, the right to use 0.326 cubic feet of water per second from groundwater (six wells) with priority dates of September 5, 1972, August 28, 1987 and June 10, 1991 from the locations specified in (2) of this license for commercial use. This license is subject to any limitations or qualifications listed in Incorporated Water Right No. 2186-2 and subject to South Dakota State Law.



GARLAND ERBELE, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

MAR 01 2002

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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