

WATER PERMIT NO. 2824-2

Name of Applicant: **Cosmos of the Black Hills**

Address: **24040 Cosmos Rd, Rapid City SD 57702**

Phone: **605 608-0464**

Amount of Water Claimed: **0.011 cfs**

Total Acres: **NA**

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

Water to be used for: **commercial use**

County: **Pennington**

Type of Waste Disposal System:

Location: **4 miles southwest of Rockerville**

PRIORITY Date Received: **6-14-21**

Application/License Fee: **\$ 300**

Corrected Application Received: **7-2-21**

Period of Annual Use: **January 1 – December 31**

Remarks:

Diversion Point: **NE 1/4 NE 1/4 Sec 32-T1S-R6E**

Land to be Irrigated: **NA**

Depth of Well: **500 feet deep**

Well Driller:

Remarks:

Type of Map: **aerial**

Prepared by:

Reviewed and the Number Assigned on: **7-6-21**

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____

				⊗	
			32		

**SOUTH DAKOTA
WATER PERMIT NO. 2824-2**

Date of first receipt of application June 14, 2021.

Date of return to applicant for corrections, amendments or changes June 15, 2021.

Date of receipt of corrected application July 2, 2021.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 2824-2 to Cosmos of the Black Hills, c/o Stephen Karl Schultz, 24040 Cosmos Rd, Rapid City SD 57702 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. 2824-2 appropriates an amount not exceeding 1.0 acre-feet of water annually at a maximum pump rate of 0.011 cubic feet of water per second from one well completed into the Crystalline Rock Aquifer (500 feet deep) located in the NE 1/4 NE 1/4 Section 32-T1S-R6E. This site is located approximately 4 miles southwest of Rockerville SD.
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 from which applicant may claim right is June 14, 2021.
5. The date of approval of Permit No. 2824-2 is September 13, 2021.
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 well approved under Water Permit No. 2824-2 is located near domestic wells and other wells which may obtain water from the same aquifer. Water withdrawals under this Permit shall be controlled 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 No. 2824-2 authorizes a total annual diversion of up to 1.0 acre-feet of water.

WATER MANAGEMENT BOARD

By: Eric Gronlund
Eric Gronlund, Chief Engineer
Water Rights Program
Department of Agriculture and Natural Resources

SEP 27 2021
date



PAID

JUN 14 2021

Ck# 40601
RECEIVED

JUN 14 2021

WATER RIGHTS
PROGRAM

Mail to: DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>2824-2</u> (office use only) Hydrologic Unit <u>10120109</u>
	Basin <u>Upper Cheyenne</u>
	Newspaper <u>Rapid City Journal</u>

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. _____

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

- Name to Appear on Water Permit Cosmos of the Black Hills
Mailing Address 24040 Cosmos Road Rapid City SD 57702
(Address) (City) (State) (Zip Code)
Phone 605 608 0464 Mobile 605 608 0464 Email stephen.karl.schultz@yahoo.com
- Amount of water claimed 0.011 *CFS or 5 **GPM and 1 ***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)
- Source of water supply well
- Location of point of diversion 1 well NE 1/4 NE 1/4 32-15-6E County Pennington
(example - 3 wells in SW 1/4 NE 1/4 section 12-T104N-R53W)
If not a public water supply (e.g. municipal), will water be used outside of the area described above? ☐ Yes ☒ No
If "Yes," where will water be used? n/a
(example - NW 1/4 section 12-T104N-R53W)
- County or counties where water will be used Pennington
- Annual period during which water is to be used All year Jan 1 - Dec 31
- 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)

Please see addendum & attachments.

I, Stephen Karl Schultz President, 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 ____ Have test holes been drilled ☐ Yes ☐ No Drilled by ____
(If yes, please provide copies of logs)

b) If existing wells, how many 1 Provide copy of log(s), if available. Drilled by Anderson Drilling

For either Existing or Proposed Wells: 6 gpm or ~

c) Well Depth (required) 50 ft Depth to Top of Water Bearing Material 10 ft Depth to Water from Surface 50 ft

d) Distance to nearest domestic well on applicant's property no other wells Property owned by others 1000 ft
(est)

2. Wastewater Disposal System Information

a) Type of System (i.e. septic tank, drain field) septic tank

b) System Capacity (gallons) 1000 Year Constructed 2007

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)

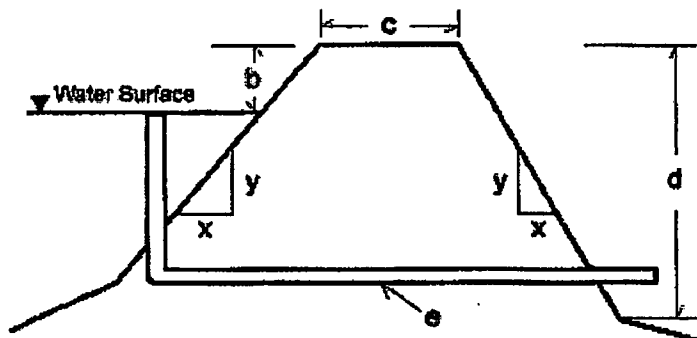
Upstream _____

Downstream _____

h) Surface Area of Impoundment _____

i) Storage _____ Acre Feet

j) Drainage Area Above Dam _____ Acres



Addendum For Cosmos Mystery Area Application for Water Permit

Background

The Cosmos of the Black Hills, dba Cosmos Mystery Area, has operated a seasonal tourism business in the same location since 1953. Water from a single on-site well is almost entirely used for bathrooms.

The Cosmos is open daily for tourism from early April thru late October, weather permitting. A modest staff works year around to perform inventory, order merchandise for the next season, perform facility maintenance, and perform office work. The well is nominally operated all year long other than during cistern maintenance or chlorinator installation/deinstallation.

Water System Summary

The 500 foot deep well employs a 5 GPM pump to pump water from the well to a 5,000 gallon cistern. When nighttime temperatures are reliably above freezing, a chlorinator that is switched to the well pump is used to treat raw well water as it is pumped into the cistern. During colder weather sodium hypochlorite is added to the cistern manually via the cistern riser. A pump in the cistern pumps treated water to the pressure tank in the basement of the giftshop and the pressure tank provides water to the facility.

Even during the busiest parts of the season we have not ever run out of water and the cistern never appears to be "mostly empty" based upon periodic observations. (Unless we have turned off the well pump in anticipation of cistern maintenance.)

Septic System Summary

A 1000 gallon septic tank serves the bathrooms. We have the septic tank pumped out twice during the tourist season, typically in mid-May and mid-August.

Water Use Summary

We do not measure water consumption. We developed a "bottoms up" estimate of our annual water consumption and we believe that we consume approximately 100,000 gallons of water per year. The bathrooms account for the vast majority of our water use, with minor use attributable to facility cleaning and a gem mine sluice that recirculates water. For the purposes of our water permit application we rounding up our claim to 1 acre foot per year.

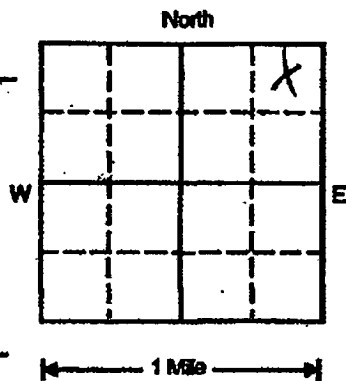
SOUTH DAKOTA WATER WELL COMPLETION REPORT

11-02

Location NE 1/4 NE 1/4 Sec 32 Twp 15 Rg 6E

County Pennington

Please mark well location with an "X"



Well Completion Date

10/6/07

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

? ft. from _____ (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary Downhole Hammer

CASING DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe 30" 160 PVC

PIPEWEIGHT	DIAMETER	FROM	TO	MOLE DIAMETER
LB/FT	IN	0 FT	30 FT	8 3/4 IN
LB/FT	IN	30 FT	500 FT	6 IN
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type	No. of Sacks	Grout Weight	From	To
<u>Portland II</u>	<u>3</u>	<u>28</u> Lb/sack	<u>4</u> R	<u>4</u> R
			R	R

Describe grouting procedure

thru 1" 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

DISINFECTION: Was well disinfected upon completion?

☒ Yes, How? with chlorine solution

☐ No, Why Not?

Lab sample sent to for water quality analysis

Well Owner:

Business Name:

Address:

City, State, Zip:

Cosmos mystery Area
24040 Cosmos Road
Rapid City SD 57702

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>Drift</u>	<u>0</u>	<u>8</u>
<u>Hard Grey Schist</u>	<u>8</u>	<u>43</u>
<u>Grey schist frac-trickles</u>	<u>43</u>	<u>44</u>
<u>Hard grey schist</u>	<u>44</u>	<u>332</u>
<u>Grey schist frac-logpm</u>	<u>332</u>	<u>334</u>
<u>Hard grey schist</u>	<u>334</u>	<u>500</u>

STATIC WATER LEVEL

_____ FEET

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced flow rate _____ GPM

Can well be completely shut in?

WELL TEST DATA:

☒ Pumped Describe: w/air

☐ Bailed

☐ Other

Pumping Level Below Land Surface

FL After	Hrs. pumped	GPM
_____	_____	_____
_____	_____	_____

If pump installed, pump rate: _____ GPM

REMARKS

RECEIVED
DEC 14 2007
WATER RIGHTS PROGRAM

This well was drilled under license # 324

And this report is true and accurate.

Drilling firm:

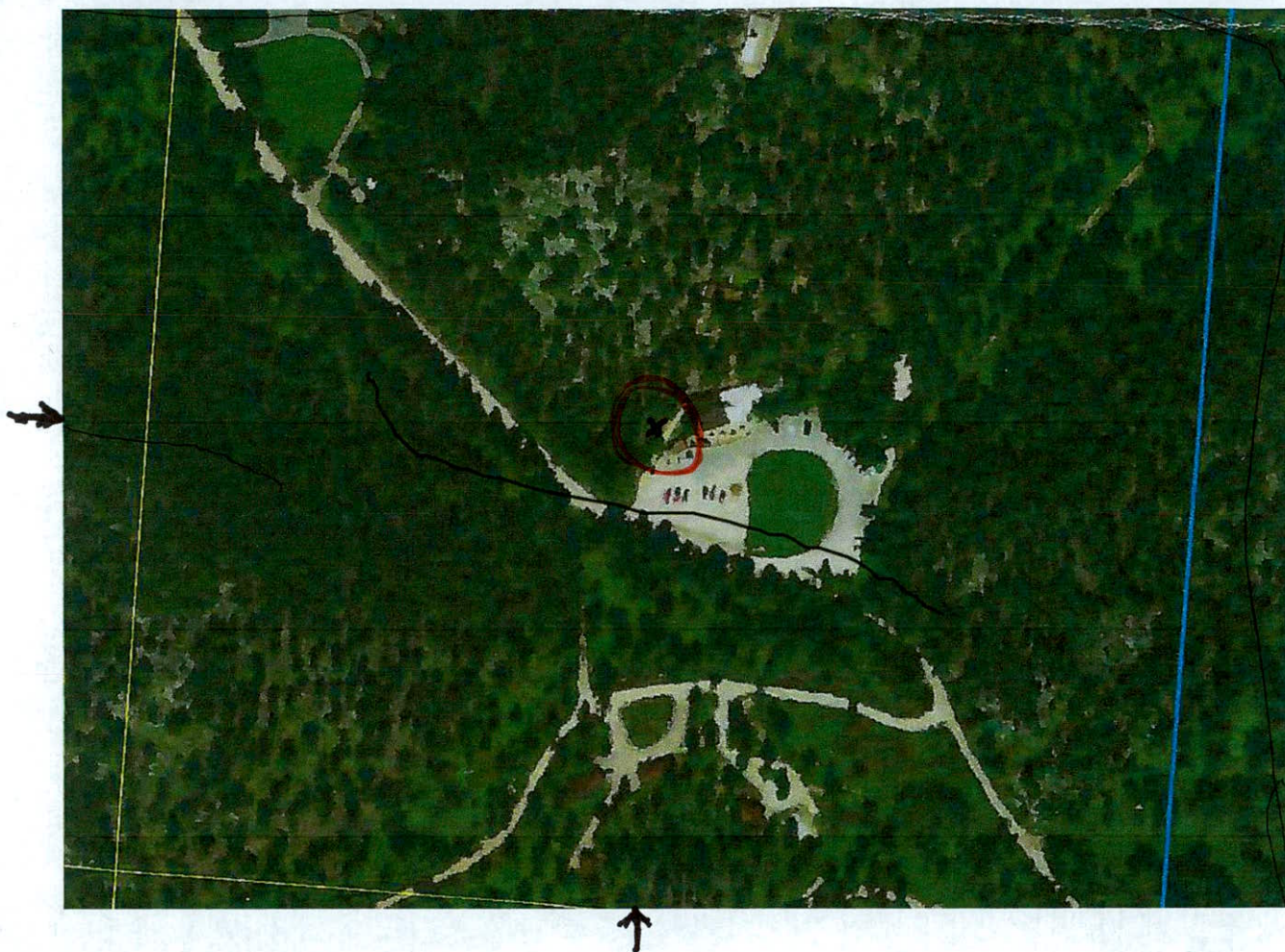
Signature of License Representative:

Signature of Well Owner or Equitable Property Holder:

Steve Scandrett **STEVE SCANDRETT**

Date: 12-13-07

12-11-07



Township: 1S.6E
Section: 29
QQ Sect: SWSE

1S.6E
Section: 29

Township: 1S.6E
Section: 29
QQ Sect: SESE

Township: 1S.6E
Section: 28
QQ Sect: SWSW

1S.6E
Section: 28

Township: 1S.6E
Section: 32
QQ Sect: NWNE

1S.6E

Township: 1S.6E
Section: 32
QQ Sect: NENE

Township: 1S.6E
Section: 33
QQ Sect: NWNW

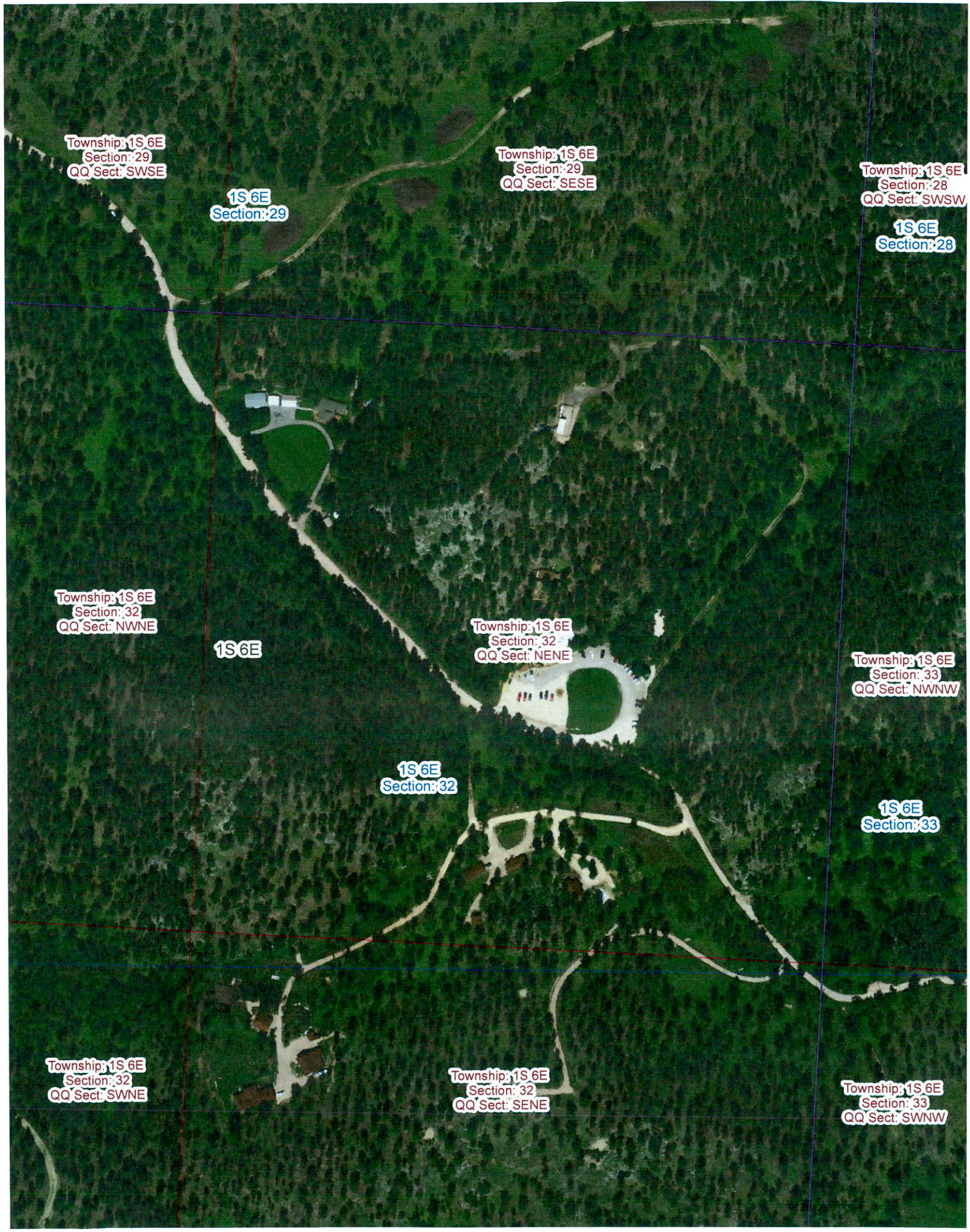
1S.6E
Section: 32

1S.6E
Section: 33

Township: 1S.6E
Section: 32
QQ Sect: SWNE

Township: 1S.6E
Section: 32
QQ Sect: SENE

Township: 1S.6E
Section: 33
QQ Sect: SWNW





On-Site Wastewater Treatment System Operating Permit

Pennington County Planning Department - 130 Kansas City Street, Suite 200 - Rapid City, SD 57701
Phone: (605) 394-2186 - Fax: (605) 394-6016 - Web: www.pennco.org

Operating Permit Number: COOP20-0556

PROPERTY INFORMATION

Property Address: 24040 COSMOS RD

Legal Description: TRACT A OF NE1/4NE1/4

Pin #: 53-32-200-003

Tax ID #: 13059

Block:

Owner Name: COSMOS OF THE BLACK HILLS

Subdivision:

Owner Address: 24040 COSMOS RD
RAPID CITY, SD 57702-7414

Section-Township-Range: 32-1S-6E

ON-SITE WASTEWATER TREATMENT SYSTEM INFORMATION

Septic/Holding Tank System

Tank Size: 1000

Tank Material: Concrete

Treatment System Type: Trench

OSWTS Permit Number (new systems only):

Graywater System (if applicable)

Tank Present: NO

Tank Size: 0

Tank Material:

PERMIT INFORMATION

Date of System Observation: July 2, 2020

Operating Permit Expiration: July 2, 2026

Observed By: CHRIS SKORPAK

**THE PROPERTY OWNER IS RESPONSIBLE FOR
LOCKING ALL SEPTIC AND HOLDING TANK LIDS THAT
ARE ABOVE GRADE OR HAVE LESS THAN 6 INCHES
OF EARTH BACKFILL.**

Approval of this Permit does not in any way release the owner from the responsibility that the onsite wastewater treatment system must be operable.

§ 204(J) of the Pennington County Zoning Ordinance requires that your onsite wastewater treatment system be pumped and observed at a minimum frequency of six (6) years. There are subdivisions and commercial properties within the County that require more frequent pumping and observation. The longevity and performance of your onsite wastewater treatment system is dependent upon proper maintenance and care of the system, which may require more frequent pumping and/or observation. For more information, please visit <http://water.eps.gov/infrastructure/septic/septicsmart.cfm>



CERTIFICATE OF ACHIEVEMENT

By virtue of the authority vested in me by law, and after due consideration of the recommendation of the Board of Operator Certification, I do hereby certify that

STEPHEN SCHULTZ

is qualified to practice as a

Class I Small Water Treatment System Operations Specialist

in the State of South Dakota and is entitled to so represent himself/herself and practice for so long as this certificate shall remain unrevoked and maintained in force by payment of renewal fees as required by law.

7527

A handwritten signature in black ink, appearing to be "L. R. ...", is written over a horizontal line.

Secretary-Department of Environment and Natural Resources

RECEIPT

WATER RIGHTS PROGRAM South Dakota Department of Agriculture and Natural Resources

Date June 14, 2021

RECEIVED OF Cosmos of the Black Hills 24040 Cosmos Road Rapid City SD 57702

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

Fee for Application for Permit No. <u>2824-2</u> to Appropriate Water, to construct and to put water to beneficial use	\$ <u>100.00</u>
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>2824-2</u>	\$ <u>200.00</u>
Fee for Filing Transfer Form _____	\$ _____
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	\$ <u>300.00</u>

By *Eric Gronlund*
Chief Engineer

EM



531091848

B0154-2326 10/02/2020 2:19PM Rec'd by SD SOS

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

2020
FILING YEAR

ANNUAL REPORT
Domestic Business Corporation
SDCL 59-11-24, 24.1

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:

DB000772
BUSINESS ID

COSMOS OF THE BLACK HILLS
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

24040 COSMOS ROAD
RAPID CITY, SD 57702

Mailing Address

24040 COSMOS ROAD
RAPID CITY, SD 57702

4. The South Dakota Registered Agent's Name:

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

(b) The South Dakota Commercial Registered Agent's name & CRA#

CRA: **GUNDERSON PALMER REGISTERED AGENTS, LLC (0000023)**

Actual Street Address in this State

506 6TH ST
RAPID CITY, SD 57701-2726

Mailing Address in this State

PO BOX 8045
RAPID CITY, SD 57709

5. The names and business addresses of its principal officers.

Title	Name	Address
President	Stephen Karl Schultz	6014 McNaughton Grove Lane, Columbus, OH, 43213-5103
Vice President	Mark Schultz	2516 59th Street SW, Everett, WA 98203
Secretary	James William LaJeunesse	161 Thornton St, Portsmouth, NH, 03801
Treasurer	James William LaJeunesse	161 Thornton St., Portsmouth, NH, 03801

6. The names and business addresses of its directors (governors).

Name	Address
Stephen Karl Schultz	6014 McNaughton Grove Lane, Columbus, OH, 43213-5103
Mark Schultz	2516 59th Street SW, Everett, WA, 98203
James William LaJeunesse	161 Thornton St., Portsmouth, NH, 03801

7. 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.



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

July 25, 2008

Cosmos Mystery Area
Attn: Heidi
24040 Cosmos Rd
Rapid City SD 57702

Dear Heidi:

It is my understanding that you called the Water Rights Program regarding the new well Cosmos drilled last October. I have not received a response to the message I left on your answering machine so am writing to inform you of water right permitting requirements.

In January Cosmos received the attached letter about the requirement to obtain a water permit for commercial use from a private well. I believe you indicated previously that this recent well is a replacement for an old well. However, I can not find a water permit on record for this previous well in the name of Cosmos or in the legal description provided on the driller's well completion report.

The commercial use of water from a private source requires a water right permit in South Dakota. I am enclosing the necessary application forms to file for a permit. Also is an instruction sheet to assist you.

If you believe the Cosmos has a permit in place or have questions about filing a water permit, please feel free to contact me.

Sincerely,

Eric Gronlund
Water Rights Program, DENR
605 773-3352

enclosures



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

January 8, 2008

Cosmos Mystery Area
24040 Cosmos Rd
Rapid City SD 57702

Dear Sir:

I am writing in regard to a well driller's report filed by Alexander Drilling Inc. The report shows a new well has been completed on October 5, 2007. Based on the information in the report, you may need a water permit for this water use.

1. According to state law, a water permit is needed for any water use except for reasonable, private domestic use. Examples of commercial uses that require a water rights permit are: truckstops; motels; restaurants; bars; clubs; tourist attractions; campgrounds or any other business operation.
2. Also, as a new well owner, you need to be aware of some of your responsibilities. Enclosed is a copy of "Well Owner Responsibilities". Please review these responsibilities to ensure you are complying with all of the requirements.

Enclosed are application forms and instruction sheet to apply for a water permit. The completed forms with the application fee and map can be returned to: Water Rights Program, 523 E. Capitol, Pierre, SD 57501. Please respond by February 8, 2008.

If you believe your water use does not require a water permit or that you have an existing permit, or if help is needed completing the application forms, please contact Ron Duvall or me at (605) 773-3352. We will be happy to assist you in any way possible.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
karen.schlaak@state.sd.us

enclosures

SOUTH DAKOTA WATER WELL COMPLETION REPORT

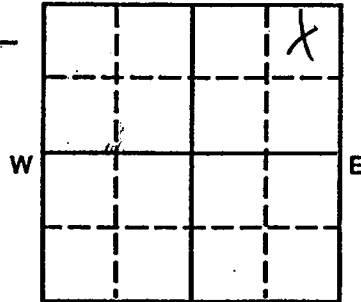
11-02

Location NE 1/4 NE 1/4 Sec 32 Twp 15 Rg 6E

County Pennington

North

Please mark well location with an "X"



Well Completion Date

10/5/07

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

? ft. from _____ (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary Downhole Hammer

CASING DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe 30" 6" 160 PVC

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
LB/FT	IN	FT	FT	IN
		0	30	8 3/4
LB/FT	IN	30	500	6
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type Portland II No. of Sacks 3 Grout Weight 28 Lb/gal From 4 Ft To 4 Ft

Describe grouting procedure

thru 1" 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 _____

DISINFECTION: Was well disinfected upon completion?

☒ Yes, How? with chlorine solution

☐ No, Why Not? _____

Lab sample sent to for water quality analysis

Well Owner:

Business Name: Cosmos mystery Area

Address: 24040 Cosmos Road

City, State, Zip: Rapid City SD 57702

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>Drift</u>	<u>0</u>	<u>8</u>
<u>Hard Grey Schist</u>	<u>8</u>	<u>43</u>
<u>Grey schist frac-tracked</u>	<u>43</u>	<u>44</u>
<u>Hd grey schist</u>	<u>44</u>	<u>332</u>
<u>Grey schist frac-lacpm</u>	<u>332</u>	<u>334</u>
<u>Hd grey schist</u>	<u>334</u>	<u>500</u>

STATIC WATER LEVEL

_____ FEET

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ Inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced flow rate _____ GPM

Can well be completely shut in?

WELL TEST DATA:

☒ Pumped Describe: w/air
☐ Bailed
☐ Other

Pumping Level Below Land Surface

_____ Ft. After _____ Hrs. pumped _____ GPM

_____ Ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate: _____ GPM

RECEIVED

DEC 14 2007

WATER RIGHTS PROGRAM

REMARKS

This well was drilled under license # 324

And this report is true and accurate.

Drilling firm: Advanced Drilling Inc

Signature of License Representative: _____

Signature of Well Owner or Equitable Property Holder: _____

Date: 12-13-07

12.14.07



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

May 17, 2021

Cosmos Mystery Area
24040 Cosmos Rd
Rapid City SD 57702

Gunderson Palmer Law Firm
PO Box 8045
Rapid City SD 57701-2726

Dear Cosmo Mystery Area owner:

I am writing in regard to water right permitting for the well supplying Cosmos Mystery Area. This letter is also being sent to the Gunderson Palmer Law Firm as they are the registered agent for the business on the Secretary of States website.

According to state law, a water permit is needed for any water use except for reasonable, private domestic use. Examples of commercial uses that require a water rights permit are: truckstops; motels; restaurants; bars; clubs; tourist attractions; campgrounds or any other business operation.

The issue of whether the Cosmos Mystery Area holds a water permit came to our attention by a petitioner contesting a new water permit application in the Rockerville area. The individual filed a complaint with the Water Rights Program seeking formal investigation into various water rights and commercial entities in the vicinity of Rockerville that are not properly permitted. Cosmos Mystery Area was specifically listed as an entity operating without a water permit in place.

Enclosed are an application form and instruction sheet to apply for a water permit. The completed form with the application fee and map can be returned to: Water Rights Program, 523 E. Capitol, Pierre, SD 57501. Please respond by June 17, 2021.

If you do not have a well to supply Cosmos, or do not believe your water use requires a water permit or that an existing permit is in place, or if help is needed completing the application forms, please contact Ron Duvall or me at (605) 773-3352. We will be happy to assist you in any way possible.

Sincerely,

Eric Gronlund, Chief Engineer
Water Rights Program, DANR
eric.gronlund@state.sd.us

enclosure

South Dakota Department of Agriculture and Natural Resources
Joe Foss Building
523 E. Capitol Ave
Pierre SD 57501-3182

9 June 2021

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JUN 14 2021

WATER RIGHTS
PROGRAM

Mr. Eric Gronlund, Chief Engineer

Attached please find our water permit application, along with supporting documents, in response to your letter of 17 May 2021.

I appreciate your support as we developed our response. Please let me know if you have any follow-up questions. You can reach me at 605.608.0464 or at stephenkarlschultz@yahoo.com.



Stephen Karl Schultz

President, Cosmos of the Black Hills



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

June 15, 2021

Cosmos of the Black Hills
c/o Stephen Schultz
24040 Cosmos Rd
Rapid City SD 57702

Dear Mr. Schultz:

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

- A map needs to be submitted that references a government section corner or quarter corner including section, township and range. For your use, I have enclosed a map with those designations. Please mark the well location with an "X".

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

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

enclosure

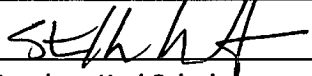
South Dakota Department of Agriculture and Natural Resources
Joe Foss Building
523 E. Capitol Ave
Pierre SD 57501-3182

29 June 2021

Ms. Karen Schlaak, Water Rights Program

Thank you for including the map, I wouldn't have known how to find one. I marked the approximate location of the well on the map with the location information included and on another version with greater magnification. The "x" is hard to see so I put black arrows on the left margin and on the bottom – the "x" is at the intersection where those two arrows would meet.

Please let me know if you have any follow-up questions. You can reach me at 605.608.0464 or at stephenkarlschultz@yahoo.com.



Stephen Karl Schultz
President, Cosmos of the Black Hills

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WATER RIGHTS
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**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 2824-2, Cosmos of the Black Hills**

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. 2824-2, Cosmos of the Black Hills, 24040 Cosmos Rd., Rapid City SD 57702.

The Chief Engineer is recommending APPROVAL of Application No. 2824-2 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 well approved under Water Permit No. 2824-2 is located near domestic wells and other wells which may obtain water from the same aquifer. Water withdrawals under this Permit shall be controlled 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 No. 2824-2 authorizes a total annual diversion of up to 1.0 acre-feet of water.

See report on application for additional information.

Eric Gronlund, Chief Engineer
August 26, 2021

REPORT TO THE CHIEF ENGINEER
ON
WATER PERMIT APPLICATION NO. 2824-2
COSMOS OF THE BLACK HILLS
C/O STEPHEN KARL SCHULTZ
AUGUST 26, 2021

Water Permit Application No. 2824-2 proposes to appropriate up to 1 acre-foot of water annually (ac-ft/yr) at a maximum instantaneous diversion rate of 0.011 cubic feet of water per second (cfs) (5 gallons per minute) from one existing well completed into the Crystalline Rock aquifer for commercial use. The well is located in the NE ¼ NE ¼ Sec. 32-T1S-R6E in Pennington County. This site is located in approximately 4 miles southwest of Rockerville, SD

AQUIFER: Crystalline Rock (CRSL)

HYDROGEOLOGY

The crystalline rock in the area of this application consists primarily of Metagraywacke and Metabasalt (Redden et al, 2016), which are a siliceous mica schist with impure quartzite and a mixture of alkalic basalt, greenstone and actinolite schist (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 and top soil (Lester and Rahn, 2001; Martin et al, 2004; Redden et al, 2016). 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 aquifer in western South Dakota to be 2,900,000 acre-feet. Driscoll and Carter (2001) estimated the outcrop of the "Localized aquifers in the crystalline core area (Precambrian/Tertiary/Other)" to be 616,800 acres.

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.

The well completion report submitted with this application indicates grey colored schists were encountered from 8 feet below ground surface to the bottom of the borehole at 500 feet. A small fracture was encountered at 43 feet and a larger fracture that is the primary production fracture was encountered from 332 to 334 feet below ground surface. The well was completed in October 2007. Water well completion reports within approximately 0.5 miles of the applicant's well list

well depths ranging from 75 to 500 feet with static water levels ranging from 12 to 25 feet below ground surface (Water Rights, 2021c)

Figure 1 is a map of the area near the applicant's well including Crystalline Rock aquifer water rights/permits (Water Rights, 2021b), pending applications, and locations of significant local faults (modified from: Redden et al, 2016 & Lester and Rahn, 2001). Table 1 is a list of the water rights/permits/applications that are shown in Figure 1. It is highly likely the localized portion of the Crystalline Rock aquifer this application proposes to use is limited by these mapped faults and other geological features (e.g., synclines and anticlines). Furthermore, the actual areal extent of the localized aquifer is likely even further limited by localized secondary porosity.

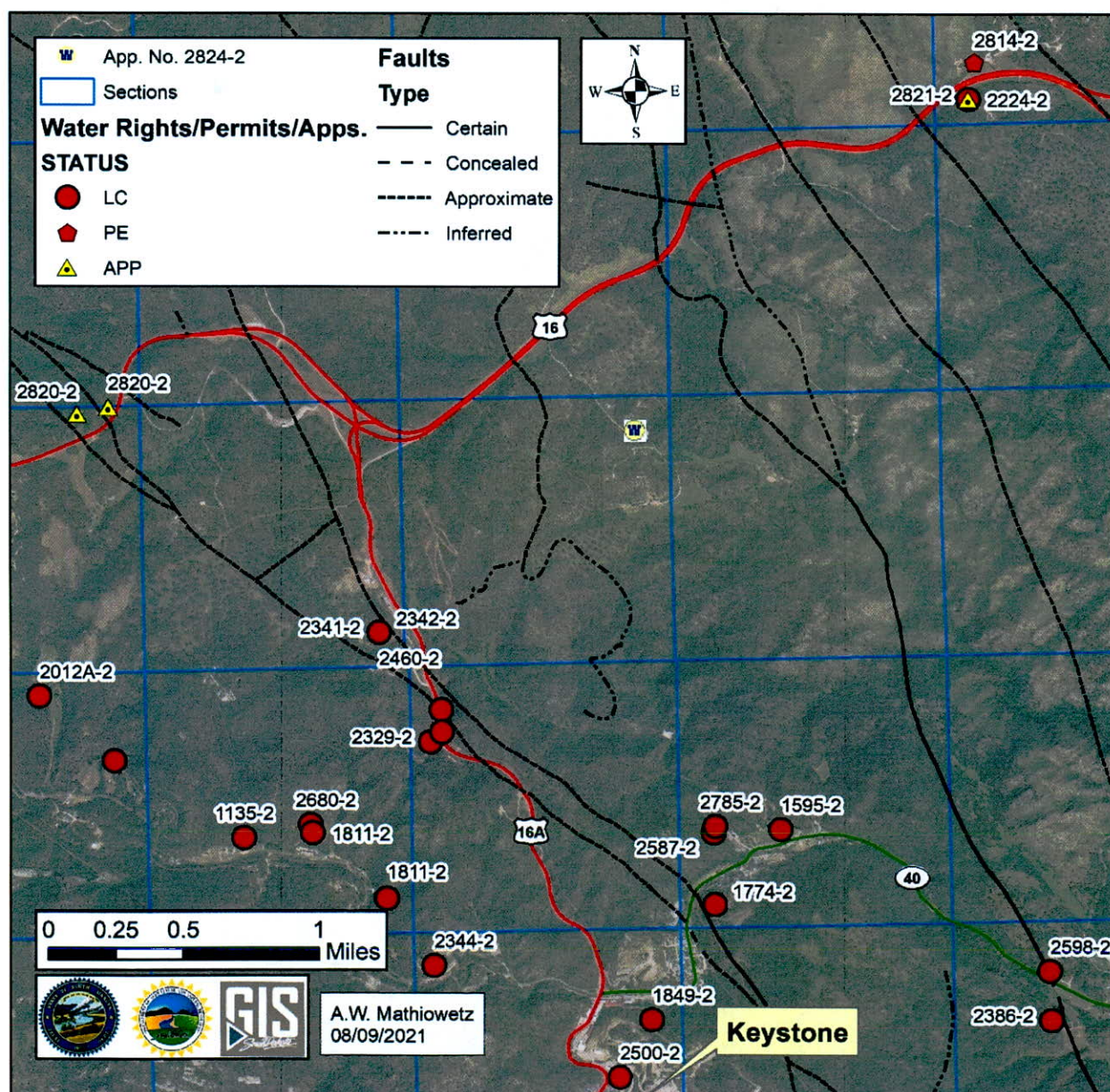


Figure 1- Map of area near Application No. 2824-2 with Crystalline Rock aquifer water rights/permits/applications (Water Rights, 2021b), and fault locations (modified from: Redden et al, 2016 & Lester and Rahn, 2001)

Table 1- Existing water rights/permits/applications shown in Figure 1 (Water Rights, 2021b)

PERMIT NO.	NAME	PRIORITY DATE	STATUS	USE	PERMITTED DIVERSION RATE (CFS)
1135-2	JOHN KINYON	01/02/1973	LC	COM	0.03
1595-2	ROCKY GULCH LLC	06/20/1977	LC	COM	0.07
1774-2	MINERAL TECHNOLOGY CORP	05/08/1981	LC	COM	0.09
1811-2	BREEZE INC	04/02/1982	LC	COM/DOM	0.067
1849-2	TOWN OF KEYSTONE	08/09/1983	LC	MUN	0.56
2012A-2	BAPTIST CAMP JUDSON	03/10/1987	LC	INS	0.04
2224-2	HILLSIDE COUNTRY CABINS	01/01/1898	LC	COM	0.004
2329-2	LITTLE GUYS LLC	02/15/1995	LC	COM	0.1
2341-2	DANIELLE BANKS	01/01/1893	LC	COM	0.013
2342-2	DANIELLE BANKS	06/12/1995	LC	COM	0.044
2344-2	MIKE VINTON	08/28/1995	LC	COM	0.044
2386-2	TOWN OF KEYSTONE	05/16/1997	LC	MUN	0.089
2460-2	KENNETH D KNAPP	04/23/2001	LC	COM	0.033
2500-2	TOWN OF KEYSTONE	01/16/2003	LC	MUN	0.22
2587-2	TOWN OF KEYSTONE	04/20/2006	LC	MUN	0.133
2598-2	GRANITE POINT LLC	08/14/2006	LC	SHD	0.067
2680-2	BREEZE INC	02/22/2012	LC	COM	0.029
2785-2	TOWN OF KEYSTONE	08/11/2014	LC	MUN	0.167
2814-2	JUDE WILDEMAN	11/23/2020	PE	COM	0.067
2820-2	JIM & CRYSTAL WIESE	n/a	APP	COM	0.044
2821-2	VALERIE LAUEN	n/a	APP	COM	0.018
LC= Water Right, PE= Water Permit, APP= Permit Application, COM= Commercial, DOM= Domestic, MUN= Municipal, INS= Institutional, SHD= Suburban Housing Development					

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 potential for unlawful impairment of existing water 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 being 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. However, the applicant is not a water distribution system as defined in SDCL 46-1-6(17). Therefore, it is necessary to consider the relationship between estimated average annual recharge and average annual withdrawals for the Crystalline Rock aquifer.

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 must 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) also 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 the areal extent, there is not sufficient data available to attempt a delineation of the localized Crystalline Rock aquifer with any level of certainty. Furthermore, the spatial variability and transient nature of the recharge means that even if there was a delineation of this portion of the Crystalline Rock aquifer, simply applying the 3,600 ac-ft/yr equally over the entirety of the aquifer is inappropriate. However, the recharge rate using Driscoll and Carter's (2001) estimated minimum annual recharge, 3,600 ac-ft/yr, for the Crystalline Rock aquifers is approximately 0.07 inches/year (in/yr). It must be emphasized that, due to the transient and variable nature of the recharge conditions, this number is not necessarily reliable. Furthermore, Driscoll and Carter (2001) noted that recharge must be much greater to account for losses from the Crystalline Rock aquifers to streamflow.

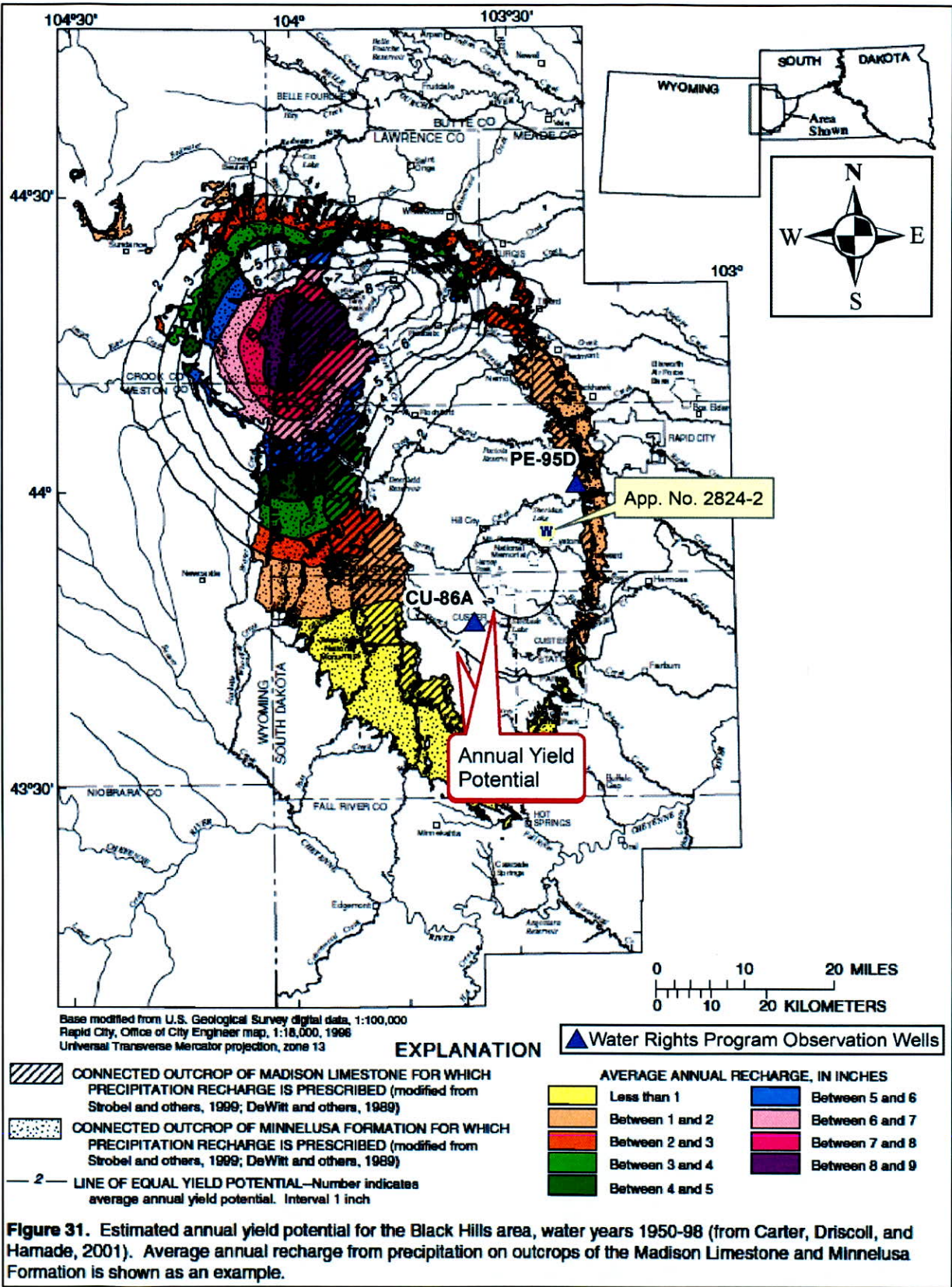


Figure 2- Estimated annual yield potential for Black Hills area (modified from: Driscoll and Carter, 2001) with Application No. 2824-2 and Crystalline Rock aquifer observation wells (Water Rights, 2021a)

Driscoll and Carter (2001) also estimated annual yield potential. The estimated annual yield potential is essentially how much precipitation is left after subtracting evapotranspiration. Figure 2 is the map of the estimated annual yield from Driscoll and Carter's (2001) report with the location of the applicant's well marked and Crystalline Rock aquifer observation wells (Water Rights, 2021a). Driscoll and Carter (2001) used a recharge factor to estimate how much of the annual yield could infiltrate and recharge an aquifer. While other bedrock aquifers in the Black Hills area such as the Madison and Inyan Kara aquifers have a recharge factor, Driscoll and Carter (2001) did not estimate one for the crystalline core of the Black Hills. This is due to the fact that the localized Crystalline Rock aquifers are not extensive regional aquifers and are highly variable in nature. The Crystalline Rock aquifers near the applicant's location has an estimated annual yield of slightly less than 2 in/yr. There is no average annual recharge estimate available for the localized Crystalline Rock aquifer the applicant proposes to use. The annual yield range is not appropriate to use as a recharge rate for the Crystalline Rock aquifers but does suggest a likely upper limit on a possible recharge rate.

Discharge

Discharge from the Crystalline Rock aquifer is through pumping of wells (Water Rights, 2021b and 2021c), seepage to streams (Driscoll and Carter, 2001), and evapotranspiration where the static water level of the aquifer is near ground surface. As shown in Figure 1 the nearest appropriative wells are 1.25 miles to the southwest or 1.5 miles south of the applicant's well. Furthermore, the water rights to the southwest are separated from the applicant by several faults (Water Rights, 2021b Redden et al, 2016; Lester and Rahn, 2001). It is highly unlikely that the applicant is in the same localized portion of the Crystalline Rock aquifer as any other appropriative user.

There are 8 well completion reports on file with the DANR-Water Rights Program for domestic wells that appear to be completed into the Crystalline Rock aquifer and map within approximately one mile and four wells that map within approximately 0.25 miles of the well the applicant uses (Water Rights, 2021c). The Water Rights Program Well Completion Report database maps well completion reports at the centroid of the smallest geographically division provided on the report. Therefore, the locations as mapped are not the exact locations of the wells. However, the data provides a sense of how many wells are within a general area. However, there may be other domestic wells completed into the Crystalline Rock aquifer within that area but not on file with the Water Rights Program. It is highly unlikely all of the wells within approximately one mile of the applicant's well are completed into the same localized portion of the Crystalline Rock aquifer due to the nature of the secondary porosity that comprises the aquifer and one or more faults separating the applicant's well from some of the domestic wells on file. It is possible several of the wells within 0.25 miles of the applicant's well are completed into the same fracture system and thus the same localized portion of the Crystalline Rock aquifer as the applicant's well. In general, the volume of water pumped by domestic users is not a significant component of a hydrologic budget when compared to appropriative withdrawals from an aquifer due to the limited diversion rate and needs of domestic users. However, due to what is likely a relatively small areal extent of the localized portion of the Crystalline Rock aquifer, it is possible that domestic use is a significant portion of the local hydrologic budget.

In the past, the Water Rights Program has used, and the Water Management Board has accepted, a domestic water use estimation using the following assumptions: 1) 2.5 residents per rural dwelling, and 2) either the average per capita use by self-serve well users for the county in question

or an average use from across the state if county specific data is not available in Carter and Neitzert's (2008) report on estimated water use in South Dakota. In this case, Pennington County self-supplied domestic users withdrew approximately 70 gallons per day per capita. That is equal to 0.20 ac-ft/yr for each rural dwelling, assuming each dwelling has 1 well, using the previously discussed assumptions, and that the dwelling is occupied year-round. Using the above mentioned estimate per dwelling, 0.20 ac-ft/yr, the 8 wells within approximately 1 mile equates to approximately 1.6 ac-ft/yr and the 4 wells within approximately 0.25 miles equates to approximately 0.8 ac-ft/yr for domestic use. It is possible some other domestic wells exist in this area that do not have completion reports on file with the Water Rights Program. Furthermore, it is possible several of the domestic wells on file with the Water Rights Program in this area are no longer in use. There are 9 properties within 0.25 miles of the applicant's well that are not held in trust by the United States (RapidMap, 2021). If each of these properties has a well and using the above assumptions, that is an estimated use of 1.8 ac-ft/yr. These estimates for domestic use presented in this report are provided to give a sense of scale to local domestic use from the Crystalline Rock aquifer rather than for the use of each domestic well that may be present but is not on record with the Water Rights Program.

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 average quantity of water withdrawn annually from the aquifer does not exceed the estimated average annual recharge of the aquifer.

The DANR-Water Rights Program maintains two observation wells that have historically been considered completed into the Crystalline Rock aquifer in western South Dakota (Water Rights, 2021a). Observation well CU-86A is located approximately 13.4 miles southwest and observation well PE-95D is located approximately 6.6 miles northeast of the well the applicant intends to use (Water Rights, 2021a). 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 that location (Water Rights, 2021a and 2021c; 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, 2021a and 2021c). 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. Therefore, 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 3 shows the hydrograph for observation well CU-86A.

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 approximately 45 feet over the period of record in response to climatic conditions. 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 that changes in water levels are governed by natural conditions, that is to say recharge to and natural discharge from the aquifer. Natural discharge from

an aquifer can be captured for pumping. While CU-86A is not completed into the same localized portion of the Crystalline Rock aquifer as the applicant's well, it does show that the Crystalline Rock aquifer can be recharged.

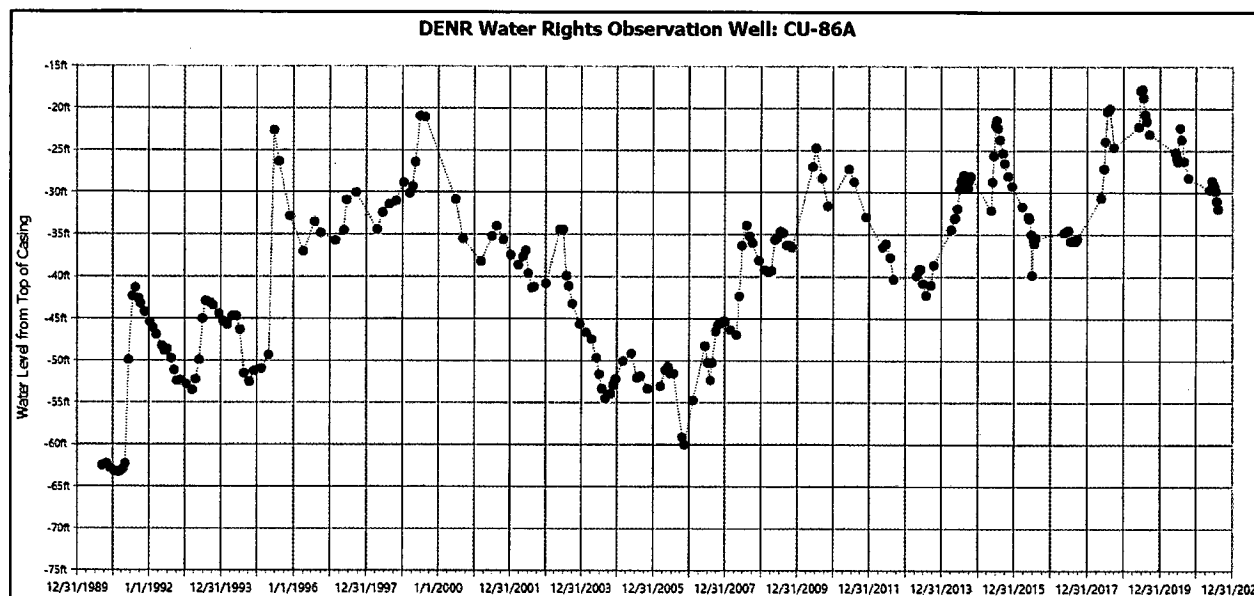


Figure 3- Hydrograph of Crystalline Rock aquifer observation well CU-86A (Water Rights, 2021a)

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 small annual appropriation requested by this application, and the fact there has been water use at this site since 1953 and the current well has been in place and in use since 2007, there is a reasonable probability unappropriated water is available for this proposed appropriation.

POTENTIAL FOR UNLAWFUL IMPAIRMENT OF EXISTING WATER RIGHTS

There has been development of both domestic and appropriative wells completed into the Crystalline Rock aquifer with a minimal history of well interference complaints in Pennington County. This application is proposing a relatively limited diversion rate, appropriation volume, and has been in use for some time without an issue reported to the DANR-Water Rights Program (Water Rights, 2021d). Furthermore, the aquifer has large natural fluctuations of water levels that often mask or exceed drawdown caused by well pumping.

Figure 1 is a map of the Crystalline Rock aquifer water rights/permits in the vicinity of the applicant's well (Water Rights, 2021b). The nearest appropriative water rights to the applicant's wells are approximately 1.25 miles away (Water Rights, 2021b). There are a number of domestic wells on file with the Water Rights Program within 0.25 miles of the applicant's well (Water

Rights, 2021c). Unless more accurate information is provided, well completion reports submitted to the DANR-Water Rights Program are mapped at the approximate center of the legal location provided on the well completion report, and multiple wells are mapped at the same location if they share the same legal location description (e.g., SW ¼ SW ¼ Sec 22-T1S-R6E). Therefore, there is not a better estimate of the exact distance to the nearest domestic wells on file with the Water Rights Program. It is also likely there are other wells completed into the Crystalline Rock aquifer within approximately 0.25 miles of the applicant's well that are not on file with the DANR-Water Rights Program. A review of information to attempt to locate dwellings determined the likely closest dwelling to the applicant's well is approximately 400 feet away (RapidMap, 2021).

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 3. 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. 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 complaints of well interference issues since then (Water Rights,

2021d). The applicant's well and water use have been in place for several years without reported issue.

The Chief Engineer received a complaint in May 2021 regarding a number of entities in the Rockerville area that are suspected of using water without proper permitting. These entities, including the applicant, have been contacted and the water permitting issues are being resolved. However, no complaints have been filed of well interference resulting in unlawful impairments of existing domestic or appropriative users with adequate wells.

South Dakota water law affords protection to adequate domestic wells. The above factors mean there is a reasonable probability this diversion will not unlawfully impair existing users with adequate wells. If this application is approved, a qualification should be included 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.

CONCLUSIONS:

1. Water Permit Application No. 2824-2 proposes to appropriate up to 1 ac-ft/yr at a maximum instantaneous diversion rate of 0.011 cfs (5 gpm) from an existing well completed into the Crystalline Rock aquifer for commercial use. The site is approximately 4 miles southwest of Rockerville, SD
2. Based on the hydrologic budget and observation well data, there is a reasonable probability unappropriated water is available for this proposed appropriation.
3. There is a reasonable probability this proposed diversion will not without unlawfully impair existing users with adequate wells.



Adam Mathiowetz, PE
SD DANR-Water Rights Program

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Schlaak, Karen

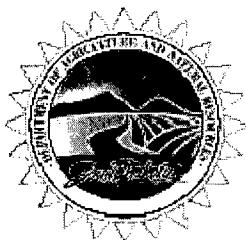
From: Schlaak, Karen
Sent: Thursday, August 26, 2021 11:34 AM
To: stephenkarlschultz@yahoo.com
Subject: Water Permit Application No. 2824-2
Attachments: 1746.pdf

Attached is a copy of the report, chief engineer recommendation and information regarding the public notice for your water permit application. As stated in the letter, please contact the paper as soon as possible to authorize publication and arrange for payment. This information is being mailed to you today.

Karen Schlaak

DANR - Water Rights Program
(605) 773-3352

Website: <https://danr.sd.gov>



*** Proof of Publication ***

STATE OF SOUTH DAKOTA)

County of Pennington)

SS:

Cosmos of the Black Hills

Stephen Schultz

24040 COSMOS ROAD

RAPID CITY SD 57702

ORDER NUMBER 35529

The undersigned, being duly sworn, upon his/her oath says: That he/she is now and was at all time hereinafter mentioned, a clerk of the RAPID CITY JOURNAL, a corporation of Rapid City, South Dakota, 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 for at least one year prior to the first date of the published notice.

This affidavit is a true and corrected copy of notice which appeared

in said newspaper once each day for one
successive days, the first publication there of being on the
2nd day of September, 2021
[Signature]

Section: Legal

Category: 0084 Water Permits

PUBLISHED ON: 09/02/2021

TOTAL AD COST: 48.55

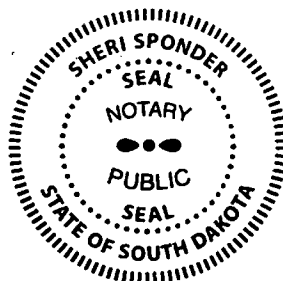
FILED ON: 9/2/2021

Subscribed and sworn to before me this

2nd day of September, 2021
Sheri Sponder Notary Public

My commission expires

November 21, 2025



Sept 2 L35529

NOTICE OF APPLICATION NO. 2824-2 to Appropriate Water

Notice is given that Cosmos of the Black Hills, c/o Stephen Karl Schultz, 24040 Cosmos Rd, Rapid City SD 57702 has filed an application for a water permit to appropriate an amount not exceeding 1.0 acre-feet of water annually at a maximum pump rate of 0.011 cubic feet of water per second from one well completed into the Crystalline Rock Aquifer (500 feet deep) located in the NE 1/4 NE 1/4 Section 32-T1S-R6E for commercial use. This site is located approximately 4 miles southwest of Rockerville SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 2824-2 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 <https://danr.sd.gov/public> or contact Ron Duvall 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 September 13, 2021.

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 \$48.55)

RECEIVED

SEP 07 2021

WATER RIGHTS PROGRAM

Schlaak, Karen

From: Schlaak, Karen
Sent: Thursday, August 26, 2021 11:30 AM
To: RCY Legals (legals@rapidcityjournal.com)
Subject: 2824-2, Cosmos of the Black Hills
Attachments: 2824-2public.short.docx; FORM8.FRM.doc

Attached is a notice to be published on September 2, 2021.

Cosmos of the Black Hills, c/o Stephen Karl Schultz, 24040 Cosmos Rd, Rapid City SD 57702 (605 608-0464) has been notified to contact you to authorize publication and arrange for payment.

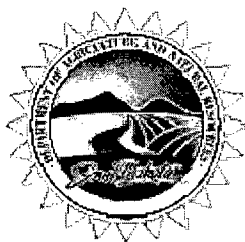
Please send the affidavit or return the attached Proof of Publication form ASAP to the Water Rights Program, 523 E Capitol, Pierre SD 57501.

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

Karen Schlaak

DANR - Water Rights Program
(605) 773-3352

Website: <https://danr.sd.gov>





**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

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

August 26, 2021

Cosmos of the Black Hills
c/o Stephen Karl Schultz
24040 Cosmos Rd
Rapid City SD 57702

Dear Mr. Schultz:

Water Permit Application No. 2824-2 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,

Karen Schlaak

Karen Schlaak
Water Rights Program
(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.

NOTICE OF APPLICATION NO. 2824-2 to Appropriate Water

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Published once at the total approximate cost of_



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and NATURAL RESOURCES**

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

SEP 27 2021

Cosmos of the Black Hills
c/o Stephen Karl Schultz
24040 Cosmos Rd
Rapid City SD 57702

Dear Mr. Schultz:

Enclosed is Water Permit No. 2824-2 authorizing construction of the water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

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

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,

Eric Gronlund
Eric Gronlund, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures