

WATER PERMIT NO. 2808-2

Name of Applicant: Mt. Meadows Store and Campground LLC

Address: PO Box 129, Hill City SD 57745 Phone:

Amount of Water Claimed: 0.06 cfs (27 gpm add'l) Total Acres: NA

Source of Water Supply: groundwater 3 wells (one additional well)

Water to be used for: commercial County: Pennington

Type of Waste Disposal System:

Location: approximately 15 miles northwest of Hill City near Deerfield Lake

PRIORITY Date Received: 10-24-19 Application/License Fee: \$150

Corrected Application Received: Period of Annual Use: Jan 1 – Dec 31

Remarks: for an additional well and additional diversion rate authority to Permit No. 2252-2 based on inspection by S Quissell

Diversion Point: SE 1/4 SE 1/4 Sec 31-T1N-R3E

Land to be Irrigated: NA

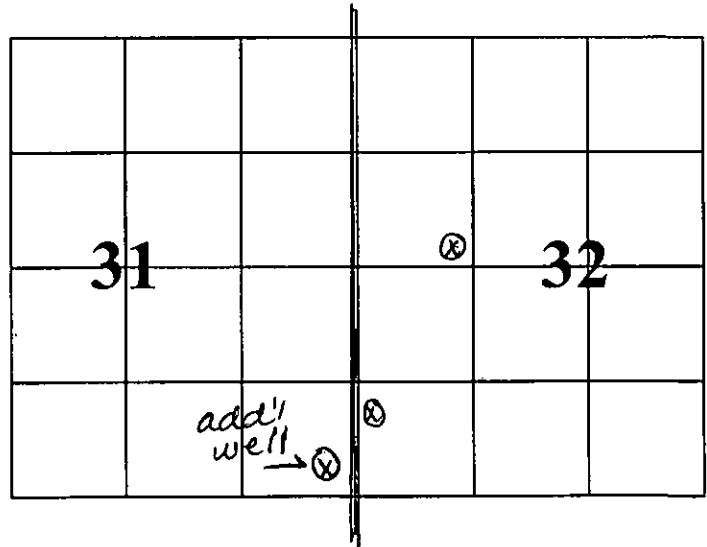
Depth of Well: 400 feet deep

Well Driller:

Remarks:

Type of Map: aerial

Prepared by: S Quissell



Reviewed and the Number Assigned on: 10-24-19

By: Karen Schlaak

Notice of Hearing - date to intervene: _____

PAID

OCT 24 2019

Mail to:

DENR - Water Rights
523 E Capitol Ave
Pierre, SD 57501-3182
ph. (605) 773-3352

No. 2808-2 (office use only) Chk# 7936
Hydrologic Unit 10120110
Basin Upper Cheyenne
Newspaper Rapid City Journal

Not sure if you
want to use Rapid
City or Hill City
address

RECEIVED

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

OCT 24 2019

Check use(s) of water:

WATER RIGHTS
PROGRAM

☐ Municipal ☐ Water Distribution System ☐ Recreational ☐ Institutional
☐ Rural Water System ☒ Commercial ☐ Fish & Wildlife ☐ Geothermal
☐ 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.)

an additional well and additional diversion rate authority to Water Permit No. 2252-2

1. Name to Appear on Water Permit Mt Meadows Store and Camground LLC c/o Dan Holsworth

Mailing Address 14324 Gillette Prairie Bx 129 Hill City SD 57745
(Address) (City) (State) (Zip Code)

Phone _____ Mobile _____ Email _____

2. Amount of water claimed 0.06 *CFS or 27 addl **GPM and _____ ***AF or _____ Gallons
Flow rate and volume are both required. (*Cubic Feet per Second) (**Gallons per Minute) (**Acre Feet - storage capacity of dam/dugout or annual use)

3. Source of water supply Precambrian Rock

4. Location of point of diversion additional well SE 1/4 SE 1/4 Section 31-T001N-R03E County Pennington
(example - 3 wells in SW1/4 NE1/4 section 12-T104N-R33W)

If not a public water supply (e.g. municipal), will water be used outside of the area described above? ☒ Yes ☐ No

If "Yes," where will water be used? SE 1/4 SE 1/4 Sec 31 and W 1/2 SW 1/4 Section 32 in T001N-R03E
(example - NW1/4 section 12-T104N-R33W)

5. County or counties where water will be used Pennington

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)

Water Permit No. 2252-2 appropriates 24 gallons per minute from two wells to supply Mt. Meadows Store and Camground. A licensing investigation found an additional well was constructed after the permit was obtained. The total peak diversion rate is 51 gpm as set forth in the report of examination of works. This application seeks to authorize the additional well and diversion rate authority to reflect an appropriation of 51 gpm.
See report of examination of works for well information and a map showing the location of the wells.

I, Dan Holsworth, _____, the applicant, certify under
Name of Person Title (if applicable)

penalty of perjury that I have read this application, examined the attached map, and that the matters stated are true. I further certify, if acting on behalf of an entity or individual other than myself, that I am authorized to submit this application.

2015-10

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

SOUTH DAKOTA
WATER PERMIT NO. 2808-2

Date of first receipt of application October 24, 2019.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2808-2 to Mt Meadows Store & Campground LLC, c/o Dan Holsworth, PO Box 129, 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. 2808-2 appropriates an additional 0.06 cubic feet of water per second (cfs) and an additional well to what is authorized by Water Permit No. 2252-2. Water Permit No. 2252-2 appropriates 0.05 cfs (24 gallons per minute) from two wells completed into the Precambrian Rock Aquifer located in the W 1/2 SW 1/4 Section 32-T1N-R3E. An investigation of the permit found the system capable of diverting an additional 0.06 cfs (27 gpm) from a total of three wells. The additional well is completed into the Crystalline Rock Aquifer (440 feet deep) located in the SE 1/4 SE 1/4 Section 31; and the correct location of the other two wells is the SW 1/4 SW 1/4 and SW 1/4 NW 1/4 Section 32; all in T1N-R3E. This permit and Water Permit No. 2252-2 will authorize an annual volume of 47.8 acre-feet with a total diversion rate of 0.11 cfs (51 gpm). This site is located approximately 15 miles northwest of Hill City near Deerfield Lake.
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: January 1 – December 31.
4. The date of approval of Permit No. 2808-2 is January 6, 2020.
5. The date from which applicant may claim right is October 24, 2019 (additional 0.06 cfs).
6. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

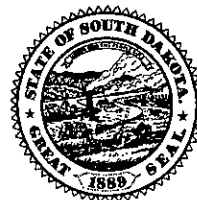
QUALIFICATIONS

1. The 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.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Crystalline Rock aquifer.
3. Water Permit Nos. 2808-2 and 2252-2 authorize a combined total annual diversion of 47.8 acre feet of water.

WATER MANAGEMENT BOARD

By: *Jeanne Goodman*
Jeanne Goodman, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JAN 10 2020
date



STATE OF SOUTH DAKOTA
WATER LICENSE NO. 2808-2

(1) Mt. Meadows Store & Campground LLC, c/o Dan Holsworth, PO Box 129, Hill City SD 57745 made Application No. 2808-2, October 24, 2019 for a water permit to divert an additional 0.06 cubic feet of water per second (cfs), an additional well, and clarified well locations located in Pennington County, South Dakota to what is currently authorized under Water Permit No. 2252-2. Permit No. 2808-2, with a priority date of October 24, 2019 was approved January 6, 2020 and issued to the applicant for diversion of water with construction of the described water supply system and the application to beneficial use of water completed.

Water Permit No. 2252-2, with a priority date of September 25, 1992 authorized 0.05 cfs from two wells for commercial use. The applicable portions of No. 2252-2 are incorporated into this water license.

(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, the holder and/or owner of Incorporated Water Right No. 2808-2 is issued a license, bearing priority dates of September 25, 1992 (0.05 cfs) and October 24, 2019 (0.06 cfs) to appropriate 0.11 cubic feet of water per second from two wells (Precambrian Rock Aquifer) and one well (Crystalline Rock Aquifer) for commercial use.

The diversion points are located:

Well #1 2,500 ft S and 1,209 ft E of NW corner Sec 32-T1N-R3E (SW1/4 NW 1/4)
Latitude 44.003114 Longitude -103.790043

Well #2 1,008 ft N and 125 ft E of SW corner Sec 32-T1N-R3E (SW 1/4 SW 1/4)
Latitude 43.998184 Longitude -103.79458

Well #3 498 ft N and 224 ft W of SE corner Sec 31-T1N-R3E (SE 1/4 SE 1/4)
Latitude 43.996786 Longitude -103.795919

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Incorporated Water Permit No. 2808-2 including the following qualifications:

- 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.
- The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Crystalline Rock aquifer.
- Water Permit Nos. 2808-2 and 2252-2 authorize a combined total annual diversion of 47.8 acre feet of water.

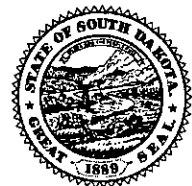


Jeanne Goodman, Chief Engineer
Water Rights Program

Department of Environment and Natural Resources

JAN 10 2020

date



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date October 24, 20 19

RECEIVED OF Mt. Meadow Store & Campground LLC PO Box 129 Hill City SD 57745

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

Fee for Application for Permit No. <u>2808-2</u> to Appropriate Water, to construct and to put water to beneficial use	100	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. <u>2808-2</u>	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	150 00

No. **09224**

By Jeanne Goodman
Chief Engineer vm



530879462

ANNUAL REPORT

Secretary of State
500 E. Capitol Ave
Pierre, SD 57501-5070
(605) 773-4845

Domestic Limited Liability Company
SDCL 47-34A-211; 59-11-24, 24.1

2019
FILING YEAR

Please Type or Print Clearly in Ink
Please submit one Original
Make payable to the SECRETARY OF STATE

Filing Fee: \$50

Total Fee: \$50

1. Business ID and Name:

DL026223
BUSINESS ID

MT. MEADOW STORE AND CAMPGROUND, LLC
BUSINESS NAME

2. The jurisdiction under whose law it is formed SOUTH DAKOTA

3. The address of the principal executive office (business address):

Actual Street Address

6555 S HIGHWAY 79
RAPID CITY, SD 57701

Mailing Address

PO BOX 129
HILL CITY, SD 57745

4. The South Dakota Registered Agent's Name:

South Dakota law permits the registered agent to be either (a) a noncommercial registered agent, or (b) a commercial registered agent.

(a) The South Dakota Noncommercial Registered Agent's name

Name **DANNY J HOLSWORTH**

Actual Street Address in this State

6555 S HIGHWAY 79
RAPID CITY, SD 57701

Mailing Address in this State

PO BOX 129
HILL CITY, SD 57745

5. If the LLC is manager-managed, list the names and addresses of its Managers. SDCL 59-11-24. If the LLC is member-managed, this section may be left blank.

6. Beneficial Owners (optional): A beneficial owner is a person who has or in some manner controls an equity security. Please consult an attorney for legal advice if you have any questions concerning this entry. Any question under this heading is considered a request for legal advice and the secretary of state's office is, by statute, not permitted, to provide legal advice.

No person may execute this report knowing it is false in any material respect. Any violation may be subject to a criminal penalty (SDCL 22-39-36).

10/21/2019

Dated

Email (Optional)

Eileen Hamm

Signature of an Authorized Person

Eileen Hamm

Printed Name



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

June 27, 2019

denr.sd.gov

Dan Holsworth
2102 Creek Drive
Rapid City SD 57701

Dear Mr. Holsworth:

Water Permit No. 2252-2 was obtained in 1992 for what is now the present day Mt. Meadows Store and Campground near Deerfield Lake. The permit appropriated 24 gallons per minute (gpm) from two wells to supply water to the store, trailer park and campground.

Steve Quissell, a water rights inspector, conducted a licensing investigation of the water supply system on June 17, 2019. The purpose of the visit is state verification that the system is constructed and to determine the level of development. A license is then issued to reflect the system in place. In situations where the water supply system exceeds what is authorized, additional permitting is necessary.

The on-site visit found three wells in place capable of pumping at a rate of 51 gpm. It appears that in 1994 after the permit was obtained another well was drilled that serves 15 seasonal trailers. A water permit needs to be obtained for the additional well and additional 27 gpm of pump rate authority above what is authorized by Water Permit No. 2252-2. A copy of the water permit and June 17th inspection report is enclosed.

Also enclosed is a partially completed application form to apply for the third well and 27 gpm of pump rate authority. Please review and if everything is correct, sign and submit along with the required application filing fee of \$100 plus \$50 licensing fee for a total of \$150 made payable to the "Water Rights Program". A self-addressed stamped envelope is included for your convenience. The application will also need to be public noticed at the applicant's expense. That is between the applicant and newspaper at the time of public notice but is anticipated to be about \$60.

I fully recognize that the water supply system was in place prior to you owning Mt. Meadows. The proper permitting should have been obtained by the prior owner. But the fact is that did not occur. The goal now is to get the proper permitting in place to reflect the water supply system so Mt. Meadows is in compliance and afforded the protections set forth in water rights law.

Please feel free to contact me if you have any questions.

Sincerely,

Eric Gronlund
Water Rights Program, DENR
605 773-3352
Eric.gronlund@state.sd.us

enclosures



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

denr.sd.gov

October 1, 2019

Dan Holsworth
11321 Gillette Prairie
Hill City SD 57745

Dear Mr. Holsworth:

On June 27, 2019, you were sent applications forms for a permit to appropriate water based on an investigation of Water Permit No. 2252-2, by Steve Quissell, an engineer with this office. Enclosed is a copy of that letter and a partially completed application form. The investigation found three wells in place capable of pumping at a rate of 51 gallons per minute (gpm). Water Permit No. 2252-2 authorizes two wells and 24 gpm. This application is necessary to obtain a permit which will reflect your water use at Mt. Meadow Store and Campground.

To date, we have not received a response regarding this application.

Obtaining a water permit that accurately reflects your water use ultimately benefits you by protecting your right to use water. Except for domestic use, any water user without a water right is not entitled to receive protection in the event of interference by a new or future user who has a water right.

If you have any questions, please contact Eric Gronlund or me.

Sincerely,

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

enclosures

WATER RIGHTS PROGRAM -- FILE DOCUMENTATION

NAME: Don Holsworth

ADDRESS: 11321 Gillette Prairie

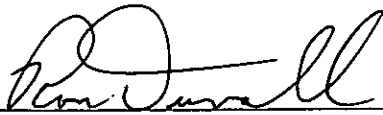
DATE: December 12, 2019

TELEPHONE: 605.381.5454

RE: Water Permit Application No. 2808-2

COMMENTS:

I called Mr. Holsworth to discuss placing an annual volume limit on his application for a water right permit. I informed Mr. Holsworth that a rule of thumb used is to assume no more than 60% usage of the wells during a year. Mr. Holsworth noted that with the facility not at peak capacity most of the time during the high use season, plus reduced usage during the off season, 60% usage would be adequate even if usage increases in the future. I informed Mr. Holsworth that the annual volume figure is 47.8 acre-feet and that figure would be included in the Chief Engineer's recommendation.



Ron Duvall

Natural Resources Engineer

Water Rights Program



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

**-RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2808-2, Mt. Meadows Store and Campground LLC**

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. 2808-2, Mt. Meadows Store and Campground LLC, c/o Dan Holsworth, PO Box 129, Hill City SD 57745.

The Chief Engineer is recommending APPROVAL of Application No. 2808-2 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 qualifications:

1. 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.
2. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Crystalline Rock aquifer.
3. Water Permit Nos. 2808-2 and 2252-2 authorize a combined total annual diversion of 47.8 acre feet of water.

See report on application for additional information.

Jeanne Goodman, Chief Engineer
December 16, 2019

REPORT TO THE CHIEF ENGINEER
ON
WATER PERMIT APPLICATION NO. 2808-2
MT. MEADOWS STORE AND CAMPGROUND LLC
C/O DAN HOLSWORTH
DECEMBER 16, 2019

Water Permit Application No. 2808-2 proposes to divert water at an additional 0.06 cubic feet per second (cfs) with an additional well to what is authorized by Water Permit No. 2252-2. Water Permit No. 2252-2 authorizes the diversion of water at 0.05 cfs (24 gallons per minute) from two wells completed into the Crystalline Rock aquifer. The wells were to be located in the W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 32-T1N-R3E. Combined, Water Permit No. 2252-2 and Application No. 2808-2, if approved, would have a combined total annual appropriation of 47.8 acre-feet of water per year (ac-ft/yr).

An investigation of Water Permit No. 2252-2 found the system capable of diverting an additional 0.06 cfs (27 gpm) from a total of three wells. The additional well is completed into the Crystalline Rock aquifer (440 feet deep) located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 31, and the correct location of the wells authorized by Water Permit No. 2252-2 is the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 32; all in T1N-R3E in Pennington County. Water Permit No. 2252-2 and Application No. 2808-2, if approved, would authorize a combined total diversion rate of 0.11 cfs (51 gpm) for commercial use. The location of these wells is approximately 15 miles northwest of Hill City near Deerfield Lake.

AQUIFER: Crystalline Rock (CRSL)

The crystalline rock in the area of this application consists of Metagraywacke and various types of metamorphosed shales (Martin et al, 2004). The crystalline rock is generally exposed at land surface except where covered by localized gravel deposits and alluvium along stream beds or underwater by streams or lakes (Martin et al, 2004; Williamson et al, 2000). The Crystalline Rock aquifer consists of numerous, localized aquifers in the Precambrian aged core of the Black Hills where extensive fractures and weathering zones allow for the transmission of water (Driscoll and Carter, 2001). The crystalline rocks that comprise the aquifer have very low primary porosity so water movement in the aquifer is along fractures, joints, and faults, which are called secondary porosity (Rahn, 1979). The distribution of secondary porosity features is uneven and unpredictable. Therefore, local aquifer characteristics are site specific and highly variable. Based on an estimated exposed area of 574,000 acres, water bearing material to a depth of 500 feet, and an effective porosity of one percent, Rahn (1979) estimated the amount of recoverable water in storage in the Crystalline Rock aquifers in western South Dakota to be 2,900,000 acre-feet.

Due to the unpredictable nature of secondary porosity and the very low primary porosity of crystalline rock, it is very difficult to determine if the aquifer is under confined or unconfined conditions. Depending on exactly what depth the secondary porosity was encountered in the well bore and the water level in the well compared to the secondary porosity features, the well may change from acting as a confined well to an unconfined well at various water levels that are not comparable to adjacent wells completed into the same aquifer.

There are well completion reports on file for two of the three wells involved with this application, the wells constructed in 1990 and 1994, (Water Rights, 2019c) and basic notes on the well completed in 1963 from the permitting inspection conducted on Water Permit No. 2252-2 (Water Rights, 2019b). The well completed in 1963 is 225 feet deep with an approximate static water level of 20 feet below top of casing. For the well completed in June 1990, the materials encountered during drilling were top soil from land surface to 2 feet below land surface, gravel from 2 to 8 feet below land surface and mica schist from 8 to 60 feet below land surface. The static water level in the well was 7 feet below top of casing at the time of completion. For the well completed in October 1994, the materials encountered during drilling were topsoil from land surface to 8 feet below land surface, gravel from 8 to 15 feet below land surface, and mica schist from 15 to 440 feet below land surface. The static water level in that well was 18 feet below top of casing at the time of completion. There is a well completion report for a well completed in 1993 for Mountain Meadows Resort near the same location as the 1994 well on files with the Water Rights Program (Water Rights, 2019c). The 1993 well went dry and was replaced by the well completed in 1994 according to the well driller (Hamm, 2019). Figure 1 is a map of the area within approximately two miles of the wells Application No. 2808-2 proposes to use. There are no appropriate groundwater rights within approximately 7.5 miles of the wells this application proposes to use.

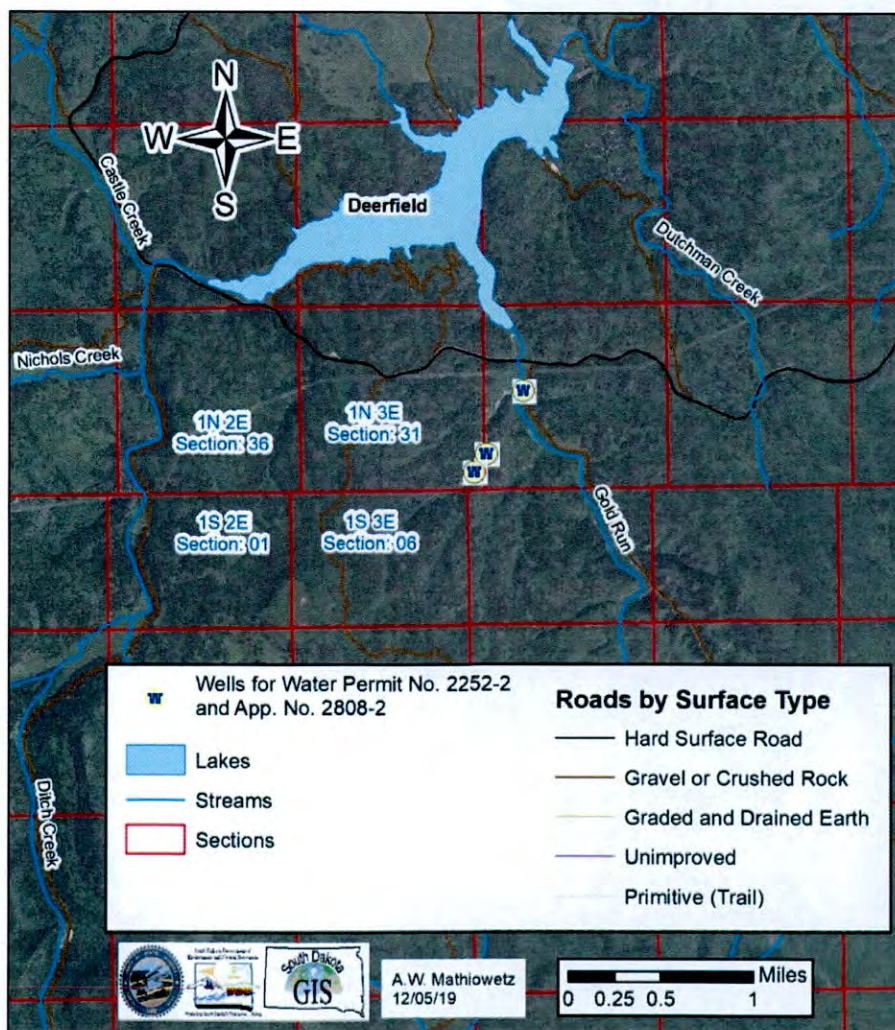


Figure 1-Map of the area near Application No. 2808-2 (Water Rights, 2019b)

SOUTH DAKOTA CODIFIED LAW (SDCL) 46-2A-9

Pursuant to SDCL 46-2A-9, a permit to appropriate water may be issued only if there is a reasonable probability that there is unappropriated water available for this applicant's proposed use, that the proposed diversion can be developed without unlawful impairment of existing rights and that the proposed use is a beneficial use and in the public interest. This report will address the availability of unappropriated water and effects on existing rights from the aquifer that are pertinent to this application.

WATER AVAILABILITY

This application proposes to appropriate water from the Crystalline Rock aquifer. The probability of unappropriated water available from the aquifer can be evaluated by considering SDCL 46-6-3.1, which requires:

“No application to appropriate groundwater may be approved if, according to the best information reasonably available, it is probable that the quantity of water withdrawn annually from a groundwater source will exceed the quantity of the average estimated annual recharge of water to the groundwater source. An application may be approved, however, for withdrawals of groundwater from any groundwater formation older than or stratigraphically lower than the greenhorn formation in excess of the average estimated annual recharge for use by water distribution systems.”

The Crystalline Rock aquifer is stratigraphically lower/older than the Greenhorn Formation and at least part of the applicant's system is a water distribution system as defined in SDCL 46-1-6(17). However, out of an abundance of caution a comparison of estimated average annual recharge and average annual withdrawals will be considered.

Hydrologic Budget

Recharge

The Crystalline Rock aquifers are recharged through the infiltration of precipitation and streamflow losses (Driscoll and Carter, 2001). Driscoll and Carter (2001) estimated the recharge to the entirety of the Crystalline Rock aquifers within the core of the Black Hills to be at least equal to average withdrawals, 3,600 acre-feet per year (ac-ft/yr), during their period of study, 1950-1998. Driscoll and Carter (2001) noted the actual recharge to the Crystalline Rock aquifers must be much larger than estimated to account for discharge to streams. Additionally, Driscoll and Carter (2001) stated, in regard to the Crystalline Rock aquifers, “Recharge conditions are highly transient and have large spatial variability; thus, quantification is not attempted.” While looking at faults and other significant geological features may allow for some limiting of areal extent, there is not sufficient data available to attempt a delineation of the localized Crystalline Rock aquifer with any level of certainty. Therefore, there is no average annual recharge estimate available for the localized Crystalline Rock aquifer the applicant proposes to use.

Discharge

Discharge from the Crystalline Rock aquifer is through pumping of wells (Water Rights, 2019b and 2019c), seepage to streams (Driscoll and Carter, 2001), and evapotranspiration where the static water level of the aquifer is near ground surface. Due to the lack of nearby appropriative

groundwater rights, the presence of several anticlines, the unpredictable nature of the secondary porosity features that comprise the Crystalline Rock aquifer, and the fact that the localized portions of the Crystalline Rock aquifer are, in general, not that extensive, there are no other appropriative users of the same localized portion of the Crystalline Rock aquifer as this application with the exception of its associated water permit, Permit No. 2252-2. Water Permit No. 2252-2 and Application No. 2808-2, if approved, would be authorized to divert water at a combined rate of 0.11 cfs. In general, it has been assumed that water rights and permits limited only by their diversion rate pump less than 60 percent of the time. Using that assumption, Water Permit No. 2252-2 and Application No. 2808-2, combined, are estimated to pump less than 47.8 ac-ft/yr. and are thus would be limited to pumping no more than that volume if this application is approved.

There are 11 domestic wells that appear to be completed into the Crystalline Rock aquifer on file with the DENR-Water Rights Program within approximately 2 miles of the wells for this application (Water Rights, 2019c). It is likely there are other domestic wells completed into the Crystalline Rock aquifer within approximately 2 miles of the wells this application proposes to use that are not on file with the Water Rights Program. In general, the volume of water pumped by domestic users is not significant when compared to the appropriative use from an aquifer due to the limited diversion rate and needs of domestic users. Carter and Neitzert (2005) estimated the self-supplied domestic water use in Pennington County to be 70 gallons per day per person. That is equivalent to 0.078 ac-ft/yr per person.

Observation Well Data

Administrative Rule of South Dakota Section 74:02:05:07 requires that the Water Management Board shall rely upon the record of observation well measurements in addition to other data to determine that the quantity of water withdrawn annually from the aquifer does not exceed the estimated average annual recharge of the aquifer.

The DENR-Water Rights Program maintains two observation wells that have historically been considered completed into the Crystalline Rock aquifer in western South Dakota (Water Rights, 2019a). Observation well CU-86A is located approximately 18.6 miles southeast, and observation well PE-95D is located approximately 21.8 miles east of the well sites for this application (Water Rights, 2019a). Review of the construction of PE-95D determined the observation well is open to both the Deadwood Formation and the crystalline rock (Kilts, 2018). Both the Deadwood Formation and the crystalline rock can be aquifers at the location of PE-95D (Water Rights, 2019a and 2019c; Williamson et al, 2000). An examination of the water level data over the entire period of record of PE-95D determined the water levels appear to be more similar to the Deadwood aquifer than to the Crystalline Rock aquifer (Kilts, 2018; Strobel et al, 2000; Water Rights, 2019a and 2019c). Furthermore, the drilling records for PE-95D do not note encountering any large secondary porosity features (fractures, significant changes in water inflow or loss of water during drilling, etc.) in the crystalline rock portion of the borehole during drilling. It is uncertain how representative observation well PE-95D is of either the Deadwood or Crystalline Rock aquifers. Therefore, only observation well CU-86A will be considered in this report. Figure 2 shows the hydrograph for observation well CU-86A.

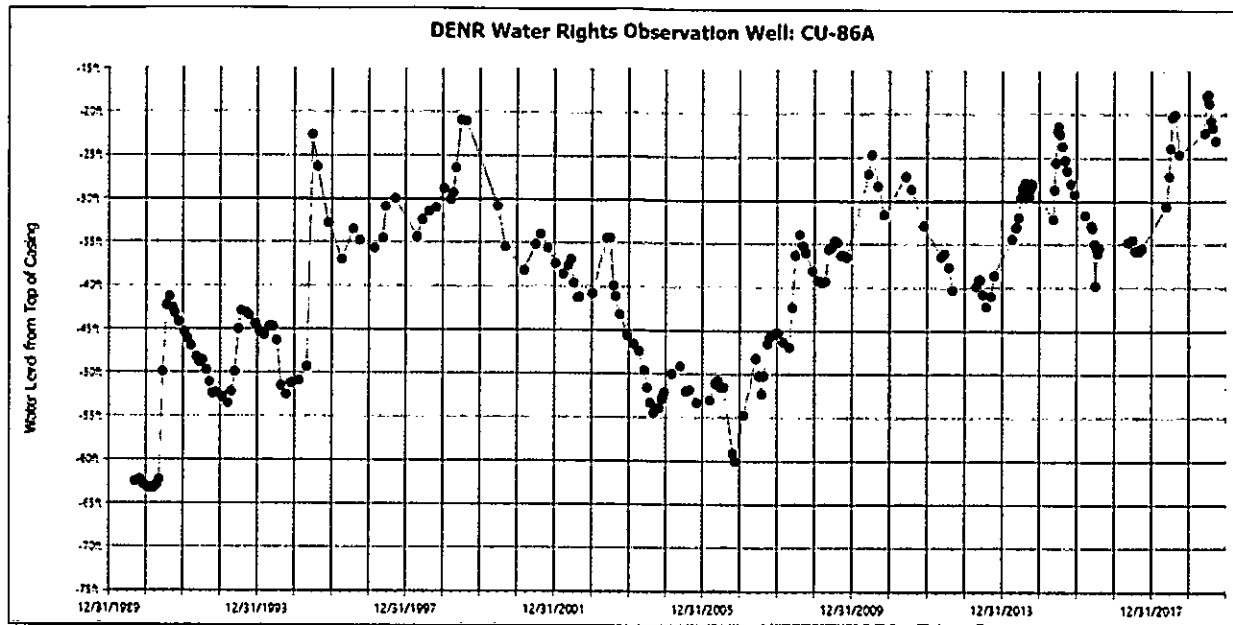


Figure 2- Hydrograph of Crystalline Rock aquifer observation well CU-86A (Water Rights, 2019a)

The hydrograph for CU-86A shows the water levels respond well to climatic conditions. Rising during wetter periods and declining during drier periods. The water levels have fluctuated 45 feet over the period of record in response to climatic conditions. Observation well CU-86A has a total well depth of 160 feet. An examination of the hydrograph shows that any effects caused by pumping on the water levels of CU-86A are masked by the climatic conditions indicating the changes in water levels are dominated by natural conditions, recharge to and natural discharge from the aquifer. Natural discharge from an aquifer can be captured for pumping. While CU-86A is not that close to the area of the Crystalline Rock aquifer the applicant proposes to use, water level data does show the Crystalline Rock aquifer receives recharge.

Furthermore, there are no indications there are portions of the Crystalline Rock aquifer where average annual withdrawals are exceeding average annual recharge despite increased development of the aquifer (Water Rights, 2019a; 2019c; 2019d). The commentary from Driscoll and Carter (2001) regarding how the recharge to the Crystalline Rock aquifer must be much greater than the estimated 5 cfs (3,600 ac-ft/yr) to account for the groundwater discharge that contributes base flow to many streams is well supported by the hydrograph for observation well CU-86A, which shows the water level generally rising over its period of record.

When considering the commentary from Driscoll and Carter (2001) regarding recharge to the Crystalline Rock aquifers, the hydrograph for CU-86A, the lack of other nearby appropriators, the relatively limited use by non-appropriative domestic users, the relatively limited but continual development of the Crystalline Rock aquifer in the area of the application, and the non-permitted but continual use of the wells by the applicant that is now seeking approval for that use of water under this application without reported issues, there is a reasonable probability unappropriated water is available for this proposed appropriation.

EFFECTS ON EXISTING WATER RIGHTS

As stated previously, there are no appropriative groundwater rights within approximately 7.5 miles of the wells for this application (Water Rights, 2019b). At that distance between the wells this application proposes to use and other appropriative wells and at the diversion rate proposed by this application, it is not likely that any adequately constructed appropriative well will be adversely impacted. Therefore, there is a reasonable probability this application can be approved without unlawfully impairing existing appropriative groundwater users with adequate wells.

Figure 3 is a map of the area near the wells for Water Permit No. 2252-2 and Application No. 2808-2 including the approximate locations of domestic wells on file with the Water Rights Program (Water Rights, 2019c). The DENR-Water Rights Program Well Completion Report Database maps well completion reports submitted to the Water Rights Program based on the legal description provided by the driller on the well completion report and places a point at the approximate center of the location provided. For example, a well with a legal location of the NW ¼ NW ¼ Sec. 28 would by default map to the approximate center of that 40-acre parcel. When multiple wells share the small general legal location, the wells are mapped by default at a common location, for example the 2 wells at the legal location of NW ¼ NW ¼ Sec. 1-T1S-R2E are mapped at the point identified as "B" shown in Figure 3. Several well records in the area of this application have better location information available, because the exact location was determined as part of a permitting inspection or was submitted as part of the water well completion report. Table 1 lists the well completion reports shown in Figure 3 including the wells for Water Permit No. 2252-2 and Application No. 2808-2. There are likely more domestic wells in the area of the application that are not on record with the DENR-Water Rights Program.

Table 1- Well completion reports shown in Figure 3 (Water Rights, 2019c)

MAP IDENTIFIER/PERMIT NO.	NAME	COMPLETION DATE	TYPE	DEPTH	AQUIFER
A	KEN LEWIS	04/29/1983	DOM	55	CRSL
B	RALPH & SHERRI MUMM	09/14/2004	DOM	160	CRSL
B	NANCY KAREN KELLY	07/15/2013	DOM	85	CRSL
C	RALPH NOMN	09/14/2004	DOM	160	CRSL
D	CHUCK ROGERS	09/06/2002	DOM	124	CRSL
E	ROGER REGEHR	07/20/2002	DOM	108	CRSL
F	BILLIE MC GEE	08/23/2003	DOM	90	CRSL
G	JAMES DEAN	09/06/1999	DOM	103	CRSL
H	GREG WITTENBERG	10/30/2017	DOM	122	CRSL
I	GEORGE WATERSON	05/28/1981	DOM	38	CRSL
J	WILLIAM COWAN	10/09/2015	DOM	175	CRSL
2252-2	CARL JEFFERSON	06/16/1990	DOM	60	CRSL
2252-2, dry, not on map	CARL JEFFERSON, MT MEADOW RESORT	12/01/1993	DOM	240	CRSL
2808-2	CARL JEFFERSON, MT MEADOW RESORT	10/15/1994	DOM	440	CRSL

DOM= domestic, CRSL= Crystalline Rock

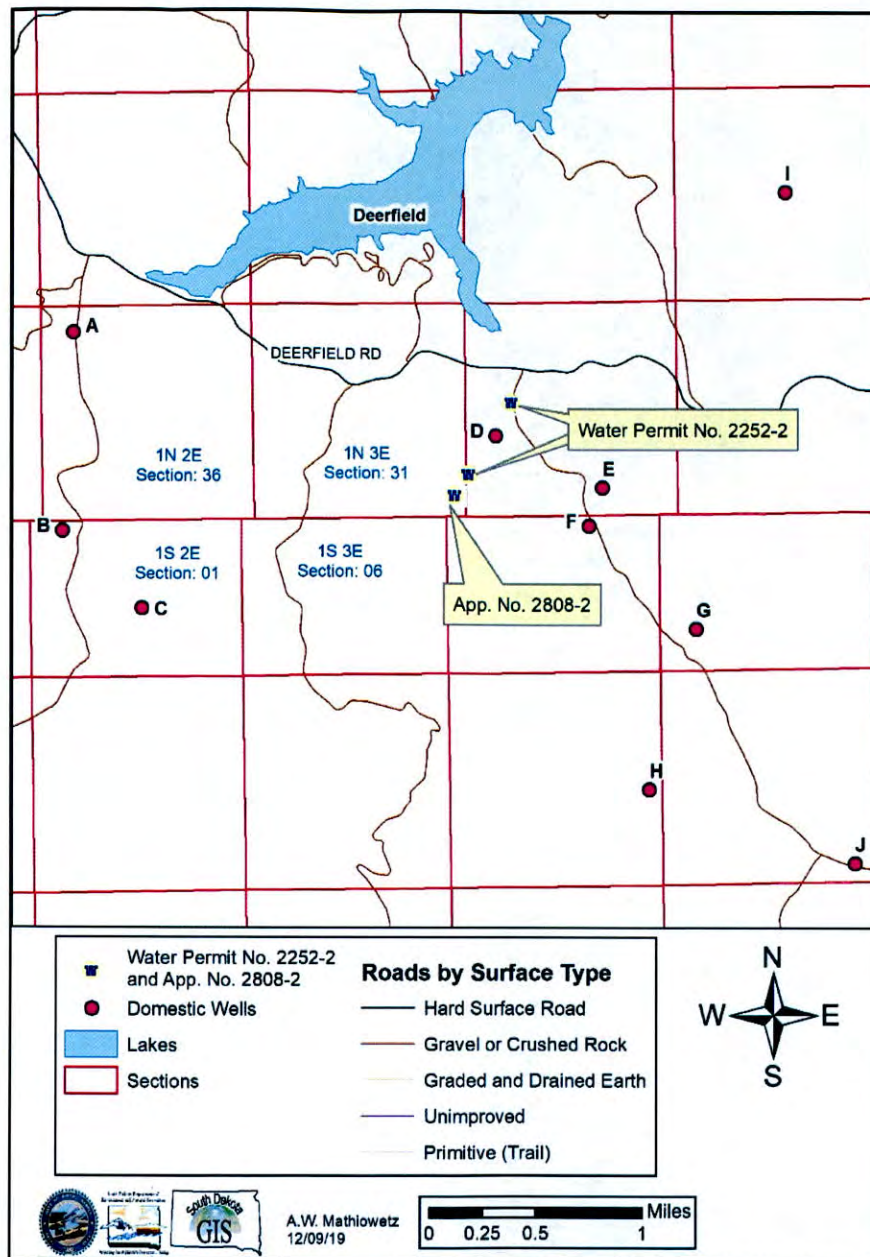


Figure 3- Map of approximate locations of domestic wells on file with the DENR-Water Rights Program in the area of the wells for Application No. 2808-2 (Water Rights, 2019c)

There is at least one domestic well within one-quarter mile of one of the wells authorized by Water Permit No. 2252-2 (Water Rights, 2019b and 2019c). When the limited diversion rate of the applicant's wells and the fact that these wells have been in use since the mid-1990's without reported issues (Water Rights, 2019d) is considered, there is a reasonable probability this proposed diversion can be developed without unlawfully impairing existing domestic users.

The Water Management Board has defined an adequate well in Administrative Rule of South Dakota (ARSD) 74:02:4:20(6) as:

“a well constructed or rehabilitated to allow various withdrawal methods to be used, to allow the inlet to the pump to be placed not less than 20 feet into the saturated aquifer or formation material when the well is constructed, or to allow the pump to be placed as near to the bottom of the aquifer as is practical if the aquifer thickness is less than 20 feet”.

In the past the Water Management Board has recognized that to place water to maximum beneficial use, a certain amount of drawdown may occur. To protect domestic users, the Water Management Board defined an “adversely impacted domestic well” in 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 at the time of construction or, if the aquifer is less than 20 feet thick, is as near to the bottom of the aquifer as is practical 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”.

For most aquifers, the placement of the pump intake 20 feet below the top of the aquifer is sufficient for domestic wells. However, for wells completed into the Crystalline Rock aquifer, 20 feet of saturated aquifer thickness may not be sufficient for a dependable water supply. This is due to the low primary porosity of the crystalline rock and the unpredictable occurrence of secondary porosity. Thus, wells that meet the definition of an adequate well and therefore should be easily protected by the definition of an adversely impacted domestic well may not yield sufficient water for a well owner’s needs while still being adequate under the rule.

The precise drawdown effects caused by pumping a well cannot be determined without conducting an aquifer pumping test. Water levels in the Crystalline Rock aquifer are known to vary greater than 40 feet as a result of climatic conditions as shown in Figure 2. There has only been one reported instance of well interference in Pennington County for wells completed into the Crystalline Rock aquifer. This involved Water Right No. 2572-2 during the permit’s initial development. The water right was limited to a maximum diversion rate of 18 gallons per minute, the limit for reasonable domestic use, by the Chief Engineer in October 2006 (Water Rights, 2019b). The permit holder reported to the Water Rights Program that the issue was resolved sometime before January 2009, and there have not been any other reports of well interference issues since then (Water Rights, 2019b).

The local development of both domestic and appropriative wells completed into the Crystalline Rock aquifer without a significant history of well interference issues, the limited diversion rate and appropriation volume proposed by this application, the large natural fluctuation of water levels in the aquifer, the protection afforded to adequate domestic wells by South Dakota Water Law, and the fact these wells have existed and been in use since 1994 without reported issues, means there is a reasonable probability this proposed diversion can be developed without unlawfully impairing existing users with adequate wells. If this application is approved, a qualification requiring the applicant to control their withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells that have prior water rights should be included.

CONCLUSIONS:

1. Water Permit Application No. 2808-2 proposes to authorize an additional well completed into the Crystalline Rock aquifer and additional diversion rate of 0.06 cfs to what is authorized by Water Permit No. 2252-2 and to correct the location of the wells authorized by Water Permit No. 2252-2.
2. Water Permit No. 2252-2 authorizes the diversion of 0.05 cfs from two wells completed into the Crystalline Rock aquifer for commercial use
3. Combined, Water Permit No. 2252-2 and Application No. 2808-2, if approved, would authorize the diversion of 0.11 cfs from three wells completed into the Crystalline Rock aquifer with an annual appropriation limit of 47.8 ac-ft/yr.
4. There is a reasonable probability unappropriated water is available for this proposed appropriation.
5. There is a reasonable probability this proposed diversion can be made without unlawfully impairing existing users.



Adam Mathiowetz, PE
SD DENR-Water Rights Program

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Affidavit of Publication

RECEIVED

DEC 31 2019

WATER RIGHTS
PROGRAM

STATE OF SOUTH DAKOTA

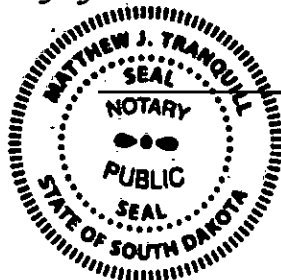
County of Pennington

SS:

Sheri Sponder being first duly sworn, upon his/her oath says: That he/she is now and was at all time hereinafter mentioned, an employee of the RAPID CITY JOURNAL, a corporation of Rapid City, South Dakota, the owner and publisher of the RAPID CITY JOURNAL, a legal and daily newspaper printed and published in Rapid City, in said County of Pennington, and has full and personal knowledge of all the facts herein stated as follows: that said newspaper is and at all of the times herein mentioned has been a legal and daily newspaper with a bonafide paid circulation of at least Two Hundred copies daily, and has been printed and published in the English language, at and within an office maintained by the owner and publisher thereof, at Rapid City, in said Pennington County, and has been admitted to the United States mail under the second class mailing privilege for at least one year prior to the publication herein mentioned; that the advertisement, a printed copy of which, taken from said Rapid City Journal, the paper in which the same was published, is attached to this sheet and made a part of this affidavit, was published in said paper once each day for one successive day, the first publication there of being on the 27th day of Dec 2019 - that the fees charged for the publication there of are 58 dollars and 26 cents.

Sheri Sponder

Subscribed and sworn to before me this 27th day of December, 2019.



Matthew J. Tranquill

Notary public

December 5, 2025

My commission expires

Dec 27 L3750
NOTICE OF APPLICATION NO. 2808-2 to Appropriate Water
Notice is given that Mt. Meadows Store and Campground LLC, c/o Dan Holsworth, PO Box 129, Hill City SD 57745 has filed an application for a water permit to appropriate an additional 0.06 cubic feet of water per second (cfs) and an additional well to what is authorized by Water Permit No. 2252-2. Water Permit No. 2252-2 appropriates 0.05 cfs (24 gallons per minute) from two wells completed into the Precambrian Rock Aquifer located in the W 1/2 SW 1/4 Section 32-T1N-R3E. An investigation of the permit found the system capable of diverting an additional 0.06 cfs (27 gpm) from a total of three wells. The additional well is completed into the Crystalline Rock Aquifer (440 feet deep) located in the SE 1/4 SE 1/4 Section 31; and the correct location of the other two wells is the SW 1/4 SW 1/4 and SW 1/4 NW 1/4 Section 32; all in T1N-R3E. This application, if approved, and Water Permit No. 2252-2 will authorize an annual volume of 47.8 acre-feet with a total diversion rate of 0.11 cfs (51 gpm) for commercial use. This site is located approximately 15 miles northwest of Hill City near Deerfield Lake.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends AP-PROVAL of Application No. 2808-2 with qualifications 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. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <http://denr.sd.gov/public> or contact Eric Gronlund for this information, or other information, at the Water Rights Program address provided below.

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 January 6, 2020.

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.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. 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.

(Published once at the total approximate cost of \$58.26)

Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, December 16, 2019 11:13 AM
To: RCY Legals (legals@rapidcityjournal.com)
Subject: 2808-2, Mt Meadows Store and Campground
Attachments: 2808-2public.short.docx; FORM8.FRM.doc

Attached is a notice to be published on December 27, 2019.

Mt. Meadows Store and Campground LLC c/o Dan Holsworth, PO Box 129, Hill City SD 57745 (605 381-5454) has been notified to contact you to authorize publication and arrange for payment.

Please send the affidavit or return the attached Proof of Publication form ASAP to the Water Rights Program, 523 E Capitol, Pierre SD 57501.

Let me know if you have questions. Please acknowledge receipt of this email.

Karen Schlaak

SD DENR, Water Rights Program
(605) 773-3352





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

denr.sd.gov

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

December 16, 2019

Mt Meadows Store and Campground LLC
c/o Dan Holsworth
PO Box 129
Hill City SD 57745

Dear Mr. Holsworth:

Water Permit Application No. 2808-2 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 Rapid City Journal printed at Rapid City SD (Ph # 605 394-8336). 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 from you, the publisher has been instructed to publish your notice. 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 /ks

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 the Notice on December 27, 2019. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 2808-2 to Appropriate Water

Notice is given that Mt. Meadows Store and Campground LLC, c/o Dan Holsworth, PO Box 129, Hill City SD 57745 has filed an application for a water permit to appropriate an additional 0.06 cubic feet of water per second (cfs) and an additional well to what is authorized by Water Permit No. 2252-2. Water Permit No. 2252-2 appropriates 0.05 cfs (24 gallons per minute) from two wells completed into the Precambrian Rock Aquifer located in the W 1/2 SW 1/4 Section 32-T1N-R3E. An investigation of the permit found the system capable of diverting an additional 0.06 cfs (27 gpm) from a total of three wells. The additional well is completed into the Crystalline Rock Aquifer (440 feet deep) located in the SE 1/4 SE 1/4 Section 31; and the correct location of the other two wells is the SW 1/4 SW 1/4 and SW 1/4 NW 1/4 Section 32; all in T1N-R3E. This application, if approved, and Water Permit No. 2252-2 will authorize an annual volume of 47.8 acre-feet with a total diversion rate of 0.11 cfs (51 gpm) for commercial use. This site is located approximately 15 miles northwest of Hill City near Deerfield Lake.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2808-2 with qualifications 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. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <http://denr.sd.gov/public> or contact Eric Gronlund for this information, or other information, at the Water Rights Program address provided below.

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 January 6, 2020.

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.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. 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.

Published once at the total approximate cost of _____.

Report of Examination of Works and/or Application of Water to Beneficial Use For Permit No. 2252-2

I have this day, June 17, 2019 made a thorough examination of the water use system constructed by **Mt. Meadows Store and Campground LLC**, 11321 Gillette Prairie Rd, Hill City SD 57745 of Permit No. **2252-2**, bearing the priority of **9/25/1992** authorizing the diversion of 0.05 cu. ft. per second of the water from two wells for commercial purposes, in Pennington County.

Inspection contact & relationship to permit holder, if applicable:

Dan Holsworth, owner
% G.J. Holsworth & Sons Lawn Service
2102 Creek Drive, Rapid City, SD 57701
Kevin Siroshon, Store/Campground Mgr.

A. Works used to divert the water:

Well Information:

- | | | |
|--------------------------------|-----------------------------|-----------------------------|
| 1) Driller: <u>Hamm</u> (1963) | Driller: <u>Hamm</u> (1990) | Driller: <u>Hamm</u> (1994) |
| 2) Well No. <u>#1</u> | Well No. <u>#2</u> | Well No. <u>#3</u> |
| 3) Depth <u>225</u> feet | Depth <u>60</u> feet | Depth <u>440</u> feet |
| 4) Well log <u>No</u> | Well log <u>Yes</u> | Well log <u>Yes</u> |

Casing:

- | | | |
|-------------------------------|--------------------------|--------------------------|
| 1) Diameter <u>8</u> inches | Diameter <u>7</u> inches | Diameter <u>6</u> inches |
| 2) Length <u>Unknown</u> feet | Length <u>28</u> feet | Length <u>40</u> feet |
| 3) Type <u>Steel</u> | Type <u>Steel</u> | Type <u>Plastic</u> |

Screen:

- | | | |
|--|----------------------------------|-----------------------------------|
| 1) Type <u>---</u> | Type <u>open hole</u> | Type <u>open hole</u> |
| 2) Length <u>---</u> feet | Length <u>32</u> feet | Length <u>400</u> feet |
| 3) Static w.l. <u>approx. 20'</u> feet | Static water level <u>7</u> feet | Static water level <u>18</u> feet |

Pump:

- | | | |
|------------------------------|---------------------------|---------------------------|
| 1) Make <u>A.Y. McDonald</u> | Make <u>A.Y. McDonald</u> | Make <u>A.Y. McDonald</u> |
| 2) Model <u>21100P</u> | Model <u>unknown</u> | Model <u>21000K</u> |
| 3) Size <u>4"</u> | Size <u>4"</u> | Size <u>4"</u> |
| 4) Capacity <u>23</u> gpm | Capacity <u>12</u> gpm | Capacity <u>16</u> gpm |
| 5) Horsepower <u>1</u> hp | Horsepower <u>-</u> | Horsepower <u>1 1/2</u> |

Notes: 1) Pump information for wells #1 and #3 from Hamm Drilling

2) Well #2 air tested 15 gpm at time of drilling, application showed 12 gpm capacity.

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

- 1) Type Plastic
- 2) Size various inches
- 3) Length ----- feet

C. Works used to apply water to beneficial use:

Well #1 serves the Mt. Meadows Store (including restaurant and living quarters), the campground, 6 seasonal trailer houses, 4 cabins, a shower house and a laundry facility. Well #2 serves 13 seasonal trailers and well #3 serves 15 seasonal trailers. Each of the wells is on its own pressure system consisting of a pressure tank with 30/60 psi. setting.

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by Yes

Exceptions to compliance are: Permit 2252-2 authorized just 2 wells. The #3 well was drilled 2 years after the Permit was approved. The permit holder will need to apply for an additional 0.06 cfs (27 gpm) diversion authority and one additional existing well.

E. Condition and Location:

1. The system is in fair condition with the points of diversion located as follows:

Well #1

2,500' S and 1,209' E of the NW corner Section 32 T1N R3E (44.003114, -103.790043)

Well #2

1,008' N and 125' E of the SW corner Section 32 T1N R3E (43.998184, -103.79458)

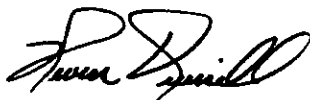
Well #3

498' N and 224' W of the SE corner Section 31 T1N R3E (43.996786, -103.795919)

2. The works are capable of diverting and conveying to the place of use 0.11 cu. ft. per second (51 gpm) of water which is to be used for **commercial** use and the license should be issued for 0.11 cfs.

3. All structures, wells and lands on map – Yes

F. Comments or other permit(s) associated with the project:



Steven Quissell
Water Rights Inspector
DENR, Water Rights Program

Date report completed: 6/21/2019



Well #1 at Store



Well #2 (left of pressure tank)

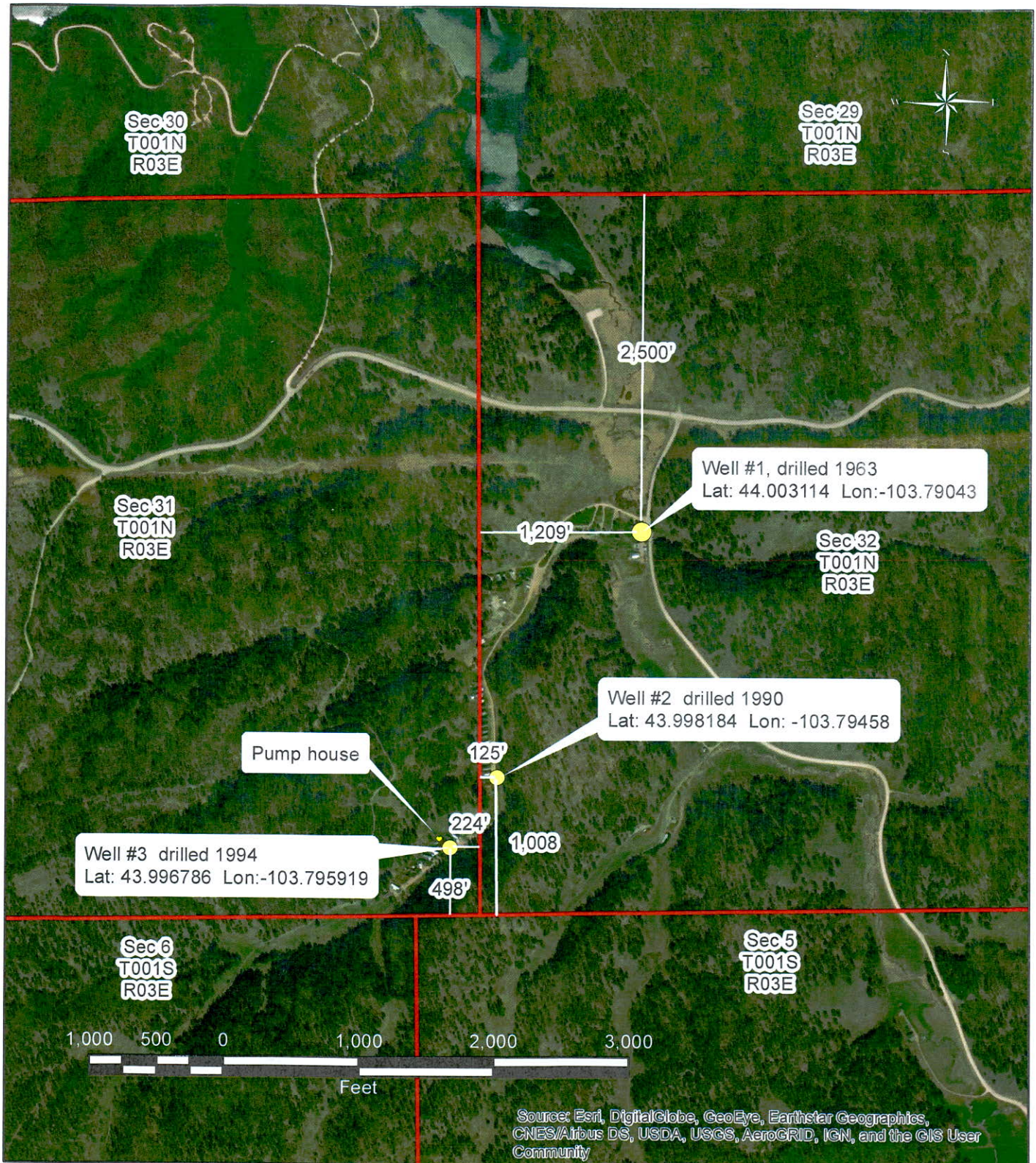


Well #2 pump house



Well #3 (lower left)

Water Right #2252-2
Mt. Meadows Store & Campground, LLC
6/17/2019



Steven Quissell
Water Rights Inspector
DENR Water Rights Program





DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

JAN 10 2020

2808-2

2252-2

Mt. Meadows Store & Campground LLC
c/o Dan Holsworth
PO Box 129
Hill City SD 57745

Dear Mr. Holsworth:

Enclosed is Water Permit and License No. 2808-2. These are the final water right documents completing your process of obtaining a Water Right. Also, included with your license is a map prepared by the staff engineer who conducted the investigation.

For your information SDCL 46-6-27 requires that if in the future the owner drills a replacement well and has no plan to use the old existing 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,

Jeanne Goodman, Chief Engineer
Water Rights Program
(605) 773-3352

Note: The applicable portions of No. 2252-2 are incorporated into Water License No. 2808-2.

enclosures



DENR
SOUTH DAKOTA

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

January 11, 2020

No. 2808-2

Kevin McNitt
Mt Meadows Store & Campground
PO Box 1181
Hill City SD 57745

Dear Mr. McNitt:

Enclosed is a partially completed "Notice of Transfer" form for use in filing an ownership change on Water Right No. 2808-2. Also enclosed is a copy of Water Right No. 2808-2 for your records.

The transfer form should be completed, checked over for accuracy, and **signed by the new owner**. Upon completion, return the form to our office with a required filing fee of \$50.00.

This is also a reminder that we need an estimate of the water used during 2020 from the three wells.

If you have any questions, please contact me.

Sincerely,

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

enclosure

PAID

FEB 1 2021

Ck# 1001

NOTICE OF TRANSFER OF OWNERSHIP

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

RECEIVED

FEB 01 2021

WATER RIGHTS
PROGRAM

No. 2808-2

Date: 1/21/2021

I/We request that Water Right/Permit No. 2808-2

formerly owned by: Mt Meadows Store & Campground LLC c/o Dan Holsworth

be transferred to: (name & address) A Bar H Resort LLC

Telephone No. 574-2636

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

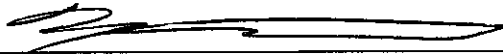
3 wells – SW 1/4 NW 1/4 Sec 32-T1N-R3E, SW 1/4 SW 1/4 Sec 32-T1N-R3E and
SE 1/4 SE 1/4 Sec 31-T1N-R3E

I/We understand that the validity of Water Right/Permit No. 2808-2 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 Fifty Dollars (\$50.00) is required to cover the filing fees as required under SDCL 46-2-13. This form must be signed by the new owner.

I/We Kevin McNiff, the new owner, certify that the above information is true and correct.


(Signed by new owner)

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.



OFFICE OF THE SECRETARY OF STATE

STEVEN J. BARNETT, SECRETARY OF STATE

JASON LUTZ, DEPUTY SECRETARY OF STATE

Filing Information

Name: **A Bar H Resort, LLC**

General Information

SOS Business ID DL189145
Filing Type: Limited Liability Company - Domestic
 10/09/2020
Status: Good Standing
Duration Term: Perpetual
Managed By: Member-Managed

Registered Agent Address

Kevin McNitt
 11610 DEERFIELD RD
 HILL CITY, SD 57745

Principal Address

11610 DEERFIELD RD.
 HILL CITY, SD 57745

The following document(s) was/were filed in this office on the date(s) indicated below:

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
12/21/2020	Articles of Amendment	B0162-1977
10/09/2020	Initial Filing	B0154-7608

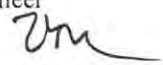
RECEIPT**WATER RIGHTS PROGRAM**

South Dakota Department of Environment and Natural Resources

Date February 1, 2021RECEIVED OF A Bar H Resort LLC 11610 Deerfield Rd. Hill City SD 57745

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. _____	\$
Fee for Filing Transfer Form <u>2808-2</u>	\$50.00
Fee for _____	\$
Fee for Issuing New Well Driller's License No. _____	\$
Fee for Renewal of Well Driller's License No. _____	\$
Fee for Issuing Well Pump Installer's License No. _____	\$
Fee for Renewal of Well Pump Installer's License No. _____	\$
(Any Other Work Provided by Law) TOTAL	\$50.00

By Eric Gronlund
 Chief Engineer




DENR
SOUTH DAKOTA

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
denr.sd.gov

February 3, 2021

2808-2

Kevin McNitt
A Bar H Resort LLC
11610 Deerfield Rd
Hill City SD 57745

Dear Mr. McNitt:

I am writing to acknowledge receipt of the transfer form and filing fee you submitted for changing ownership on Water Right No. 2808-2.

The ownership change has been completed. The water right formerly held by Mt Meadows Store and Campground LLC is now listed under A Bar H Resort LLC.

Enclosed is a receipt for the filing fee. If you have any questions, please let us know.

Sincerely,

A handwritten signature in blue ink that reads "Genny McMath". The signature is fluid and cursive.

Genny McMath
Water Rights Program
605 773-3352
Genny.mcmath@state.sd.us

enclosure

2808-2

SD EForm - 1585LD V5

FORM 2: Application for uses other than irrigation
(type or print)

RECEIVED

DEC 17 2021

WATER RIGHTS
PROGRAM

no fee

Mail to: DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	(office use only) No. _____ Hydrologic Unit _____
	Basin _____
	Newspaper _____

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

Check use(s) of water:

☐ Municipal	☐ Water Distribution System	☐ Recreational	☐ Institutional
☐ Rural Water System	☐ Commercial	☐ Fish & Wildlife	☐ Geothermal
☐ 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. <u>2808-2</u>		

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

Change diversion point for trailers in row 1, 5 residences, by drilling a new well and taking them off of Well #1.

1. Name to Appear on Water Permit A Bar H Resort LLCMailing Address P.O. Box 1181 Hill City SD 57745
(Address) (City) (State) (Zip Code)Phone 605-574-2636 Mobile 605-787-0553 Email manager@mtmeadow.com2. Amount of water claimed _____ *CFS or 10 **GPM and _____ ***AF or 60,000 Gallons
Flow rate and volume are both required. (*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use)3. Source of water supply Well4. Location of point of diversion 1 well in sec 32 T001N R 03E County Pennington
(example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W)If not a public water supply (e.g. municipal), will water be used outside of the area described above? ☐ Yes ☒ NoIf "Yes," where will water be used? _____
(example - NW1/4 section 12-T104N-R53W)5. County or counties where water will be used Pennington6. Annual period during which water is to be used Yearly

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)

Row 1 of trailers which consists of 5 residences is fed from well 1 approximately 1200' away from well head and pressure tank. If any of the residences or campground is using water the other residences lose water pressure and have no access to water. This project will place those 5 residences on their own well and locate the pressure switch/tank close to the point of use.

I, Kevin McNitt, the applicant, certify under
Name of Person Title (if applicable)

penalty of perjury that I have read this application, examined the attached map, and that the matters stated are true. I further certify, if acting on behalf of an entity or individual other than myself, that I am authorized to submit this application.

Supplemental Information

(type or print)

1. Well Information (check one or both as applicable) ☒ Drilling new well(s) ☐ Using existing well(s)

a) If new wells, how many 1 Have test holes been drilled ☐ Yes ☒ No Drilled by _____
(if yes, please provide copies of logs)

b) If existing wells, how many _____ Provide copy of log(s), if available. Drilled by _____

For either Existing or Proposed Wells:

c) Well Depth ^{Estimate} (required) 100' Depth to Top of Water Bearing Material 20' Depth to Water from Surface 40'

d) Distance to nearest domestic well on applicant's property 1200' 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 (e.g. 3 to 1 is a typical slope)

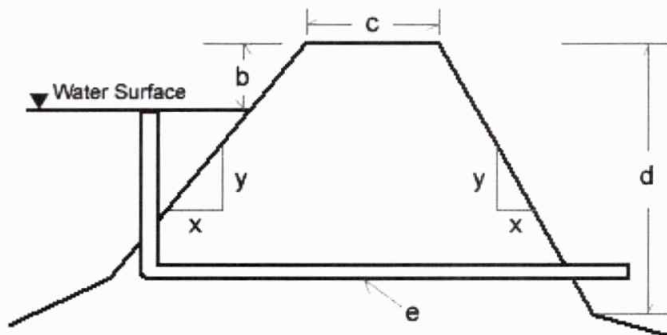
Upstream _____

Downstream _____

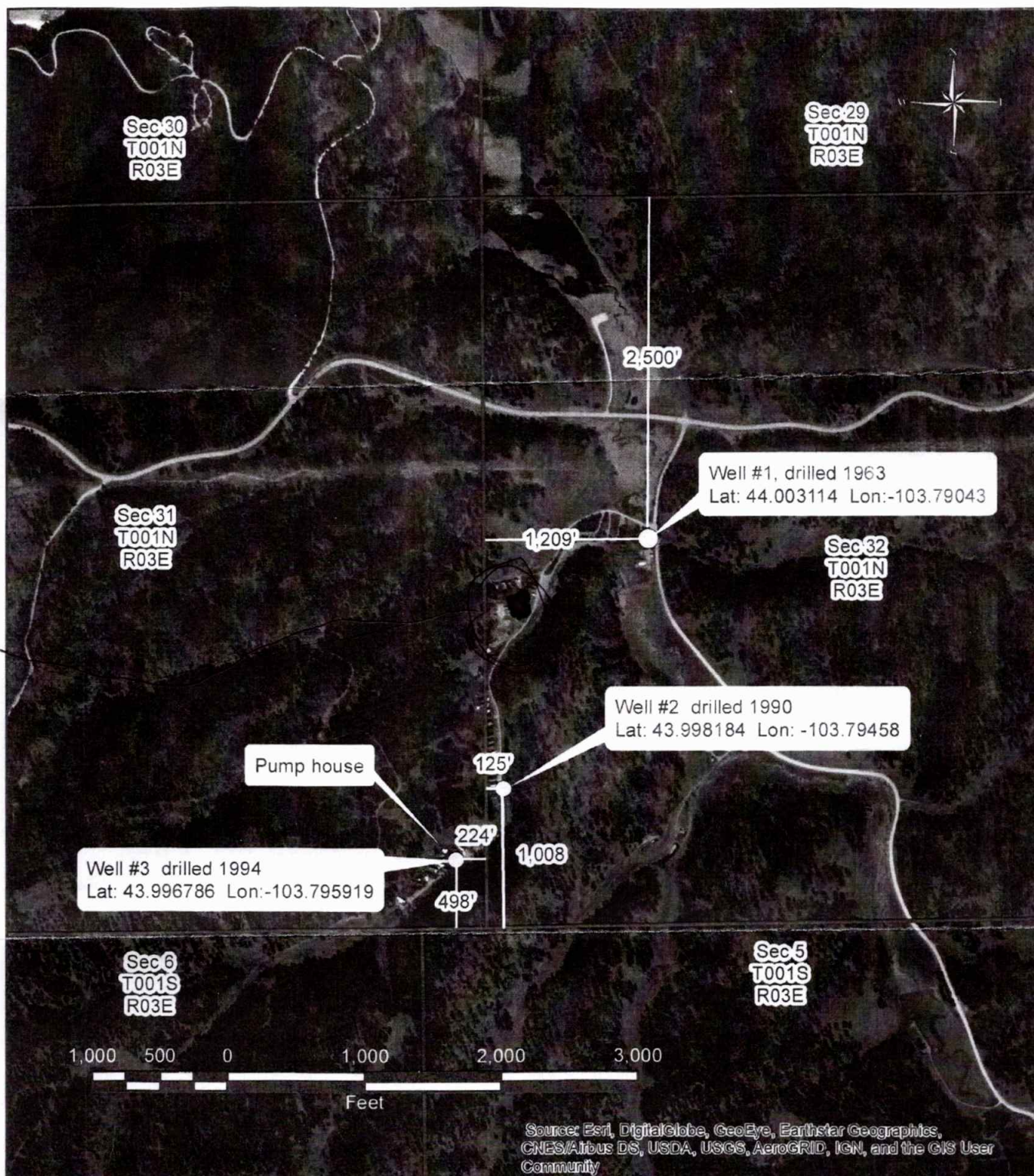
h) Surface Area of Impoundment _____

i) Storage _____ Acre Feet

j) Drainage Area Above Dam _____ Acres

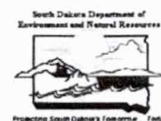


Water Right #2252-2
Mt. Meadows Store & Campground, LLC
6/17/2019



Steven Quissell

Steven Quissell
Water Rights Inspector
DENR Water Rights Program



Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, December 13, 2021 2:10 PM
To: manager@mtmeadow.com
Cc: Friedeman, Barbara
Subject: RE: [EXT] Water License 2808-2
Attachments: Untitled Extract Pages.pdf

Water Right No. 2808-2 has been transferred to A Bar H Resort LLC.

We handle requests for additional wells by having the permit holder file an application and a map showing the location of the proposed well. We then review the application to determine if the request can be handled in-house. No fee is required at this time. If we determine the more formal permit process must be followed, we will request you submit a fee. I have attached a map showing your existing wells. You can use this map and mark where the proposed well will be located.

Application forms can be found on our web site at: <https://danr.sd.gov/OfficeOfWater/WaterRights/default.aspx>

Let me know if you have questions.

Karen

-----Original Message-----

From: Mt. Meadow Store & Campground, LLC <manager@mtmeadow.com>
Sent: Saturday, December 11, 2021 2:23 PM
To: Schlaak, Karen <Karen.Schlaak@state.sd.us>
Cc: Friedeman, Barbara <Barbara.Friedeman@state.sd.us>
Subject: [EXT] Water License 2808-2

Karen,

I wanted to follow-up to ensure the water rights for license 2808-2 were transferred to A Bar H Resort LLC. I also wanted to see what we would need to do if we are looking at drilling another well. We want to move some of the residences off of the main well at the store as it is approximately 1200' from the well head and pressure tank/switch to the point of use and they are having instances where they are losing water pressure and have no water before the pump will kick on. We wouldn't be adding any usage just moving 5 of the residences off of the well #1 and onto their own well.

Thanks,

Kevin McNitt

Manager
Mt. Meadow Resort
11321 Gillette Prairie Rd
Hill City, SD 57745
605-574-2636 phone
866-524-2682 toll free

Approval of Location Change and/or Additional Diversion Point(s)

NAME: A Bar H Resort LLC c/o Kevin McNitt**ADDRESS:** PO Box 1181 Hill City, SD 57745**DATE:** January 11, 2022**COUNTY:** Pennington**TELEPHONE:** 605-574-2636**BACKGROUND:**

Water Right No. 2808-2 authorizes an annual volume appropriation up to 47.8 acre-feet per year at a maximum instantaneous diversion rate of 0.11 cubic feet of water per second (cfs) from three wells completed into the Crystalline Rock aquifer for commercial use at a campground. Well #1 is located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32-T1N-R3E. Well #2 is located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32-T1N-R3E. Well #3 is located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31-T1N-R3E.

The proposed additional well (Well #4) is requested to provide water to Row 1 of trailers which consists of five residences and are currently served by Well #1. The additional well (Well #4) is requested because Well #1 does not put out enough water to serve these residences. Well #4 is requested to be located in Section 32-T1N-R3E.

AUTHORITY:

Pursuant to SDCL 46-5-13.1, the location of a diversion point may be changed, or additional diversion points may be licensed provided the following conditions are met and the potential for interference with other existing diversions is not increased:

- **Developed water source same as permitted source and no additional water appropriated**

The water source remains the Crystalline Rock aquifer. No increase in the annual volume appropriation of 47.8 acre-feet per year or licensed diversion rate of 0.11 cfs from the four wells is authorized.

- **If irrigation, no new land is irrigated**

Water Right No. 2808-2 is licensed for commercial use.

- **Review of Existing Diversions**

The additional well (Well #4) is requested to be located in Section 32-T1N-R3E. Water Right No. 2195-2, held by the Moonshine Gulch Saloon, is the closest water right/permit to the original three wells (Wells #1, 2 and 3) and the proposed additional well (Well #4). The diversion point authorized by Water Right No. 2195-2 is approximately 9 miles northeast of the original three wells and proposed additional well. There are domestic wells on file with the DANR-Water Rights Program that are completed into the Crystalline Rock aquifer, with the closest domestic well on file (not held by the applicant) approximately 0.6 miles southeast of the original three wells and proposed additional well. There could potentially be other domestic wells completed into the Crystalline Rock aquifer near the original three wells and proposed additional well that are not on file with the DANR-Water Rights Program. Given there is no history of well interference complaints, and no additional water is to be appropriated, there is a reasonable probability the additional well will not increase the potential for unlawful impairment of existing water rights/permits, or domestic users with adequate wells within the Crystalline Rock aquifer.

RECOMENNDED ACTION:

Based on the above criteria, it is recommended that the additional diversion point location be authorized under Water Right No. 2808-2.



Nakaila Steen, Natural Resources Engineer I
Water Rights Program

The Chief Engineer makes a finding pursuant SDCL 46-5-13.1 and ARSD 74:02:01:14.01 that:

This change in location and/or additional diversion point(s) does not increase the potential for adverse effects to existing diversions.



Eric Gronlund, Chief Engineer
Water Rights Program



2808-2

**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 E. CAPITOL AVE
PIERRE SD 57501-3182
danr.sd.gov

January 11, 2022

A Bar H Resort LLC
Kevin McNitt
PO Box 1181
Hill City, SD 57745

Dear Mr. McNitt,

I am writing in regard to A Bar H Resort LLC's request for an additional well to what is currently authorized by Water Right No. 2808-2.

Water Right No. 2808-2 authorizes an annual volume appropriation up to 47.8 acre-feet per year at a maximum instantaneous diversion rate of 0.11 cubic feet of water per second (cfs) from three wells completed into the Crystalline Rock aquifer for commercial use at a campground. Well #1 is located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32-T1N-R3E. Well #2 is located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32-T1N-R3E. Well #3 is located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31-T1N-R3E.

A Bar H Resort LLC requested an additional well to provide water to Row 1 of trailers which consists of five residences and are currently served by Well #1. The additional well (Well #4) is requested because Well #1 does not put out enough water to serve these residences.

Upon review of the request and pursuant to SDCL 46-5-13.1, the additional well requested to be located in Section 32-T1N-R3E, is authorized without application or publication of a notice of hearing pursuant to SDCL 46-2A-4. No increase in the annual volume appropriation of 47.8 acre-feet per year or licensed diversion rate of 0.11 cfs from the four wells is authorized. If the total diversion rate increases, a new water right permit will need to be obtained.

If you have any questions, please contact me at (605) 773-3352.

Sincerely,

Eric Gronlund, Chief Engineer
Water Rights Program

