

WATER PERMIT NO. 2587-2

Name of Applicant: Town of Keystone

Address: PO box 689, Keystone SD 57751 Phone: 605 666-4827

Amount of Water Claimed: 0.133 cfs Total Acres: NA

Source of Water Supply: groundwater (one well)

Water to be used for: municipal use County: Pennington

Type of Waste Disposal System:

Location: Keystone

PRIORITY Date Received: 4-20-06

Application/License Fee: \$200

Corrected Application Received: 5-10-06

Period of Annual Use: January 1 – December 31

Remarks:

Diversion Point: NW ¼ SW ¼ Sec 4-T2S-R6E

Land to be Irrigated: NA

Depth of Well: 280 feet deep

Well Driller: : Alexander Drilling Co.

Remarks:

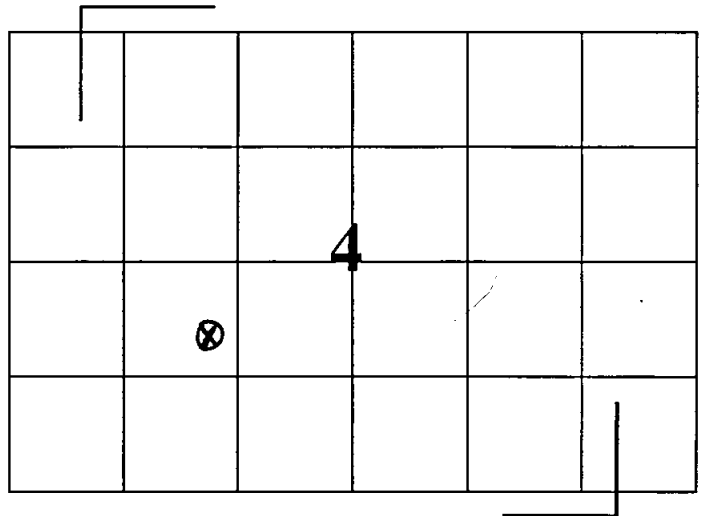
Type of Map: plat

Prepared by: Gary D Renner, PE

Reviewed and the Number Assigned on: 5-10-06

By: Karen Schlaak

Notice of Hearing - date to intervene: _____



MAY 10 2006

Mail to:
Water Rights Program
Joe Foss Building
523 E. Capitol
Pierre, SD 57501-3181
(605) 773-3352

No. 2587-2 (office use only)
Hydrologic Unit 10120109
Basin Upper Cheyenne
Newspaper Rapid City Journal, Rapid City

WATER RIGHTS
PROGRAM RECEIVED
APR 20 2006
WATER RIGHTS
PROGRAM

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

Check use(s) of water:

- | | | | |
|---|---|--|--|
| ☒ Municipal | ☐ Suburban Housing | ☐ Recreational | ☐ Institutional |
| ☐ Rural Water System | ☐ Commercial | ☐ Fish & Wildlife | ☐ Geothermal Heat |
| ☐ Domestic (over 18 gpm) | ☐ Industrial | ☐ Other | |

Type of Application: (check one)

- ☒ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☐ Amendment/Correction to Permit No. _____

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

1. Name of Applicant Town of Keystone Phone (605) 666-4827
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address P.O. Box 689 Keystone State SD 57751
(Street, RR, or Box and City) (Zip Code)
2. Amount of water claimed 0.133 *CFS or 60 **GPM ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***Acre Feet - storage capacity of dam/dugout or annual use if applicable)
3. Source of water supply Drilled Well
4. Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County Pennington
South 53 degrees East, a distance of 1200 feet from the west 1/4 corner of Section 4, T2S, R6E, BHM
(NW1/4 SW1/4)
5. County or counties where water will be used Pennington County
6. Annual period during which water is to be used January 1 - December 31
7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

This is a new well for public water supply. It will be connected to the Keystone water system.

STATE OF SOUTH DAKOTA)

County of Pennington SS

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

I, David Cofoid President, 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.

Applicant's signature

Subscribed and sworn to before me this 14 day of April 20 06

Notary Public signature

**SOUTH DAKOTA
WATER PERMIT NO. 2587-2**

Date of first receipt of application April 20, 2006.

Date of return to applicant for corrections, amendments or changes April 21, 2006.

Date of receipt of corrected application May 10, 2006.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2587-2 to Town of Keystone, PO Box 689, Keystone SD 57751 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. 2587-2 appropriates 0.133 cubic feet of water per second from one well completed into the Precambrian Cystalline Rock Aquifer (280 feet deep) located in the NW ¼ SW ¼ Section 4-T2S-R6E.
2. The water appropriated shall be used for the purpose of municipal use and may not exceed the amount of water needed for beneficial use.
3. The water is to be used during the following described annual period: January 1 – December 31.
4. The date of approval of Permit No. 2587-2 is September 5, 2006.
5. The date from which applicant may claim right is April 20, 2006.
6. One-fifth of the construction is to be completed on or before March 5, 2009.
7. All construction is to be completed on or before September 5, 2011.
8. Water is to be put to beneficial use on or before September 5, 2015.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The Town of Keystone report to the Chief Engineer annually the amount of water withdrawn from the Precambrian aged Crystalline Rock.

WATER MANAGEMENT BOARD

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

NOV 03 2006

date



(type or print in ink)

1. Well Information - Proposed Construction

- a) Drill Hole Diameter 10" Depth 0-33'
6" 33'-250
- b) Casing Type Steel Diameter _____ Thickness # 40
- c) Screen Type None Diameter _____ Thickness _____
- d) Gravel Pack _____ Length of Gravel Pack _____
- e) Depth to Top of Water Bearing Material _____
- f) Depth to Water (ground surface to water level) _____
- g) Distance to nearest existing domestic well:
On applicants property 750 ft On property owned by others NA

2. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field) City sewer system - activated sludge treatment
- b) System Capacity (gallons) _____ Year Constructed _____
- c) Connected to the City of Keystone Sanitary System

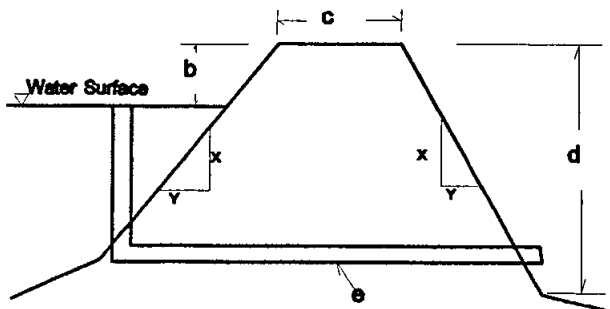
3. Dugout Information

- a) Surface Dimensions _____ Depth _____
- b) Depth to water (ground surface to water level) _____

4. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to be shown on the map submitted with the application.

- a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:



- b) Freeboard _____
- c) Crest Width _____
Crest Length _____
- d) Height _____
- e) Primary Outlet Capacity _____
If pipe, diameter _____
- f) Secondary Spillway Capacity _____
Spillway Width _____
- g) X & Y Slope _____
Upstream _____
Downstream _____
- h) Surface Area of Impoundment _____
- i) Storage _____ Acre Feet
- j) Drainage Area Above Dam _____ Acres

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date April 20, 20 06

RECEIVED OF Town of Keystone, PO Box 689, Keystone SD 57751

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	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. _____	50	00
Fee for Filing Transfer Form _____		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law) _____	TOTAL	275.00

No.

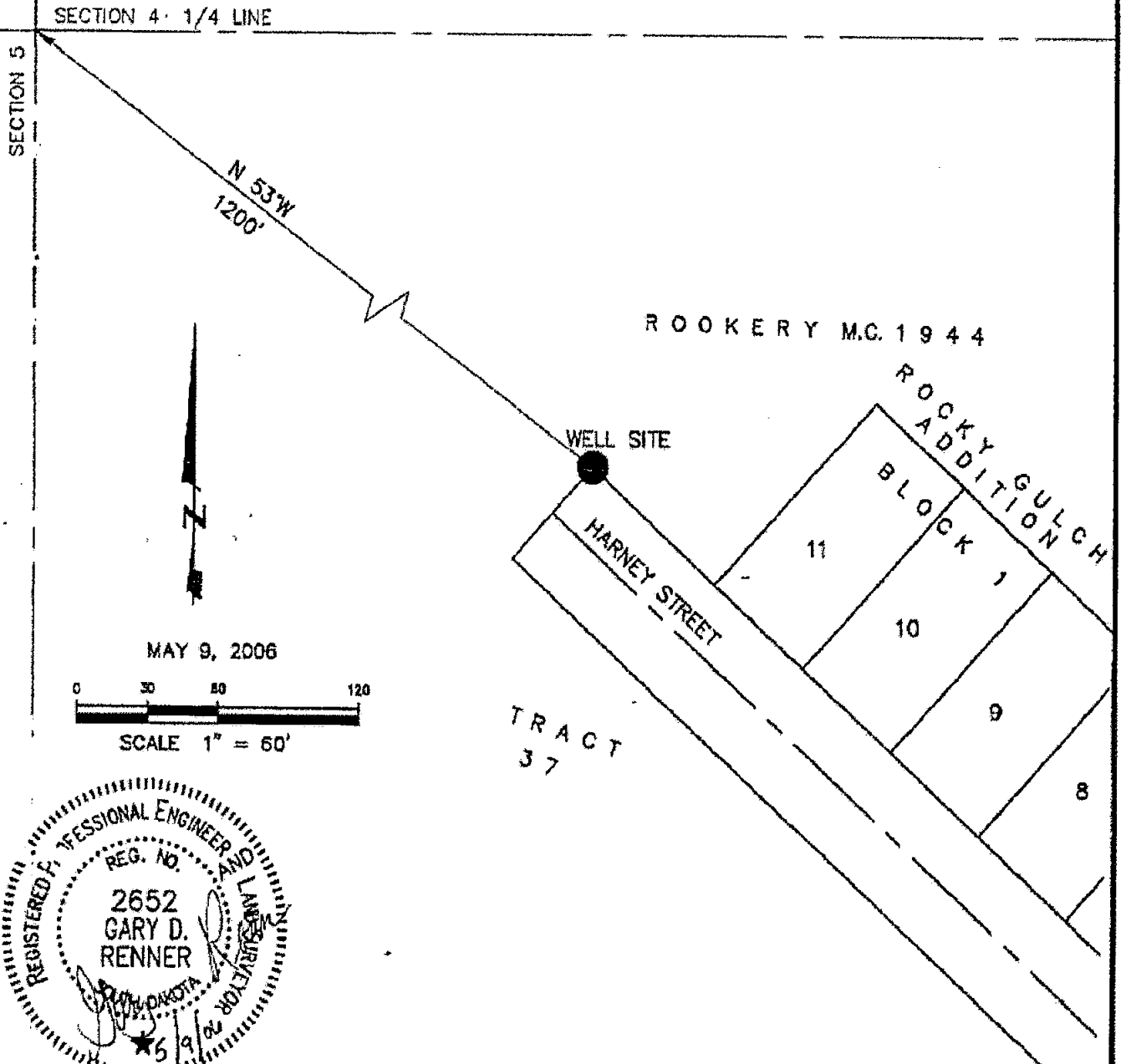
02401

By

Darlene Erbe

Chief Engineer

EXHIBIT 'A'
PROPOSED KEYSTONE WELL #4
LOCATED IN THE SW 1/4 OF
SECTION 4, T2S, R6E, BHM,
KEYSTONE, PENNINGTON COUNTY, SOUTH DAKOTA



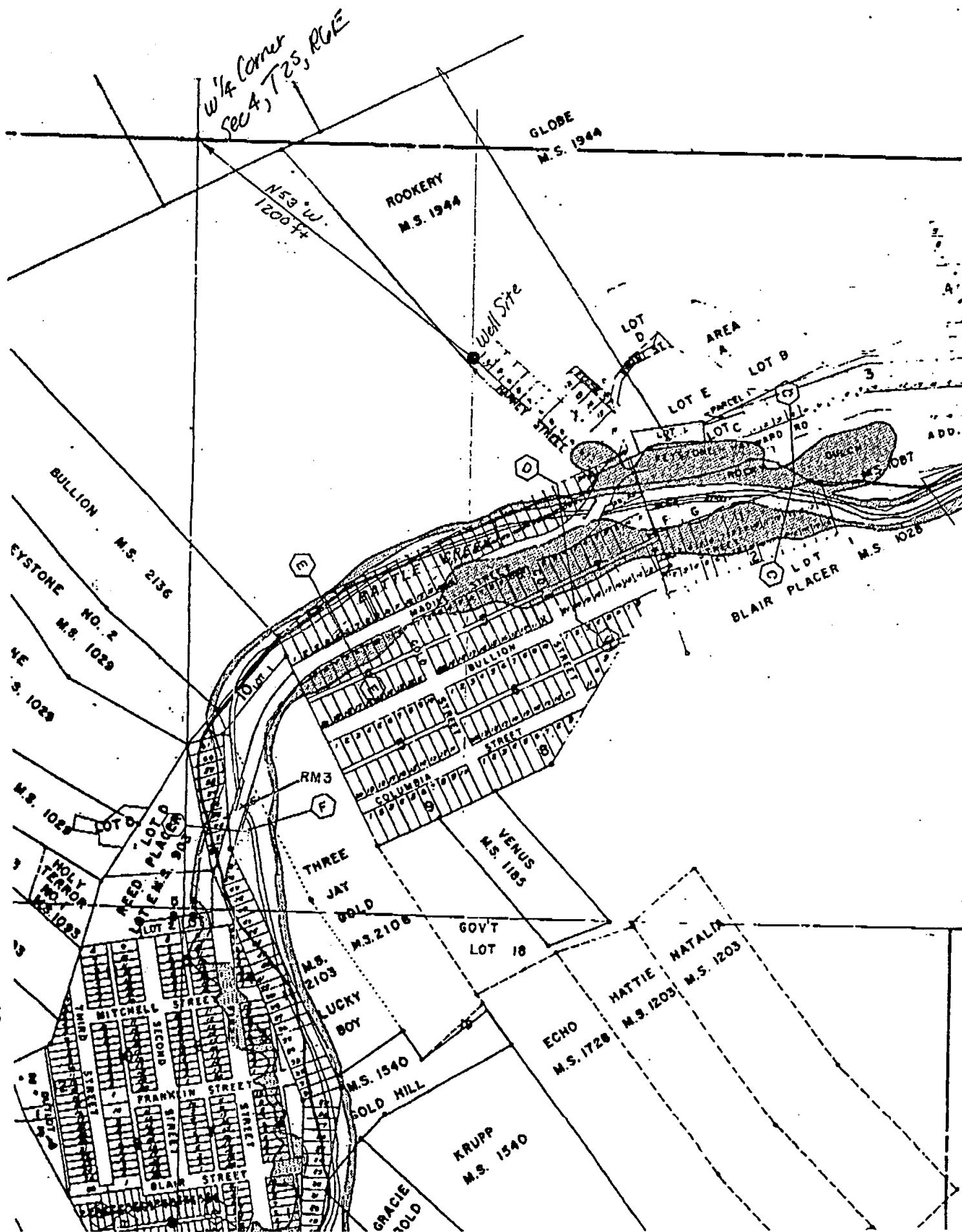
CITY HALL, 1903

Renner Associates, LLC.

616 Sixth St. * Rapid City, SD 57701 * 605/721-7310

FAX: 605/721-7313 * E-MAIL: Gary@RennerAssoc.com

Spearfish Office: 605/717-0016



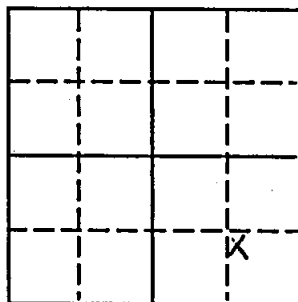
SOUTH DAKOTA WATER WELL COMPLETION REPORT

11-02

Location S1E 1/4 SE 1/4 Sec 44S Twp 2S Rg 6E

County
Pennington

North



Please mark well location with an "X"

Well Completion Date

3/6/06

1 Mile

Distance to nearest potential pollution source (Septic tank, abandoned well, feed lot, etc.)

1000 ft. from Septic (Identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary Downhole Hammer

CASING DATA: ☒ Steel ☐ Plastic ☐ Other

If other describe 35' 8" solid 40 steel

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
LB/FT	IN	0 FT	33 FT	10 IN
LB/FT	IN	33 FT	280 FT	6 IN
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type Portland II No. of Sacks 15 Grout Weight Lb/gal From 33 Ft To 0 Ft

Describe grouting procedure

SCREEN: None ☐ Perforated pipe ☐ Manufactured

Diameter _____ Inches Length _____ Feet

Material _____

Slot Size _____ Set From _____ Feet to _____ Feet

Other information

Casing set in the rock

WAS A PACKER OR SEAL USED? ☐ Yes ☒ No

If so, what material?

Describe packer(s) and location

open hole

DISINFECTION: Was well disinfected upon completion?

☒ Yes, How? with chlorine

☐ No, Why Not?

Lab sample sent to for water quality analysis

Solution

Well Owner:

Business Name: City of Keystone

Address: 408 3rd Street

City, State, Zip: Keystone, SD 57751

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>Arch</u>	<u>30</u>	<u>38</u>
<u>Med Grey Schist</u>	<u>38</u>	<u>40</u>
<u>Schist Fract. 5 gpm</u>	<u>40</u>	<u>46</u>
<u>Schist Fract. 10 gpm</u>	<u>46</u>	<u>47</u>
<u>Med Grey Schist</u>	<u>47</u>	<u>53</u>
<u>Schist Fract. 20 gpm</u>	<u>53</u>	<u>54</u>
<u>Med Grey Schist</u>	<u>54</u>	<u>65</u>
<u>Schist Fract. 25 gpm</u>	<u>65</u>	<u>77</u>
<u>Med Grey Schist</u>	<u>77</u>	<u>78</u>
<u>Schist Fract. 30 gpm</u>	<u>78</u>	<u>105</u>
<u>Schist Fract. 35 gpm</u>	<u>105</u>	<u>106</u>
<u>Med Grey Schist</u>	<u>106</u>	<u>122</u>
<u>Schist Fract. 40 gpm</u>	<u>122</u>	<u>123</u>
<u>Med Grey Schist</u>	<u>123</u>	<u>130</u>
<u>Schist Fract. 45 gpm</u>	<u>130</u>	<u>134</u>
<u>Med Grey Schist</u>	<u>134</u>	<u>210</u>

STATIC WATER LEVEL

_____ FEET

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ Inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced flow rate _____ GPM

Can well be completely shut in?

WELL TEST DATA:

☐ Pumped Describe: _____
☐ Bailed
☐ Other

Pumping Level Below Land Surface

_____ Ft. After _____ Hrs. pumped _____ GPM

_____ Ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate: _____ GPM

REMARKS

This well was drilled under license # 354

And this report is true and accurate.

Drilling firm: Anderson Drilling Co

Signature of License Representative: Tom Sewell

Signature of Well Owner or Equitable Property Holder: David Cafaro

Date: 4/14/06

City of Keystone Well

Well Log formation continued

~~Hd grey~~ schist fract. 50 gpm.

210 - 212

Hd grey schist

212 - 240

Schist fract. 55 gpm

240 - 242

Hd grey schist

242 - 251

Schist fract. 60 gpm

251 - 253

Hd grey schist

253 - 280



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

February 17, 2006

Travis Sewell
Alexander Drilling, Inc.
PO Box 615
Hill City, SD 57745-0615

Dear Mr. Sewell:

As requested, pursuant to South Dakota Well Construction Standard 74:02:04:21, Alexander Drilling, Inc. is authorized to construct a test well for the City of Keystone prior to approval of a water permit. The test well is to be completed into the Precambrian aged crystalline aquifer in Tract 37 less Right of Way in Section 4 and 5, T2S-R6E. The test well must be constructed in accordance with the SD Well Construction Standards. Any test holes that are abandoned must be plugged pursuant to the SD Well Construction Standards.

A SD Water Permit must be obtained before water from this well can be used. Approval of this test well does not assure issuance of a water permit. Following review of a Water Permit Application; and assessing the availability of water, the potential impacts to existing users, the beneficial use, and the public interest of a permit, the Chief Engineer will make a recommendation to the Water Management Board regarding the application. The recommendation to approve, deny, or defer the application will be publicly noticed and an opportunity afforded for the public to intervene. A public hearing may be required to consider the water permit.

Very truly yours,

JAMES A. GOODMAN, P.E.
Natural Resources Engineer
for GARLAND ERBELE, Chief Engineer
Water Rights Program
(605) 773-3352

Alexander Drilling request permit to drill test well for the City of Keystone. Tract 37 Less Right of way in Sections 4 and 5 Township 20S, Range 6E 38.43 acres. Keystone has 3 other wells at a depth of 200', we expect to be about that depth. we will drill a 6" hole. If you need any other Info. please call Travis. at 574-2331

Thank you
Lan Sewell
Alexander Drilling

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FEB 15 2006
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April 21, 2006

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
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PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

David Cofoid, President
Town of Keystone
PO Box 689
Keystone SD 57751

Dear Mr. Cofoid:

Thank you for submitting the *Application for a Permit to Appropriate Water* for municipal use. In order to complete the application the following is required.

- On the application, please complete Item No. 2, the amount of water claimed.
- We have receipted the application/license filing fee. The fee is based on the amount of water claimed. Once the amount of water claimed is determined, you may be required to submit an additional fee or receive a refund.
- Enclosed is the map showing the location of the well. On the map, please designate which direction is north. Also, the map must be signed by one of the following: Registered Land Surveyor, Registered Professional Engineer or by any other government employee who normally prepares maps as a part of his assigned duties.

If you have any questions, please contact me.

Sincerely,

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

enclosure



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

November 6, 2006

Town of Keystone
c/o Raymond French
PO Box 689
Keystone SD 57751

Dear Mr. French:

Water Permit No. 2587-2 was submitted with a \$275 application/license filing fee (receipt enclosed). The correct filing fee for this permit is \$100. Therefore, \$75 will be refunded to your town. You should be receiving this refund within the next couple of weeks.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak
Water Rights Program
605 773-3352

PAYMENT REQUEST FORM

PAYEE: Town of Keystone
% Raymond French President
PO Box 689
Keystone SD 57751

FROM: Water Rights Program
523 E. Capitol
Pierre, SD 57501-3181

DESCRIPTION OF SERVICE, PRODUCE OR TRANSFER

Refund of overpayment

AMOUNT: \$75.00

FUNDING SOURCE:

GENERAL: X

FEDERAL:

COMMENTS:

AUTHORIZATION:

Darrel Cabel 11/07/04

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulations issued thereunder relating to nondiscrimination in federal assisted programs.

WATER PERMIT APPLICATION NO. 2587-2
TOWN OF KEYSTONE
JULY 19, 2006

Water Permit Application No. 2587-2 proposes to appropriate 0.133 cubic feet of water per second (cfs) from one well completed into the Precambrian Crystalline Rock aquifer (280 feet deep located in the NW¼ SW¼ Sec. 4, T2S-R6E. The water is for municipal use.

AQUIFER: Precambrian aged Crystalline Rock (CRSL)

Geology and Aquifer Characteristics:

The crystalline rock in this area consists of metamorphosed greywacke (sandstone or fine-grained conglomerate), and quartz-mica schist (Redden and Norton, 1975), and (Strobel and others, 1999). The aquifer (crystalline rock), which is exposed at the surface throughout this area is under unconfined conditions and the static water level of a well at this site is expected to be about the same elevation as Battle Creek. Groundwater is derived primarily through joints, fractures and foliation within the rock. The distribution, orientation and interconnection of these zones of secondary porosity and permeability are unpredictable, and the aquifer characteristics are site specific and highly variable. Recharge to the crystalline rock occurs through infiltration of precipitation and steamflow losses. Average annual recharge to the aquifer has not been quantified.

The Water Rights Program does not monitor any observation wells completed into the Crystalline aquifer in this immediate area. The nearest observation well completed into this aquifer is located in Custer, about 12 miles southwest of this site. Water levels in the observation well fluctuate over 50 feet in response to varying climatic conditions, rising during wet years and gradually declining water levels during dry years. A hydrograph of the well data is shown in figure 1. The aquifer in this area should behave similarly to the aquifer in the Custer area.

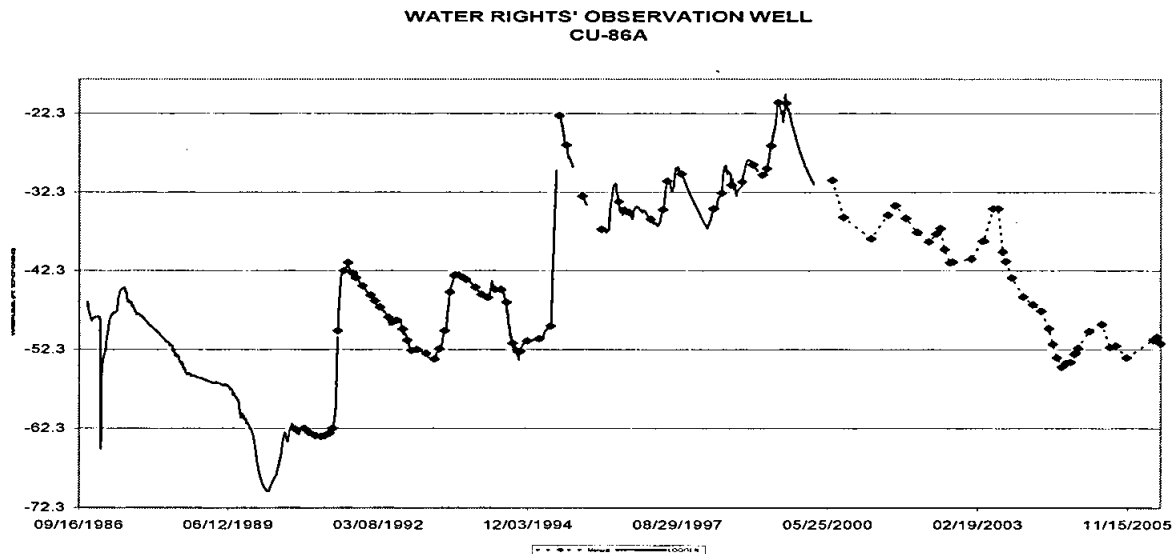


Figure 1. Hydrograph of Water Rights Observation Well Completed into the Precambrian aquifer located approximately 12 miles southwest of this well site.

Review of Existing Water Rights:

There are a number of domestic wells completed into the crystalline rock in this area and there are five water rights/permits appropriating water from the aquifer within approximately one mile of this site. The water rights/permits include:

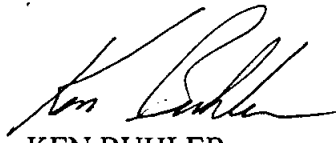
PERMIT NO	NAME	STATUS	USE	CFS
1595-2	ROCKY GULCH, LLC	LC	COM	0.07
1774-2	MINERAL TECHNOLOGY CORP	LC	COM	0.09
1849-2	TOWN OF KEYSTONE	LC	MUN	0.56
2198-2	MINERAL TECHNOLOGY CORP	PE	IND	0.33
2329-2	LITTLE GUYS LLC	PE	COM	0.10

Since the porosity of the Crystalline aquifer is small, 0.03-0.10, (Driscoll and others, 2002) drawdown from a pumped well or wells, may extend over a fairly widespread area. The nearest appropriation not belonging to the Town of Keystone, 1595-2, Rocky Gulch, LLC is located about 0.3 miles east of this well site. The next nearest water rights/permits that do not belong to the Town of Keystone is Water Right No.1774-2, Mineral Technology Corp. The well supplying 1774-2 is located approximately 0.4 miles southwest of this well site. Interference should not be significant to other area wells.

ARSD 74:02:04:20(6) defines an adequate well as a well constructed to allow the inlet to the pump to be placed not less than 20 feet into the saturated aquifer. An adversely impacted domestic well is defined by ARSD 74:02:04:20(7) as a well in which the pump intake was set at least 20 feet below the top of the aquifer and the water level of the aquifer has declined to a level that the pump will no longer deliver sufficient water for the well owner's needs. Since the porosity of the Crystalline aquifer is low, 20 feet of saturated thickness may not be sufficient for a well to be a reliable water supply. In other words, in this hydrogeologic setting, wells that are "adequate" by definition may not be reliable water supplies. Under these circumstances it can be argued that, any measurable interference (drawdown), from a competing well is actually an adverse impact. However, with natural water level fluctuations in this aquifer measured in excess of 50' at the Water Rights' Observation well; well interference of a few feet could be considered insignificant.

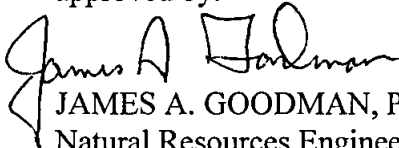
Conclusions:

1. The Precambrian aged Crystalline Rock is a viable aquifer in this area.
2. The aquifer is unconfined and interference is not expected to be a concern.



KEN BUHLER
Natural Resource Engineer

approved by:



JAMES A. GOODMAN, P.E.
Natural Resources Engineer

REFERENCES:

- Driscoll, D.G., Carter J.M., Williamson, J.E., and Putnam, L.D., 2002, Hydrology of the Black Hills Area, South Dakota: U.S. Geological Survey Water-Resources Investigations Report 02-4094, 1503 p.
- Redden, J.A., and Norton, J.J., 1975, Precambrian Geology of the Black Hills in Mineral And Water Resources of South Dakota: U.S. Geological Survey report to Committee on Interior and Insular Affairs, United States Senate. P. 21-32
- Strobel, M.L, Jarrell, G.J., Sawyer, J.F., Schleicher, J.R., Fahrenbach, M.D., 1999, Distribution of Hydrogeologic Units in the Black Hills Area, South Dakota: U.S. Geological Survey Hydrologic Investigations Atlas HA-743, 3 sheets, scale 1:100,000
- Water Rights, 2006a, Domestic Well Logs, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.
- Water Rights, 2006b, Observation Well Files, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.
- Water Rights, 2006c, Water Permit/Right Files, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2587-2, Town of Keystone**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 2587-2, Town of Keystone, c/o David Cofoid, President, PO Box 689, Keystone SD 57751.

The Chief Engineer is recommending APPROVAL of Application No. 2587-2 because 1) the proposed diversion can be developed without unlawful impairment of existing rights, 2) the proposed use is a beneficial use and 3) it is in the public interest with the following qualifications:

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. The Town of Keystone report to the Chief Engineer annually the amount of water withdrawn from the Precambrian aged Crystalline Rock.

See report on application for additional information.

Garland Erbele, Chief Engineer
August 7, 2006

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
) SS
 County of Pennington)

I, Patricia K. Van Fatten

certify that the attached printed Notice was taken

from the Rapid City Journal

printed and published in Rapid City

County of Pennington and

state of South Dakota. The notice was published

in the newspaper on the following two dates:

August 16, 2006

August 23, 2006

Cost of Printing Ninety dollars and

seventy-two cents (\$90.72)

Patricia K. Van Fatten
 (Signature)

Legal Advertising Rep.
 (Title)

08/23/06
 (Date Signed)

Aug. 16, 23 L2374607

**NOTICE OF
 APPLICATION NO. 2587-2
 TO APPROPRIATE WATER**

Notice is given that the Town of Keystone, c/o David Cofaid, P.O. Box 689, Keystone, SD 57751, has filed an application for a water permit to appropriate 0.133 cubic feet of water per second from one well completed into the Precambrian Crystalline Rock Aquifer (280 feet deep) located in the NW¼SW¼ Section 4, T2S-R6E. The water is for municipal use by the town.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2587-2 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. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

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

Chief Engineer's address is "Water Rights Program, Foss Building, 523 E. Capitol, Pierre, SD 57501 (605-773-3352)," and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by September 5, 2006.

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. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application.

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

RECEIVED

AUG 25 2006

WATER RIGHTS
 PROGRAM



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

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

August 8, 2006

Town of Keystone
% David Cofoid
PO Box 689
Keystone SD 57751

Dear Mr. Cofoid:

Water Permit Application No. 2587-2 for municipal use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Publisher of the Rapid City Journal printed at Rapid City, SD (Ph # 605-394-8300). You will need to contact the newspaper and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and 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 and to arrange for payment. Early contact with the paper can eliminate delays. Upon receiving authorization, the publisher has been instructed to publish your notice once each week for two consecutive weeks. The newspaper has also been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Eric Gronlund
Natural Resources Engineer
(605) 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

August 8, 2006

Rapid City Journal
PO Box 450
Rapid City SD 57709-0450

ATTENTION: Legal Public Notice

Enclosed is a Notice on Application No. 2587-2 to Appropriate Water to be published twice. Please publish the first notice on August 16, 2006 with the second publication 7 days later. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

Please BILL the APPLICANT for the cost of publication. The APPLICANT is Town of Keystone, %David Cofoid, PO Box 689, Keystone SD (Ph # 605-666-4827).

Please send the Water Rights Program the first publication immediately. The publication is checked for accuracy so any corrections can be made in the second publication. You may use the form below or fax a copy of the first publication. Any fax should be sent to the attention of Karen Schlaak at (605) 773-4068. Publication errors can invalidate the public notice.

After the second publication, **please send us an affidavit or use the enclosed Proof of Publication form.** The applicant pays the cost of publication, but the Water Rights Program records require an affidavit or Proof of Publication. Delays in receiving the affidavit can be costly to the applicant.

Sincerely,


Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

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

No. 2587-2

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

Date _____

We are in receipt of your letter of August 8, 2006 enclosing Notice to Appropriate Water by Application No. 2587-2 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 16, 2006 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 2587-2 to Appropriate Water

Notice is given that the Town of Keystone, c/o David Cofoid, PO Box 689, Keystone SD 57751 has filed an application for a water permit to appropriate 0.133 cubic feet of water per second from one well completed into the Precambrian Cystalline Rock Aquifer (280 feet deep) located in the NW ¼ SW ¼ Section 4-T2S-R6E. The water is for municipal use by the town.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2587-2 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. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by September 5, 2006.

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. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

NOV 03 2008

Town of Keystone
% Raymond French President
PO Box 689
Keystone SD 57751

Dear Mr. French:

Enclosed is Water Permit No. 2587-2 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

Form 10, *Notice of Completion of Works and Application of Water to Beneficial Use*, is enclosed. Please return this completed form after you have finished the system and have put the water to beneficial use. An investigation can then be scheduled so the water license may be issued, thus completing the acquisition of a water right.

An informational sheet *Common Water Right Questions?* is also enclosed. This sheet is intended to answer some of the questions associated with obtaining and keeping a water right.

Sincerely,

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

enclosures

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

Date Nov. 6, 2006

TO: Water Rights Program, DENR
523 E. Capitol
Pierre, SD 57501-3181

RECEIVED
NOV - 7 2006
**WATER RIGHTS
PROGRAM**

FROM: Town of Keystone
(name)Box 689
(address)Keystone South Dakota
(city, state, zip) 57751666-4827
(phone)

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

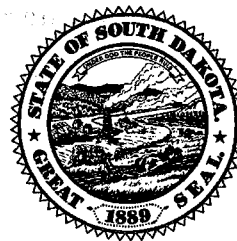
Water Permit No. 2587-2 states that the water use system is to be constructed by March 5, 2009, and water is to be put to beneficial use by Sept. 5, 2015.
(date) (date)

The water use system was completed on June 2006.
(date)

Applying the water to beneficial use was completed on July 2006.
(date)

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

(signature)



Permit No. 2587-2
Upper Cheyenne River - 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 on this day, 6/8/2010, made a thorough examination of the water use system constructed by City of Keystone, PO Box 689, Keystone, SD 57751 holder of Permit No. 2587-2, bearing the priority date of April 20, 2006. Permit No. 2587-2 is authorized to appropriate a total of 0.133 cfs (58 acre-feet annually) from one groundwater well (Precambrian Crystalline Aquifer) for Municipal purposes, in Pennington County.

Inspection contact and relationship to
permit holder, if applicable:

Todd Taylor,
Public Works

A. Works used to divert the water:

A Gould submersible pump - 60 gallons per minute capacity (0.133 cfs).

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

Municipal distribution system.

The system is in the following condition good. The point of diversion (well) is located specifically at Lat/Lon - N43.902252/W-103.416819 which is the approximately 1,850 feet north and 850 feet east of the SW corner of Section 4, T2S, R6E. The works are capable of diverting 0.133 cfs which is to be used for municipal purposes.

Water has been put to beneficial use to the maximum extent and the license should be issued for 0.133 cfs (58 acre feet annually).

All structures, wells and lands on map Y

Exceptions to compliance are: none.

Comments:

Aaron R. Tieman

Aaron Tieman
Natural Resources Project Engineer
DENR, Water Rights Program

Date report completed: July 8, 2010

FIELD INVESTIGATION REPORT FOR PERMIT NO. 2545-2

DATE OF INVESTIGATION:	June 8, 2010
NAME & ADDRESS OF PERMIT HOLDER	Town of Keystone PO Box 689 Keystone, SD 57751
NAME & ADDRESS OF INVESTIGATION CONTACT/ RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE	Todd Taylor (Public works)
DIVERSION POINT LEGAL LOCATION	NW¼ SW¼ Section 4, T2S-R6E
WATER SUPPLY SOURCE	Ground water, Precambrian Crystalline Aquifer

Other permit(s) associated with the project:

WELL INFORMATION:

- 1) Well Drilling Firm: **Alexander Drilling**
- 2) No. of Wells **One**
- 3) Depth(s) **280** feet
- 4) Well log is available **yes**
- 5) Comment:

Casing:

- 1) Diameter: **8** inches
- 2) Length: **35** feet
- 3) Type: **Steel**

Screen:

- 1) Type: **Open Hole**
- 2) Length: **N/A** feet
- 3) Static water level: **Not listed** feet

Pump:

- 1) Make: **Gould**
- 2) Model: **60S75-16**
- 3) Capacity: **60** GPM

Motor:

- 1) Make: **Hitachi**
- 2) Model No.: **VT1**
- 3) Horsepower rating: **7.5** hp

DISTRIBUTION LINES OR CANALS:

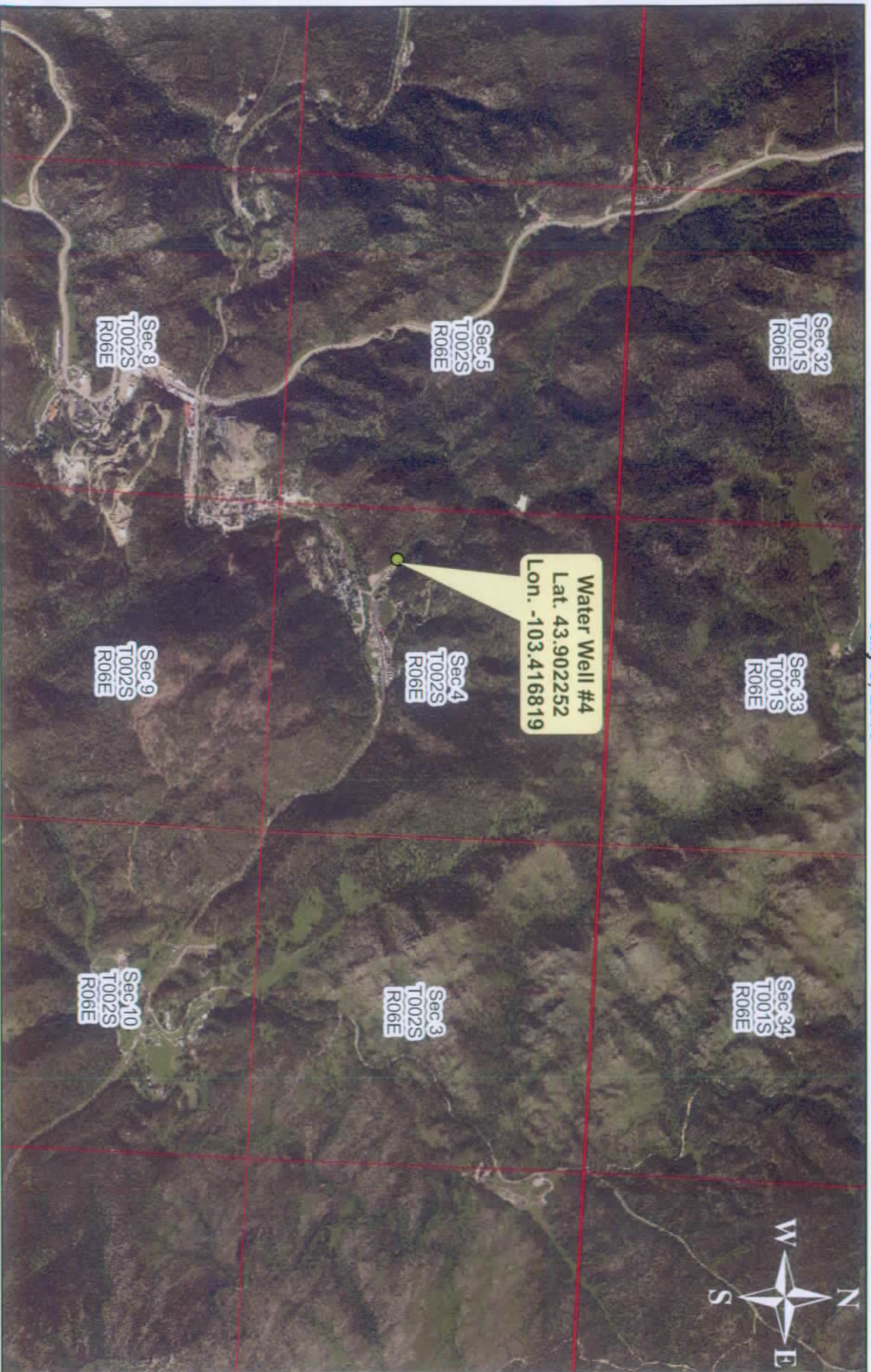
- 1) Type: **Municipal distribution system.**

PERMIT QUALIFICATIONS:

- 1) Special qualifications to permit being abided by **Yes**
- 2) All structures, wells and lands on map **Yes**

COMMENTS:

Water Right 2587-2
City of Keystone
July 8, 2010



Aaron R. Tieman
Aaron Tieman
Natural Resources Project Engineer
DENR Water Rights Program





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
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JUL 21 2010

2587-2

Vanessa Row, Finance Officer
Town of Keystone
PO Box 689
Keystone SD 57751

Dear Ms. Row:

Enclosed is Water License No. 2587-2 for the Town of Keystone. This is the final water right document completing the process of obtaining a Water Right. Included with your license is a map prepared by the staff engineer who conducted the field investigation.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the well authorized by Water Right No. 2587-2, 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,

A handwritten signature in black ink, reading "Garland Erbele".

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

enclosures

**STATE OF SOUTH DAKOTA
WATER LICENSE NO. 2587-2**

(1) The Town of Keystone, PO Box 689, Keystone SD 57751-0689 made Application No. 2587-2, April 20, 2006 for a water permit to divert 0.133 cubic feet of water per second (60 gallons per minute) from ground water (one well – Precambrian Crystalline Rock), Pennington County, South Dakota for municipal purposes. Permit No. 2587-2, with a priority date of April 20, 2006 was approved September 5, 2006 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before September 5, 2011 and for the application to beneficial use of said water on or before September 5, 2015.

The Permit holder submitted a "*Notice of Completion of Works and Application of Water to Beneficial Use*" on November 7, 2006. The "*Notice*" stated the water use system was completed and water placed to beneficial use in July, 2006.

(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 0.133 cubic feet of water per second for beneficial use.

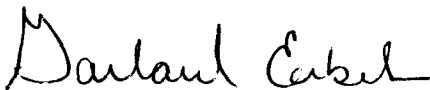
The location of the diversion point is approximately 1,850 feet north and 850 feet east of the SW corner of Section 4, T2S, R6E (NW ¼ SW ¼).

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

(4) Pursuant to South Dakota Water Law 46-5-30.1 the Town of Keystone, PO Box 689, Keystone SD 57751-0689 the holder and/or owner of Water Right No. 2587-2 is issued a license to appropriate water, the right to use 0.133 cubic feet of water per second from ground water (one well) with a priority date of April 20, 2006 from the location specified in (2) of this license for municipal purposes

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 2587-2 and subject to the following qualification:

- The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
- The Town of Keystone shall report to the Chief Engineer annually the amount of water withdrawn from the Precambrian aged Crystalline Rock.



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

JUL 21 2010

date

