

WATER PERMIT NO. 2637-2

Name of Applicant: **Black Hills Central RR Co**

Address: **PO Box 1880, Hill City SD 57745** Phone: **605 574-2222**

Amount of Water Claimed: **0.09 cfs** Total Acres: **NA**

Source of Water Supply: **groundwater (one well)**

Water to be used for: **commercial** County: **Pennington**

Type of Waste Disposal System:

Location: **Hill City**

PRIORITY Date Received: **8-15-08** Application/License Fee: **\$100**

Corrected Application Received: Period of Annual Use: **April 1 – November 1**

Remarks:

Diversion Point: **NW ¼ SW ¼ Sec 30-T1S-R5E**

Land to be Irrigated: **NA**

Depth of Well: **200 feet deep**

Well Driller: : **Alexander Drilling Inc.**

Remarks:

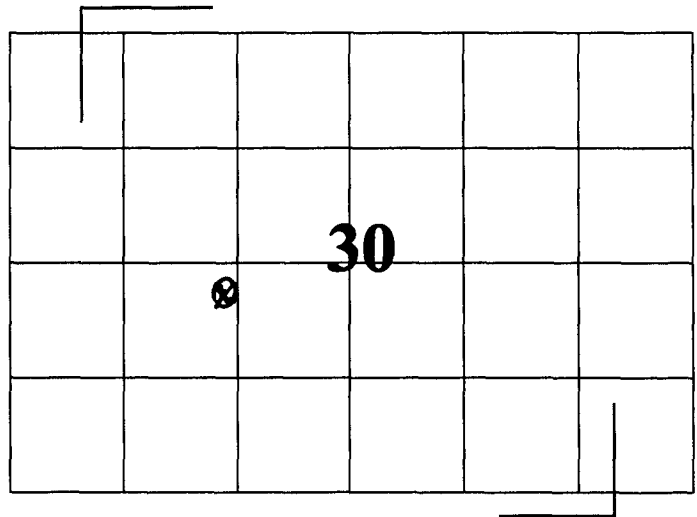
Type of Map: **topo**

Prepared by: **Melvin B Lamke, RLS**

Reviewed and the Number Assigned on: **8-15-08**

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____



RECEIVED

AUG 15 2008

WATER RIGHTS
PROGRAM

Mail to: Water Rights Program Joe Foss Building 523 E. Capitol Pierre, SD 57501-3181 (605) 773-3352	No. _____ (office use only)
	Basin _____
	Newspaper _____
	Hydrologic Unit _____

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: ☒ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
(check one) ☐ 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.) _____

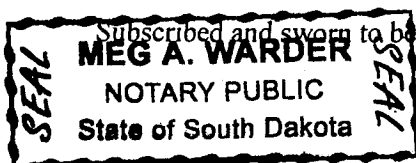
- Name of Applicant Black Hills Central RR Co Phone 605 574 2222
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address PO Box 1980 Hill City State SD 57745
(Street, RR, or Box and City) (Zip Code)
- Amount of water claimed 0.09 *CFS or 40 **GPM ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable
- Source of water supply Ground Water
- Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) Tract 1R Black Hills
Central Addition to City of Hill City and in ~~all~~ Section 15 SE BRM
(NW1/4 SW1/4) County PENNINGTON
- County or counties where water will be used PENNINGTON
- Annual period during which water is to be used 1 April - 1 Nov
- 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)
Water is to used for water in boiler of owners Steam Engines because The
City of Hill City puts chemicals in city water that ruins boiler tubes
& to use in sprinkler system if needed.

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, Black Hills Central RR Co, 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 Robert A. Warder President



Meg A. Warder
Notary Public signature

**SOUTH DAKOTA
WATER PERMIT NO. 2637-2**

Date of first receipt of application August 15, 2008.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2637-2 to Black Hills Central RR Co., PO Box 1880, 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. 2637-2 appropriates 0.09 cubic feet of water per second from one well completed into the Precambrian aged Crystalline Rock (200 feet deep) located in NW 1/4 SW 1/4 Sec 30-T1S-R5E.
2. The water appropriated shall be used for the purpose of commercial 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: April 1 – November 1.
4. The date of approval of Permit No. 2637-2 is October 20, 2008.
5. The date from which applicant may claim right is August 15, 2008.
6. One-fifth of the construction is to be completed on or before April 20, 2011.
7. All construction is to be completed on or before October 20, 2013.
8. Water is to be put to beneficial use on or before October 20, 2017.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

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.

WATER MANAGEMENT BOARD

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

JAN 27 2009
date



Supplemental Information

(type or print in ink)

1. Well Information - Proposed Construction

*well drillers report filed with state by
Alexander drilling CO - They cased the well
& set the pump*

- a) Drill Hole Diameter _____ Depth _____
- b) Casing Type _____ Diameter _____ Thickness _____
- c) Screen Type _____ 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 _____ On property owned by others _____

2. Wastewater Disposal System Information

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

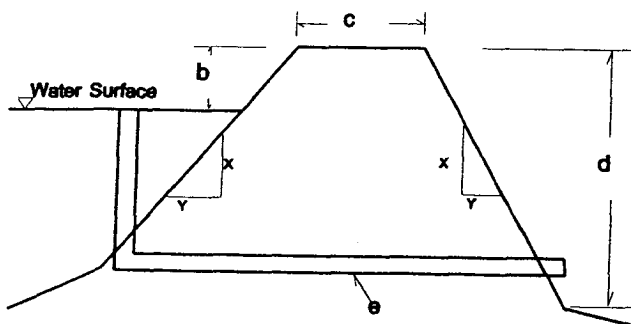
3. Dugout Information

- 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.

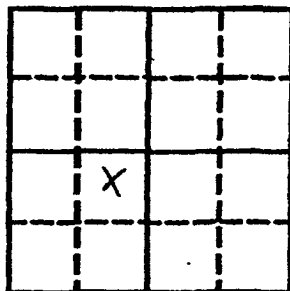
- a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:



- 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

SOUTH DAKOTA WATER WELL COMPLETION REPORT

11-02

Location NE 1/4 SW 1/4 Sec 30 Twp 15 Rg 5ECounty
PenningtonPlease mark well
location with an "X"Well Completion Date
2/2/08Distance to nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)
1/2 mile Septic (Identify source)

PROPOSED USE:

☒ Domestic Stock
☐ Municipal
☐ Business
☐ Test Hole
☐ Irrigation
☐ Industrial
☐ Institutional
☐ Mining well

METHOD OF DRILLING:

Rotary downhole hammer

CASING DATA:

☒ Steel ☐ Plastic ☐ Other
If other describe 301 of 6" steel

PIPELENGTH	DIAMETER	FROM	TO	HOLEDIAMETER
0 LBFT	0 IN	28 FT	FT	83/4 IN
28 LBFT	28 IN	200 FT	FT	6 IN
LBFT	IN	FT	FT	IN

GROUTING DATA:

Grout Type	No. of Bags	Grout Weight	From	To
<u>Portland II</u>	<u>3</u>	<u>140 lbs</u>	<u>28</u> R	<u>4</u> R
		<u>140 lbs</u>	R	R

Describe grouting procedure

thru 1 1/2" trim pipe

SCREEN:

☒ None ☐ Perforated pipe ☐ Manufactured

Diameter _____ Inches Length _____ Feet

Material _____

Slot Size _____ Set From _____ Feet to _____ Feet

Other information _____

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?

☐ No, Why Not?
Lab sample sent to for
water quality analysis
with chlorine sol

Well Owner:

Business Name:

Address:

City, State, Zip:

Black Hills Central Railroad
PO Box 1880
Hill City, SD 57745-1880

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>Drift</u>	<u>0</u>	<u>25</u>
<u>Hard grey schist</u>	<u>25</u>	<u>52</u>
<u>Grey schist fract. 5gpm</u>	<u>52</u>	<u>54</u>
<u>Hard grey schist</u>	<u>54</u>	<u>68</u>
<u>Grey schist fract. 10gpm</u>	<u>68</u>	<u>70</u>
<u>Hard grey schist</u>	<u>70</u>	<u>97</u>
<u>Grey schist fract. 12gpm</u>	<u>97</u>	<u>165</u>
<u>Hard grey schist</u>	<u>165</u>	<u>168</u>
<u>Grey schist fract. 40gpm</u>	<u>168</u>	<u>200</u>
<u>Hard grey schist</u>		

STATIC WATER LEVEL 10 FEET

If flowing, closed in pressure _____ PSI

GPM flow 40 through _____ inch pipeControlled by ☐ Valve ☐ Reducer ☐ Other _____

Reduced flow rate _____ GPM

Can well be completely shut in?

WELL TEST DATA:

☒ Pumped
☐ Bailed
☐ Other
up air

Pumping Level Below Land Surface

_____ FL After _____ Hrs. pumped _____ GPM

_____ FL After _____ Hrs. pumped _____ GPM

If pump installed, pump rate: _____ GPM

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APR 10 2008

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Title well was drilled under license #

324

And this report is true and accurate.

Drilling firm:

Anderson Drilling Inc.

Signature of License Representative:

Travis Sewell

Signature of Well Owner or Equitable Property Holder:

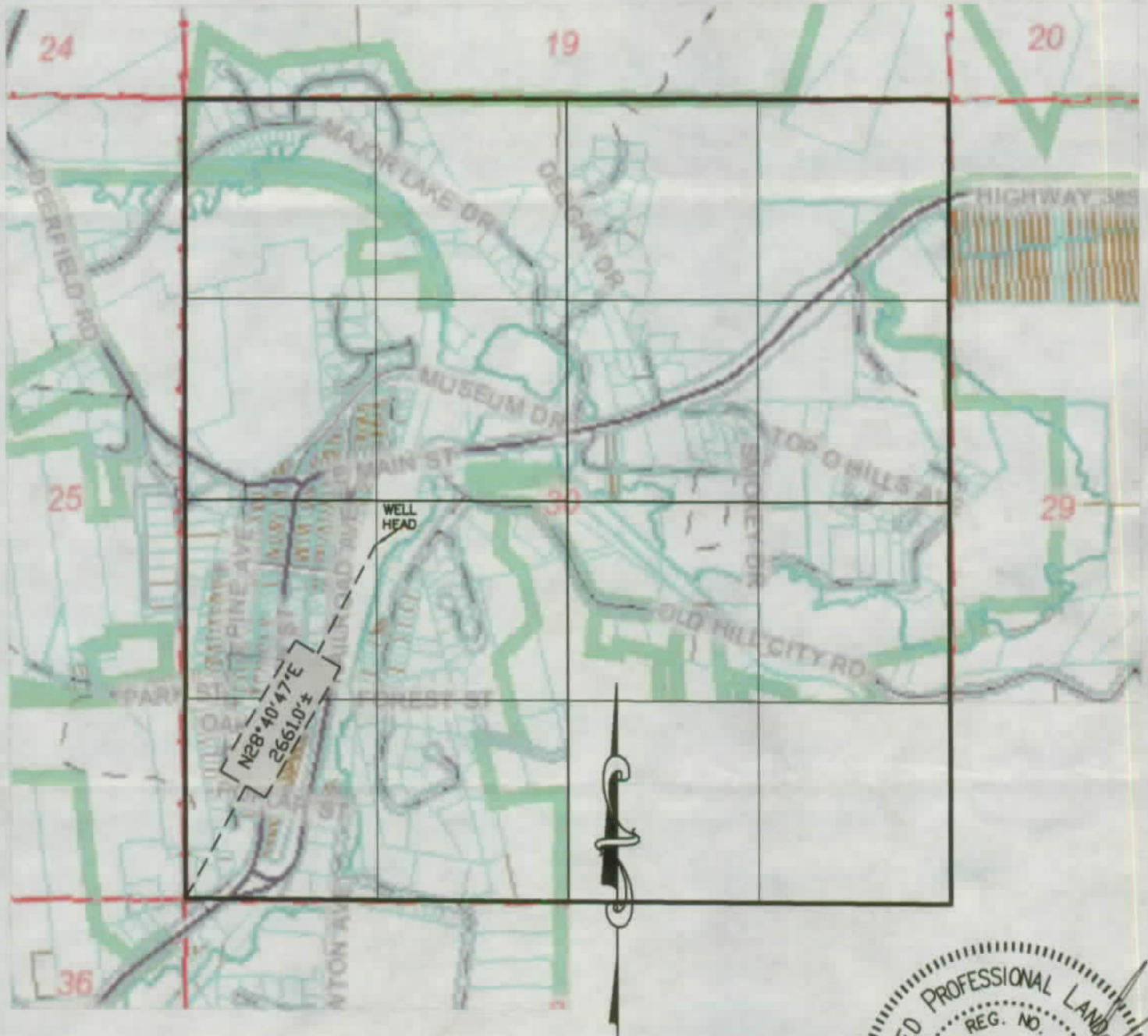
Mrs. C. Anderson for BHCRR CO.

Date:

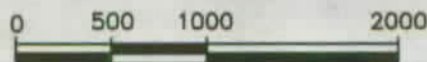
04-08-08

EXHIBIT A
**WELL HEAD LOCATION
 1880 TRAIN DEPOT**

LOCATED IN THE NW¼ OF THE SW¼,
 SECTION 30, T1S, R5E, BHM,
 HILL CITY, PENNINGTON COUNTY, SOUTH DAKOTA



AUGUST 8, 2008



SCALE: 1" = 1000'



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date 8-15, 20 08

RECEIVED OF Black Hills Central Railroad, PO box 1880, Hill City SD 57745

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

Fee for Application for Permit No. <u>2637-2</u> to Appropriate Water, to construct and to put water to beneficial use	50	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 <u>2637-2</u>		
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	100.00

No.

03721

By

Marland Eikele
Chief Engineer /KS



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
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. 2637-2, Black Hills Central RR Company**

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. 2637-2, Black Hills Central RR Company, c/o Robert A Warder, PO Box 1880, Hill City SD 57745.

The Chief Engineer is recommending APPROVAL of Application No. 2637-2 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) it is in the public interest with 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.

See report on application for additional information.

Garland Erbele, Chief Engineer
September 19, 2008

WATER PERMIT APPLICATION NO. 2637-2
BLACK HILLS CENTRAL RR CO.
SEPTEMBER 12, 2008

Water Permit Application No. 2637-2 proposes to appropriate 0.09 cubic feet of water per second (cfs), (approximately 40 gallons per minute) from one existing well 200 feet deep, completed into the Precambrian Crystalline Rock aquifer. The well is located in the NW¼ SW¼ Sec. 30, T1S-R5E. Water from the well will be used to commercial use.

AQUIFER: Precambrian aged Crystalline Rock (CRSL)

Geology and Aquifer Characteristics:

The South Dakota Water Well Completion Report submitted for the well that is to be used to supply this appropriation indicates the well is constructed in accordance with the SD Well Construction Standards. The well consists of 28 feet of steel casing grouted in place, with "open hole" from 28-200 feet. The report describes the lithology encountered in the well bore as consisting of 25 feet of "drift" overlying hard grey schist with notable fractured areas. A review of the geologic map for this area identifies this as quaternary aged alluvium overlying the lower portion of the Precambrian aged Oreville Formation (Ratte and Wayland, 1969). The lower Oreville Formation consists mainly of quartz-mica phyllite or schist or thin-bedded to laminated quartz-biotite-garnet phyllite or schist (Ratte and Wayland, 1969). The aquifer (crystalline rock) is exposed at the surface throughout this area, except where it is covered by alluvium along Spring Creek and its tributaries, or terrace deposits (Ratte and Wayland, 1969). The aquifer is under unconfined conditions and the static water level of the well that is to be used to supply this proposed permit is reported to be 10 feet below ground which is probably at about the same elevation as Spring Creek/Major Lake. 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 streamflow 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, SD, about 11 miles south of this site. The hydrograph for the observation well is shown in figure 1.

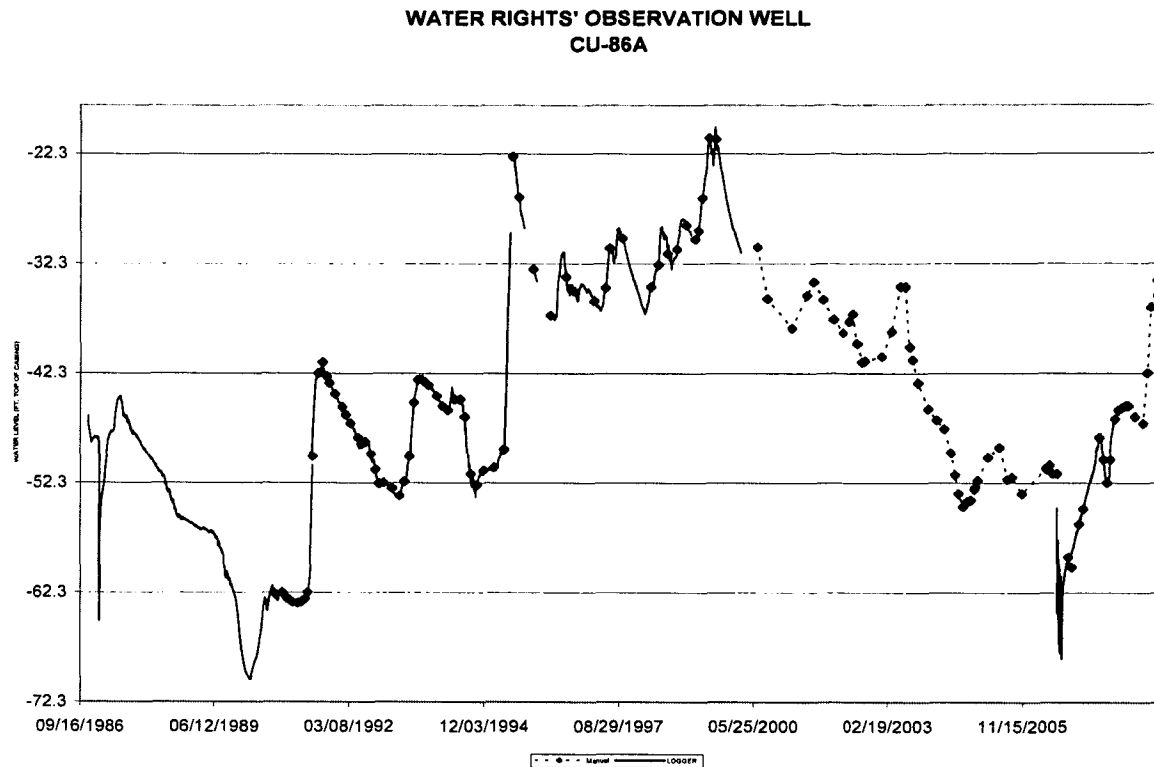


Figure 1. Hydrograph of Water Rights Observation Well CU-86A located approximately 11 miles south of this well site.

It can be seen that the water levels in this observation well fluctuate over 50 feet in response to varying climatic conditions, rising during wet years and gradually declining water levels during dry years. The hydrograph documents that over the period of record (1986-present), withdrawals from the aquifer have not exceeded recharge to the aquifer. The aquifer in this area should behave similarly to the aquifer in the Custer area.

Review of Existing Water Rights:

There are a number of domestic wells completed into the crystalline rock in this area and there are seven Water Rights/Permits appropriating water from the aquifer within approximately one mile of this site. The appropriations are shown below in table 1.

PERMIT NO	NAME	AQUIFER	USE	CFS
1598-2	TOWN OF HILL CITY	ALQ	MUN	0.85
1694-2	LESLIE WADE	ALQ	IND	0.22
2094-2	CITY OF HILL CITY	CRSL	MUN	0.25
2103-2	CITY OF HILL CITY	CRSL	MUN	0.20
2152-2	CHARLES MCKAY	CRSL	COM	0.05
2540-2	JANE MEUWISSEN	CRSL	COM	0.10
2563-3	HILL CITY SCHOOL DISTRICT 51-2	CRSL	IRR	0.09

Table 1. Water Rights/Permits within one mile of 2563-2

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. Although the diversion rate proposed by this application is relatively small (40 gpm), it is possible that drawdown from 2637-2 could be measurable in the area wells. The distance between wells should however, be sufficient to minimize any well interference.

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. Wells that are marginal as reliable water supplies could be "technically" affected, although any "practical" affect to the users' water supply would be inconsequential. With natural water level fluctuations in this aquifer measured in excess of 50' at the Water Rights' Observation well; drawdown of a few feet might be considered insignificant. Enforcement of the domestic well preference that is provided by statute would have to be considered on a case by case basis.

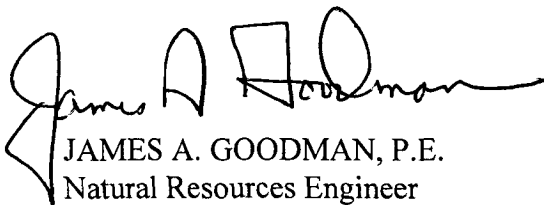
Conclusions:

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.
- Ratte, J.C., and Wayland, R.G., 1969, Geology of the Hill City Quadrangle Pennington County South Dakota-A Preliminary Report: U.S. Geological Survey Bulletin 271-B, 14 p.
- Water Rights, 2004a, Observation Well Files, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.
- Water Rights, 2008b, Water Right/Permit Files, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.
- Water Rights, 2008c, Water Well Completion Report, SD DENR-Water Rights Program, Joe Foss Bldg, Pierre, SD.

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OCT 10 2008

WATER RIGHTS
PROGRAM

Affidavit of Publication

State of South Dakota)

)ss.

County of Pennington)

Charles W. Najacht of said county, being duly sworn, on oath says that he is publisher of the Hill City Prevalier-News, a weekly newspaper printed and published in Hill City, said County of Pennington, and has full and personal knowledge of all the facts herein stated; that said newspaper is a legal newspaper and has a bona-fide circulation of at least two hundred copies weekly, and has been published within said County for fifty-two successive weeks next prior to the publication of the notice herein, mentioned, and was and is printed wholly or in part in an office maintained at said place of publication: that the

Robert Warder

1880 Train

Application to Appropriate Water

a printed copy of which, taken from the paper in which the same was published, is attached to this sheet, and is made a part of this Affidavit, was published in said newspaper at least once each week for 2 successive week(s), on which said newspaper was regularly published, to wit:

October 1, 2008; October 8, 2008;

_____, _____; _____, _____;

_____, _____; _____, _____;

_____, _____; _____, _____;

as stipulated in SDCL 17-2-2.1 through 17-2-2.4 inclusive; the full amount of the fees for the publication of the annexed notice is \$ 38.84.

Charles W. Najacht

Subscribed and sworn to me before this 8

of October, 2008;

Norma Najacht

NOTARY PUBLIC

MY COMMISSION EXPIRES: May 5, 2012

NOTICE OF APPLICATION NO.

2637-2

TO APPROPRIATE WATER

Notice is given that Black Hills Central RR Co., c/o Robert A Warder, PO Box 1880, Hill City SD 57745 has filed an application for a water permit to appropriate 0.09 cubic feet of water per second from one well completed into the Precambrian aged Crystalline Rock (200 feet deep) located in NW 1/4 SW 1/4 Sec 30-T1S-R5E for commercial use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2637-2 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 this 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 this 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 October 20, 2008.

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.
#291, 10/1, 10/8



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

September 23, 2008

Hill City Prevailer News
PO Box 266
Hill City SD 57745

ATTENTION: Legal Public Notice

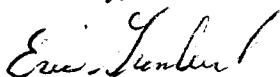
Enclosed is a Notice on Application No. 2637-2 to Appropriate Water to be published twice. Please publish the first notice on October 1, 2008 with the second publication 7 days later. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

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 Black Hills Central RR Co., c/o Robert Warder, PO Box 1880, Hill City SD 57745 (Ph # 605-574-2222).

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. 2637-2

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

Date _____

We are in receipt of your letter of September 23, 2008 enclosing Notice to Appropriate Water by Application No. 2637-2 which was first published in our issue of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name

Newspaper



**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.

September 23, 2008

Black Hills Central RR Co
Robert Warder
PO Box 1880
Hill City SD 57745

Dear Mr. Warder:

Water Permit Application No. 2637-2 for commercial 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 Hill City Prevalier News printed at Hill City SD (Ph # 605-574-2538). 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 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.

Instruction to Newspaper - Publish first Notice on October 1, 2008 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 2637-2 to Appropriate Water

Notice is given that Black Hills Central RR Co., c/o Robert A Warder, PO Box 1880, Hill City SD 57745 has filed an application for a water permit to appropriate 0.09 cubic feet of water per second from one well completed into the Precambrian aged Crystalline Rock (200 feet deep) located in NW ¼ SW ¼ Sec 30-T1S-R5E for commercial use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2637-2 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 this 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 this 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 October 20, 2008.

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

JAN 27 2009

Black Hills Central RR Co
c/o Robert A Warder
PO Box 1880
Hill City SD 57745

Dear Mr. Warder:

Enclosed is Water Permit No. 2637-2 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

RECEIVED

FEB - 4 2009

WATER RIGHTS
PROGRAMNOTICE OF COMPLETION OF WORKS AND
APPLICATION OF WATER TO BENEFICIAL USEDate 02-02-09TO: Water Rights Program, DENR
523 E. Capitol
Pierre, SD 57501-3181FROM: Black Hills Central RR Co

(name)

PO Box 1880

(address)

Hill City SD 57745

(city, state, zip)

605.574-2222

(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. 2637-2 states that the water use system is to be constructed by Oct. 20, 2013, and water is to be put to beneficial use by Oct 20, 2017.

(date)

(date)

The water use system was completed on May 1, 2008.

(date)

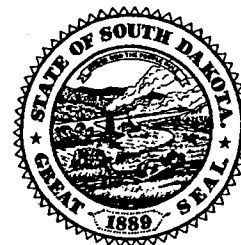
Applying the water to beneficial use was completed on May 11, 2008.

(date)

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

Meg A. Warden VP for BCCR

(signature)





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

February 4, 2009

2637-2

Meg Warder, VP
Black Hills Central RR Company
PO Box 1880
Hill City SD 57745

Dear Ms. Warder:

I am writing to acknowledge receipt of the "Notice of Completion of Works" form that you sent in to let us know that you are completed with the water use system described in Water Permit No. 2637-2.

The system is now ready for inspection. Inspections are done on a county-by-county basis as staff time permits. You have done everything you need to do and the intervening time between the completion of your project and the staff inspection has no bearing on your water permit.

Someone from our office will contact you prior to the inspection to set up a time that is convenient for you. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Genny McMath". The signature is written in a cursive, flowing style.

Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352
email: genny.mcmath@state.sd.us

Permit No. 2637-2
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, 4/12/2011 thorough examination of the water use system constructed by **Black Hills Central Railroad Co., PO Box 1880, Hill City, SD 57745** holder of Permit No. 2637-2, bearing the priority date of **August 15, 2008**. Permit No. 2637-2 is authorized to appropriate a total of **0.09 cfs (40 gpm)** from one groundwater well (**Precambrian Crystalline Aquifer**) for **commercial purposes**, in **Pennington County**.

Inspection contact and relationship to
permit holder, if applicable:

Meg Warder,
Owner

A. Works used to divert the water:

A Franklin submersible pump - 40 gallons per minute capacity (0.09 cfs).

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

100 feet of 2" PVC pipe and pressure tank.

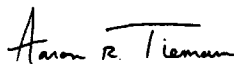
The system is in the following condition **good**. The point of diversion (well) is located specifically at **Lat/Lon - N43.932944/W-103.573098 which is the approximately 2,350 feet north and 1300 feet east of the SW corner of Section 30, T1S-R5E.** The works are capable of diverting **0.09 cfs** which is to be used for **commercial purposes**.

Water has been put to beneficial use to the extent of **0.09 cfs**.

All structures, wells and lands on map **Y**

Exceptions to compliance are: **none**.

Comments:



Aaron Tieman
Engineer II
DENR, Water Rights Program

Date report completed: **July 7, 2011**

FIELD INVESTIGATION REPORT FOR TEMPORARY PERMIT NO. 2637-2

DATE OF INVESTIGATION:	April 12, 2011
NAME & ADDRESS OF PERMIT HOLDER	Black Hills Central RR Co. PO Box 1880 Hill City, SD 57745
INVESTIGATION CONTACT/ RELATIONSHIP TO PERMIT HOLDER, IF APPLICABLE	Meg Warder (Owner)
DIVERSION POINT LEGAL LOCATION	NW¼ SW¼ Section 30, T1S-R5E
WATER SUPPLY SOURCE	Ground water, Precambrian Aquifer

Other permit(s) associated with the project:

WELL INFORMATION:

- 1) Well Drilling Firm: **Alexander Drilling**
- 2) No. of Wells **One**
- 3) Depth(s) **200** feet
- 4) Well log is available **yes**
- 5) Comment:

Casing:

- 1) Diameter: **6** inches Diameter: **8¾** inches
- 2) Length: **172** feet Length: **28** feet
- 3) Type: **Steel** Type: **Steel**

Screen:

- 1) Type: **Open Hole**
- 2) Length: **N/A** feet
- 3) Static water level: **10 feet**

Pump:

- 1) Make: **Franklin**
- 2) Model: **40JV1L4**
- 3) Capacity: **40** GPM

Motor:

- 1) Make: **Franklin**
- 2) Model No.: **74203545**
- 3) Horsepower rating: **1½** hp

DISTRIBUTION LINES OR CANALS:

- 1) Type: **100 feet of 2" PVC pipe and pressure tank.**

PERMIT QUALIFICATIONS:

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

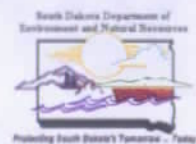
COMMENTS:

Water Right 2637-2
Black Hills Central Railroad Co.
July 8, 2011



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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PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

AUG 19 2011

2637-2

Meg Warder
Black Hills Central Railroad Co
PO Box 1880
Hill City SD 57745

Dear Ms. Warder:

Enclosed is Water License No. 2637-2. This is the final water right document completing your 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. 2637-2, 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. 2637-2

(1) The Black Hills Central Railroad Company, PO Box 1880, Hill City SD 57745 made Application No. 2637-2, August 15, 2008 for a water permit to divert 0.09 cubic feet of water per second (40 gallons per minute) from ground water – one well (Precambrian aged Crystalline Rock), Pennington County, South Dakota for commercial purposes. Permit No. 2637-2, with a priority date of August 15, 2008 was approved October 20, 2008 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before October 20, 2013 and for the application to beneficial use of said water on or before October 20, 2017.

(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 0.09 cubic feet of water per second (40 gallons per minute) for beneficial use.

The location of the diversion point is 2,350 feet north and 1,300 feet east of the SW corner of Section 30, T1S, R5E (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 Black Hills Central Railroad Company, PO Box 1880, Hill City SD 57745 the holder and/or owner of Water Right No. 2637-2 is issued a license to appropriate water, the right to use 0.09 cubic feet of water per second from ground water – one well (Precambrian aged Crystalline Rock) with a priority date of August 15, 2008 from the location specified in (2) of this license for commercial purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 2637-2 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.



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

AUG 19 2011

date

