

WATER PERMIT NO. 6423-3

Name of Applicant: Sioux River Ethanol, LLC

Address: 29816 County Highwa 103, Hudson SD 57034

Phone: 605 965-2200

Amount of Water Claimed: 1.78 cfs (1000 AF annually)

Total Acres:

Source of Water Supply: groundwater (4 wells)

Water to be used for: industrial County: Lincoln

Type of Waste Disposal System:

Location: 2 miles southwest of Hudson

PRIORITY Date Received: 6-3-03

Application/License Fee: \$500

Corrected Application Received:

Period of Annual Use: January 1 – December 31

Remarks:

Diversion Point: SW ¼ NE ¼ & NW ¼ SE ¼ Sec
35-T96N-R48W

Land to be Irrigated:

Depth of Well: 33.5 feet deep

Well Driller: : Hammond-Wetmore Drilling

Remarks:

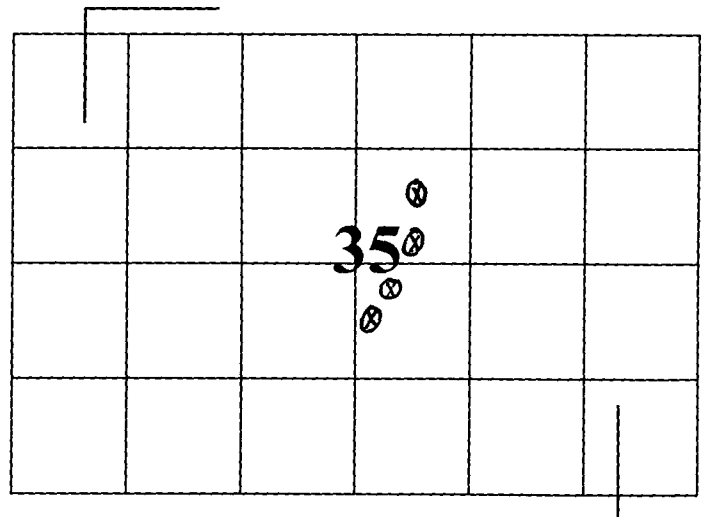
Type of Map: plat

Prepared by: David Oden, PE

Reviewed and the Number Assigned on: 6-3-03

By: Karen Schlaak

Notice of Hearing - date to intervene: _____



FORM 2: Application for uses other than irrigation

(type or print)

Mail to:

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

(office use only)

No. 6423-3 Hydrologic Unit 10170203
Basin Sioux River
Newspaper Sioux Valley News, Canton

RECEIVED

JUN - 3 2003

WATER RIGHTS
PROGRAM

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

Check use(s) of water:

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

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

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

- Name of Applicant Sioux River Ethanol, LLC Phone (605) 965-2200
(Contact Person: Richard Victor)
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address 29816 County Highway 103 State Hudson, SD 57034
(Street, R.R. or Box) (Zip Code)
- Amount of water claimed 1.78 *CFS or 800 **GPM 1000 ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable)
- Source of water supply Big Sioux Aquifer (4 wells)
- Location of point of diversion (example - 3 wells in SW 1/4 NE 1/4 section 12-T104N-R53W) E 1/2 Section 35, T96N, R48W
SW 1/4 NE 1/4 + NW 1/4 SE 1/4
County Lincoln
- County or counties where water will be used Lincoln
- Annual period during which water is to be used 365 days 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).
Ethanol Plant (See attached supplemental information)

STATE OF SOUTH DAKOTA)

SS

County of Lincoln)

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

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

Signed



Subscribed and sworn to before me this 2nd day of June, 2003
DANIELLE L. SOUTHERN
NOTARY PUBLIC
SOUTH DAKOTA

Danielle L. Southern
Notary Public

**SOUTH DAKOTA
WATER PERMIT NO. 6423-3**

Date of first receipt of application June 3, 2003.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 6423-3 to Sioux River Ethanol, LLC, c/o Richard Victor, 29816 County Highway 103, Hudson SD 57034 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. 6423-3 appropriates 1.78 cubic feet of water per second (1,000 acre-feet annually) from up to 4 wells (Big Sioux: South Aquifer) 33 feet deep located in the SW ¼ NE ¼ and the NW ¼ SE ¼ Section 35-T96N-R48W.
2. The water appropriated shall be used for the purpose of industrial use at the ethanol plant 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. 6423-3 is July 28, 2003.
5. The date from which applicant may claim right is June 3, 2003.
6. One-fifth of the construction is to be completed on or before January 28, 2006.
7. All construction is to be completed on or before July 28, 2008.
8. Water is to be put to beneficial use on or before July 28, 2012.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

1. The 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 wells authorized by Permit No. 6423-3 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28.
3. Sioux River Ethanol shall report to the Chief Engineer annually the amount of water withdrawn from the Big Sioux:South Aquifer.

WATER MANAGEMENT BOARD

By: Garland Erbele

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

AUG 08 2003

date



(type or print in ink)

1. Well Information - Proposed Construction

(Information provided is for Production Test Well)
3 additional wells are proposed with similar const.

- a) Drill Hole Diameter 24" Depth 33.5'
- b) Casing Type PVC Diameter 16" OD Thickness Sched. 40
- c) Screen Type Wire Wrap St. Diameter 16" OD Thickness 1/4"
- d) Gravel Pack 3/8 x 1/8 Steel Length of Gravel Pack 12
- e) Depth to Top of Water Bearing Material 2.5' to 3'
- f) Depth to Water (ground surface to water level) 13'-15'
- g) Distance to nearest existing domestic well:

On applicants property NA

On property owned by others Approximately 700'
from closest proposed well.

2. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field) Septic Tank and Mound System
- b) System Capacity (gallons) 3,000 gallons Year Constructed 2003 planned
- c) Connected to the City of Sanitary System

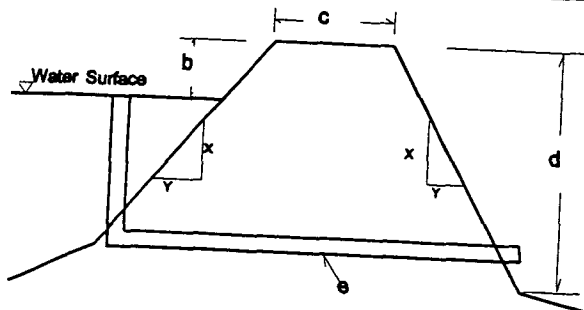
3. Dugout Information

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

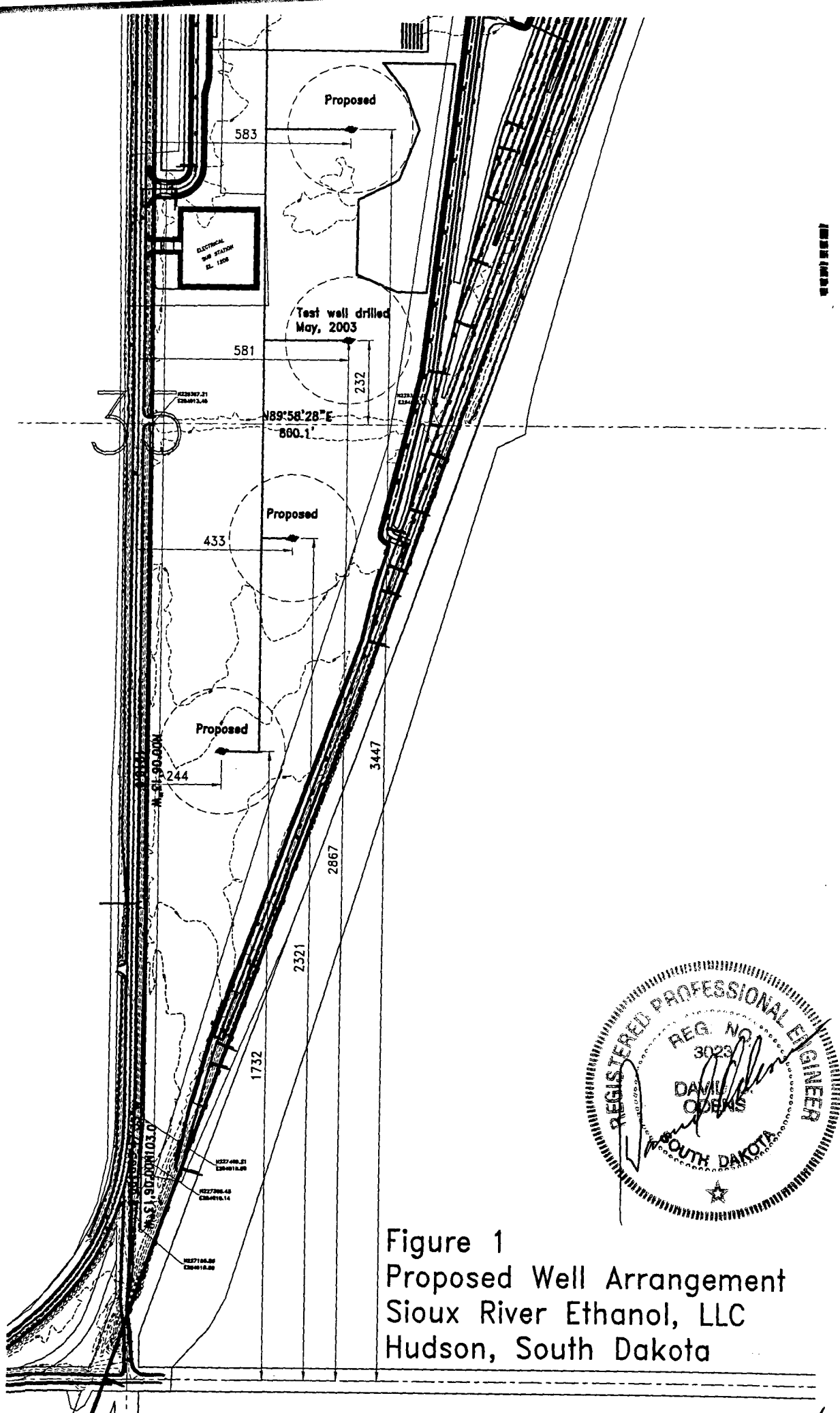
4. Water Storage Dams

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

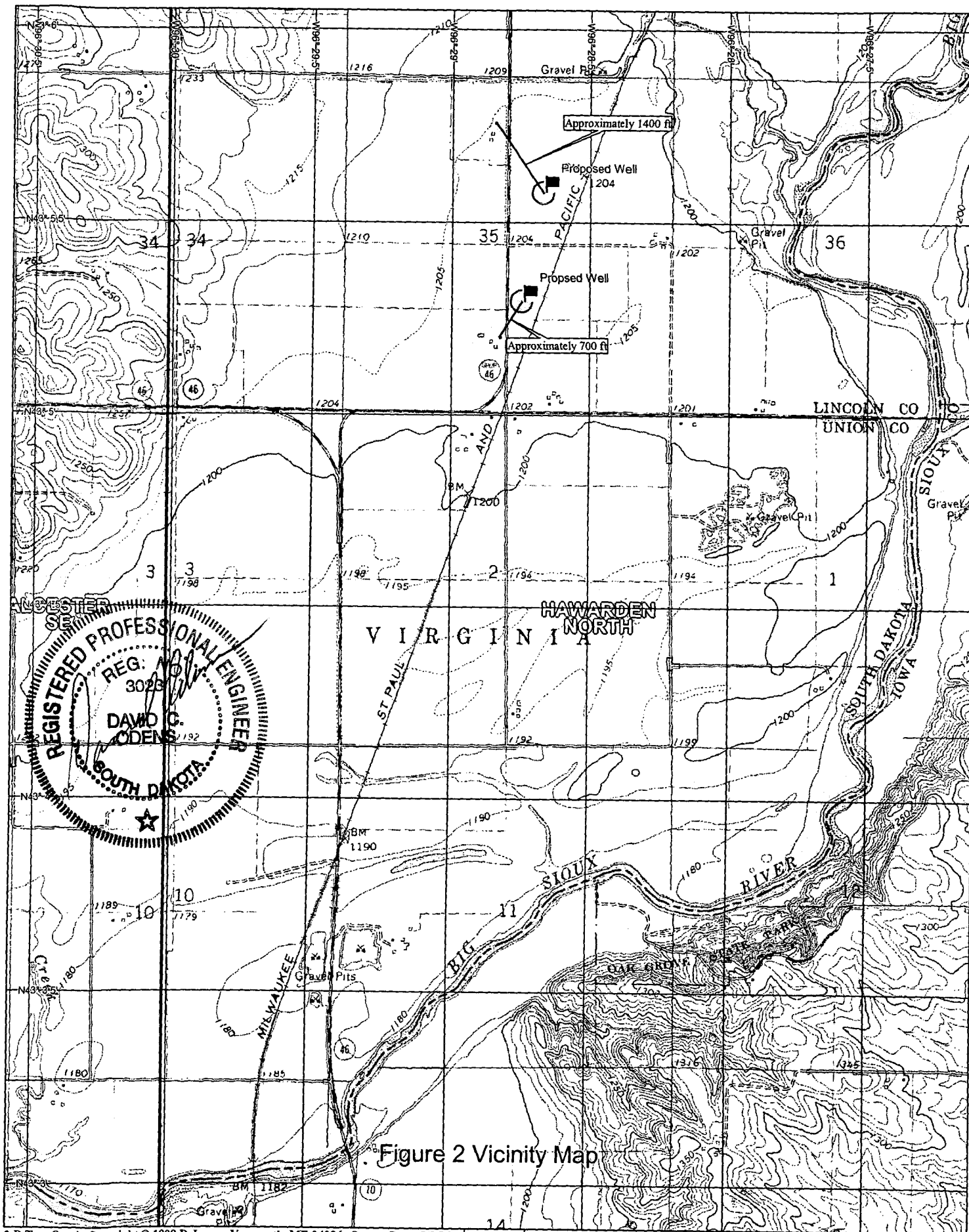
- a) If a private engineering firm or government agency was involved in the design of this dam, please give their name and address:



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



6423-3



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date June 3, 2003

RECEIVED OF Broin & Associates, 2209 East 57th St N, Sioux Falls SD 57104

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

Fee for Application for Permit No. <u>6423-3</u> to Appropriate Water, to construct and to put water to beneficial use	450	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>6423-3</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	500.00

No.

000000

By

Darlene Erbe
Chief Engineer *gm*

PAYMENT REQUEST FORM

PAYEE: Broin & Associates
2209 E 57th St N
Sioux Falls SD 57104

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

DESCRIPTION OF SERVICE, PRODUCE OR TRANSFER

Refund of \$50.00 application fee - overpayment

AMOUNT: \$50.00

FUNDING SOURCE:

GENERAL: X

FEDERAL:

COMMENTS:

AUTHORIZATION:

Barbara C. C. C.

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

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WATER RIGHTS
PROGRAM

SUPPLEMENTAL INFORMATION

WATER RIGHTS APPLICATION

SIOUX RIVER ETHANOL LLC PLANT SITE

HUDSON, SOUTH DAKOTA

MAY, 2003

Prepared by

**Banner Assoc. Inc.
Consulting Engineers & Architects
Brookings, SD 57006**

SUPPLEMENTAL INFORMATION

Project: Sioux River Ethanol, LLC
Hudson, SD
Date: May 29, 2003

Reference:

Form 2, Item 7:Project Description:

The water appropriated under this permit will be used for the process and associated cooling water requirements for an ethanol production facility designed for production of 40 million gallons of ethanol per year. The ethanol plant will operate year-round.

Water required for domestic uses will be obtained from a water service connection to the South Lincoln Rural Water System.

Form 2A, Item 1:Well Information: Additional Information

One production test well has been constructed and tested at the site by Hammond-Wetmore Drilling of Vermillion, SD. The well information listed on form 2A represents the test well constructed in May, 2003. Three additional wells with similar construction are proposed for the site in order to obtain the necessary well capacity for the ethanol plant. The arrangement of the proposed well field is shown in Figure 1: Proposed Well Arrangement, Sioux River Ethanol LLC, Hudson, SD. The location of the ethanol plant site and well field is shown in Figure 2: Vicinity Map, Sioux River Ethanol LLC, Hudson, SD. Figure 1 also identifies the location of the production test well which will be one of the production wells in the proposed well field.

Form 2A, Item 2Wastewater Disposal Information;

Domestic sanitary wastewater will be treated in a septic tank system consisting of two 1500 gallon septic tanks. Wastewater disposal system will be a mound system. Septic tank and mound system were designed by Banner Assoc. Inc. in accordance with applicable design standards established by the South Dakota Department of Environment and Natural Resources.

Non-Contact cooling water discharge permit applications have been prepared by Banner Assoc. Inc. and submitted to South Dakota Department of Environment and Natural Resources for review and approval.

OTHER SUPPLEMENTAL INFORMATION – RESULTS OF PUMP TEST

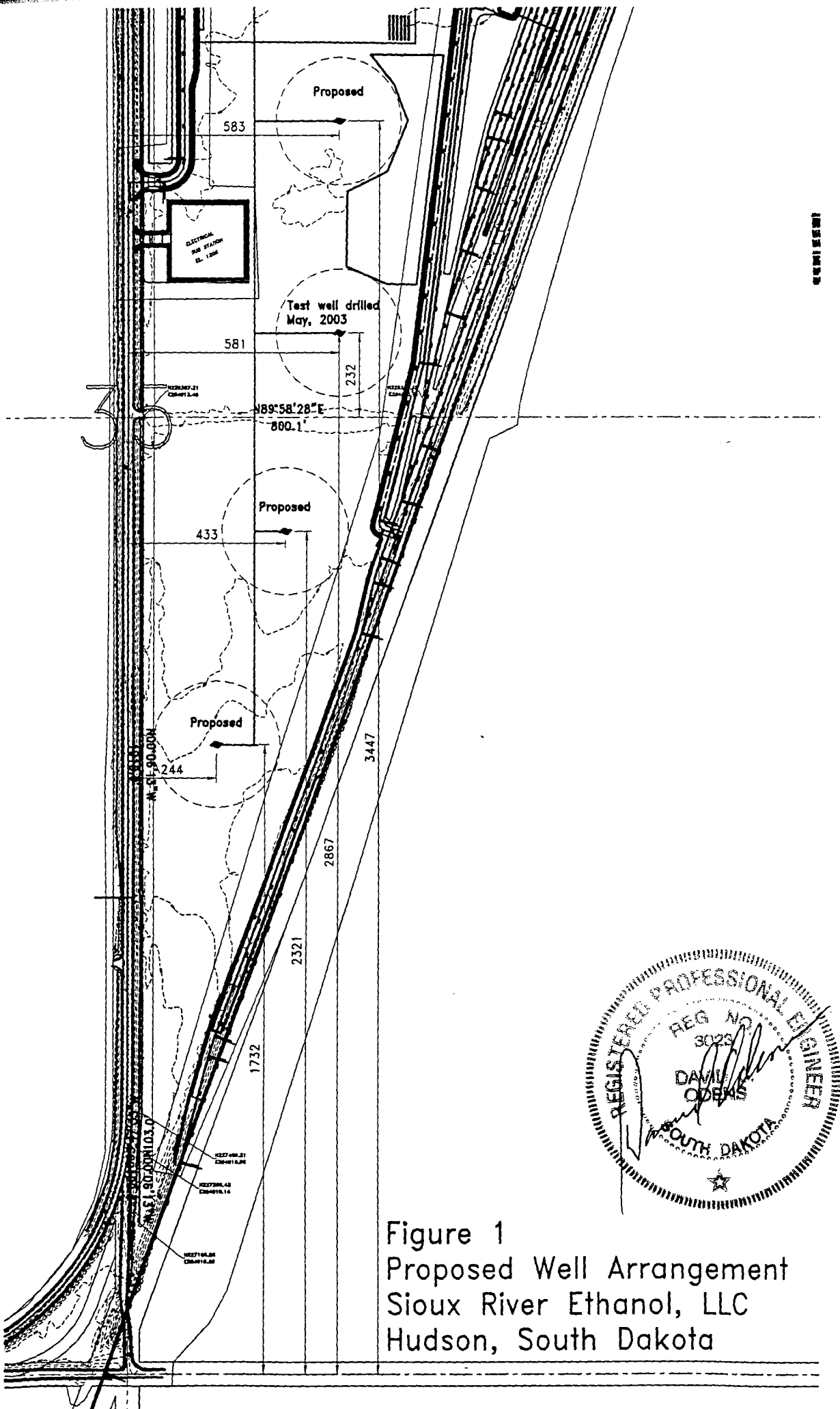
The production test well was tested and drawdown and recover readings were taken in the pumped well and three monitoring wells. The monitoring wells were located as follows:

MW-1	50 feet North of pumped well
MW-2	50 feet South of pumped well
MW-3	100 feet South of pumped well

The pump test was conducted at a pumping rate of 180 gpm for the first 1000 minutes and it was noted that the pumping level was stabilized to the rate was increased to 200 gpm for the next 785 minutes. The pumping level stabilized again after approximately 485 minutes and remained essentially stable for 300 minutes so the rate was increased to 220 gpm which was maintained for the duration of the test (with the exception of a short period of time where the rate crept up to 230 gpm). A copy of the pump test data is attached.

The drawdown in the monitoring wells was also recorded during the pumping and recovery periods. The data indicate a drawdown of less than 0.5 feet at a distance of 100 feet when pumping at a rate of 220 gpm. The drawdown vs. distance curves for four different points during the pump test are also attached. The preliminary conclusion reached from the pump test is that a well spacing of 300 feet or more should minimize well interference.

The aquifer characteristics were estimated based on the results of the production pump test. The drawdown data for the periods of 10-100 and 100-1000 minutes were used for calculations of Transmissivity. The average of the values obtained from the pump test during these periods was 146,500 gpd/ft.. The more rapid drawdown occurred after 100 minutes of pumping. Using only the period from 100-1000 minutes, the Transmissivity of the aquifer is estimated at 95,000 gpd/ft. The aquifer can be characterized as having a relatively high coefficient of Transmissivity however the saturated layer is relatively thin, thus it is recommended that the water be withdrawn using multiple wells operating at pumping rates in the range of 150-200 gpm. Final number of wells required will be determined upon completion of test pumping of the additional proposed well sites.



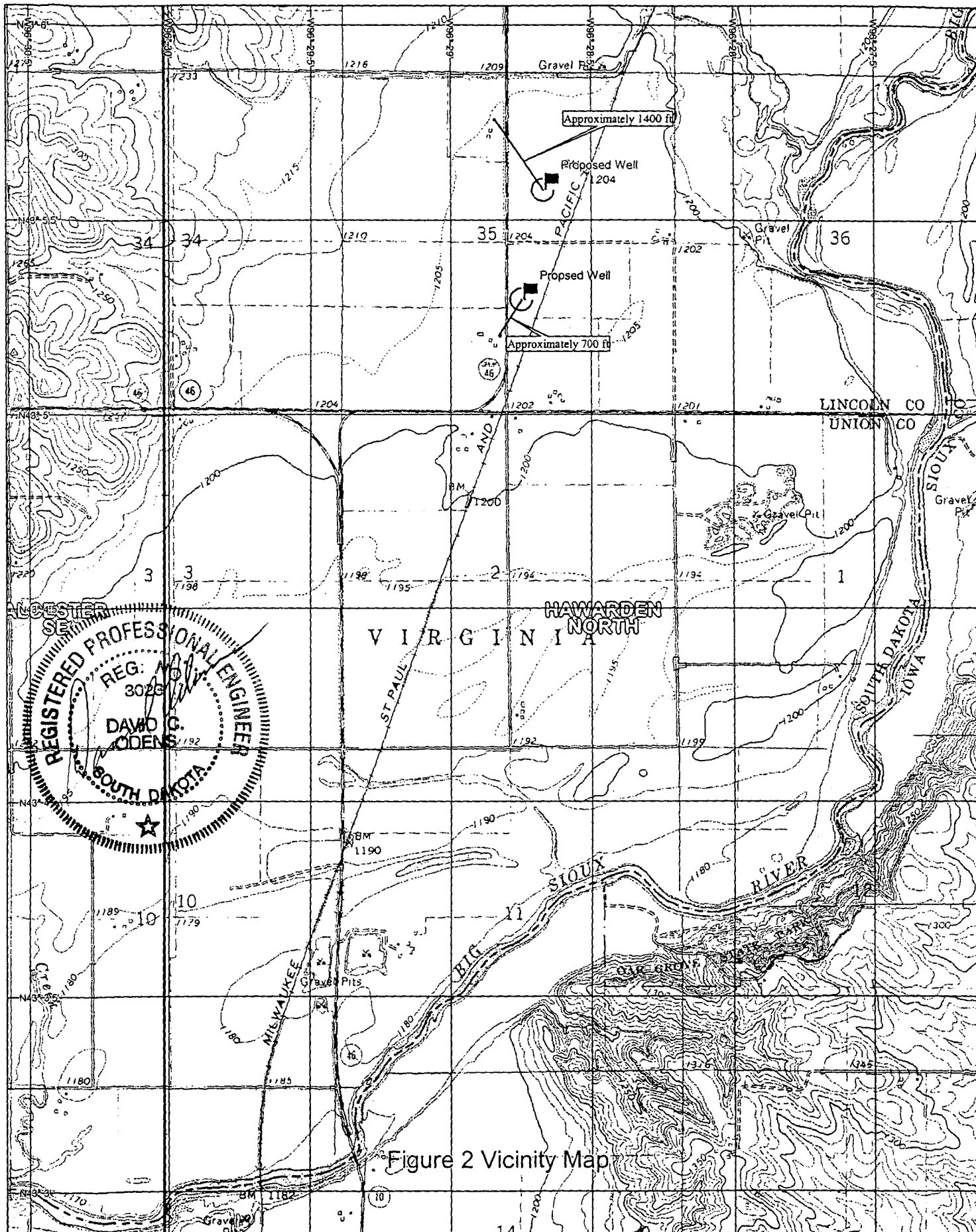


Figure 2 Vicinity Map

**Proposed Sioux River Ethanol Plant
Hudson, South Dakota**

PUMP TEST DATA SHEET

WELL NO: PUMPED WELL

DATE: MAY 19, 2003

STATIC READING: 13.09 FT

MEASURED BY: RICHARD HAMMOND

TIME SINCE PUMP TEST STARTED t MIN	ELAPSED TIME MIN	OBSERVATION CLOCK TIME	DEPTH TO WATER H FT	RESIDUAL DRAWDOWN s FT	DISCHARGE FLOW GPM
PUMP START	0	11:00 AM	13.09	0.00	
1 MIN.	1	11:01 AM	20.60	7.51	180
	2	11:02 AM	21.49	8.40	180
	3	11:03 AM	21.59	8.50	180
	4	11:04 AM	21.66	8.57	180
	5	11:05 AM	21.69	8.60	180
	6	11:06 AM	21.70	8.61	180
	7	11:07 AM	21.75	8.66	180
	8	11:08 AM	21.75	8.66	180
	9	11:09 AM	21.76	8.67	180
10 MIN.	10	11:10 AM	21.76	8.67	180
	20	11:20 AM	21.83	8.74	180
	30	11:30 AM	21.85	8.76	180
	40	11:40 AM	21.86	8.77	180
	50	11:50 AM	21.84	8.75	180
	60	12:00 PM	21.86	8.77	180
	70	12:10 PM	21.85	8.76	180
	80	12:20 PM	21.89	8.80	180
	90	12:30 PM	21.93	8.84	180
100 MIN.	100	12:40 PM	22.00	8.91	180
	200	2:20 AM	22.02	8.93	180
	300	4:00 PM	22.19	9.10	180
	400	5:40 PM	22.27	9.18	180
	500	7:40 PM	22.31	9.22	180
	600	9:00 PM	22.44	9.35	180
	700	10:40 PM	22.52	9.43	180
	800	12:20 AM	22.48	9.39	180
	900	2:00 AM	22.48	9.39	180
	1000	3:40 AM	22.50	9.41	180
445 MIN.	1445	9:05 AM	23.06	9.97	200
10 MIN.	1455	9:15 AM	23.16	10.07	200
	1465	9:25 AM	23.10	10.01	200
	1475	9:35 AM	23.08	9.99	200
100 MIN.	1485	9:45 AM	23.11	10.02	200
	1585	11:25 AM	23.10	10.01	200
	1685	1:05 PM	23.10	10.01	200
65 MIN.	1785	2:45 PM	23.12	10.03	200
10 MIN.	1850	3:50 PM	24.51	11.42	220
	1860	4:00 PM	24.53	11.44	220
	1870	4:10 PM	25.04	11.95	220

**Proposed Sioux River Ethanol Plant
Hudson, South Dakota**

PUMP TEST DATA SHEET

WELL NO: PUMPED WELL

DATE: MAY 19, 2003

STATIC READING: 13.09 FT

MEASURED BY: RICHARD HAMMOND

TIME SINCE PUMP TEST STARTED t MIN	ELAPSED TIME MIN	OBSERVATION CLOCK TIME	DEPTH TO WATER H FT	RESIDUAL DRAWDOWN s FT	DISCHARGE FLOW GPM
	1880	4:20 PM	25.06	11.97	220
100 MIN.	1890	4:30 PM	25.06	11.97	230
	1990	6:10 PM	24.96	11.87	220
	2090	7:50 PM	24.88	11.79	220
	2190	9:30 PM	24.84	11.75	220
	2290	11:10 PM	24.84	11.75	220
	2390	12:50 AM	24.83	11.74	220
	2490	2:30 AM	24.84	11.75	220
	2590	4:10 AM	24.83	11.74	220
	2690	5:50 AM	24.83	11.74	220
	2790	7:30 AM	24.84	11.75	220
	2890	9:10 AM	24.85	11.76	220

AVERAGE DISCHARGE

195.10

Q= 180 GPM to 1000 MIN.

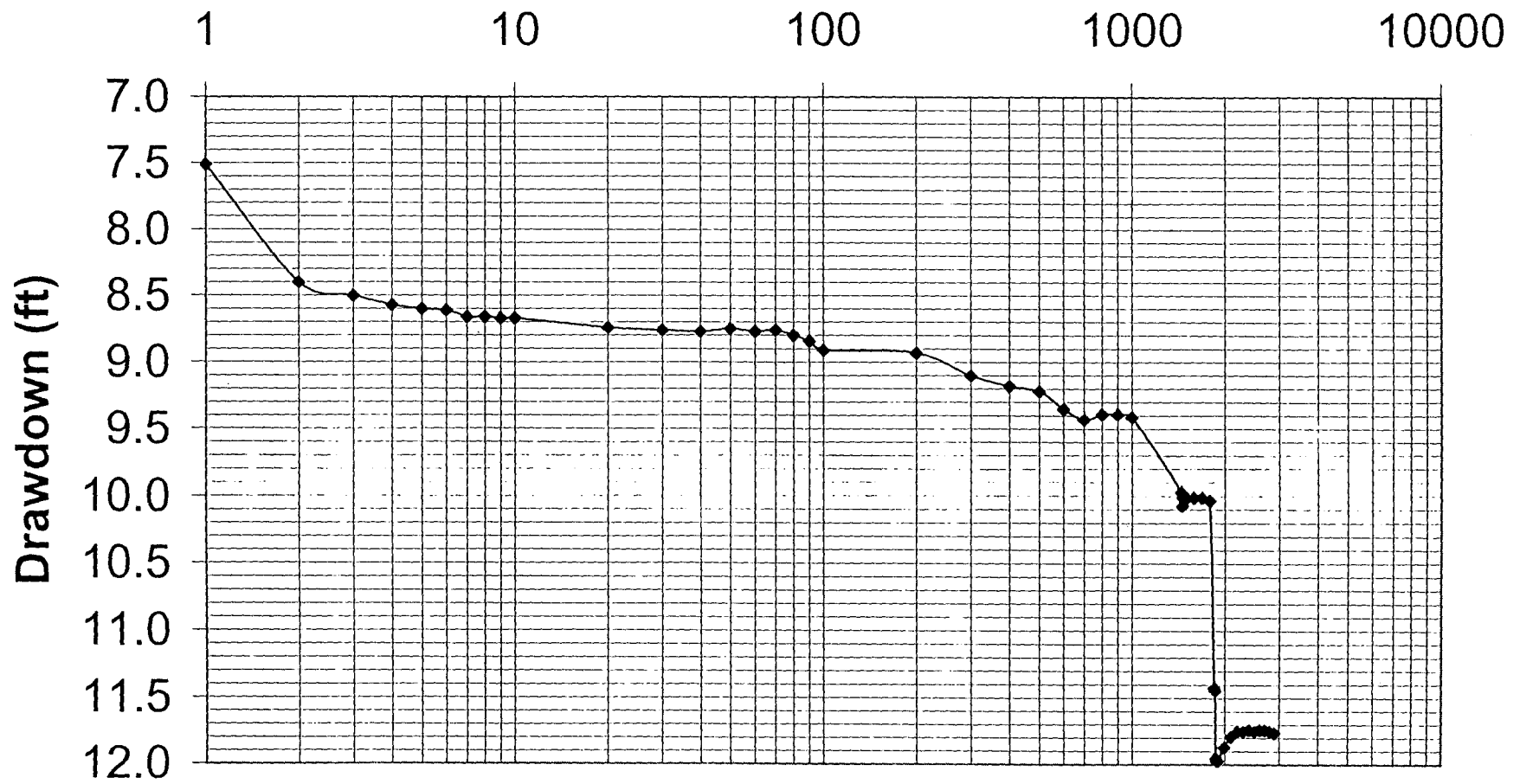
Q= 200 GPM to 1685 MIN. (start at 1435 MIN.)

Q= 220 GPM to 1880 MIN. (start at 1840 MIN.)

From 1890 Min., Q was drifted to 230 GPM but was adjusted back to 220 GPM

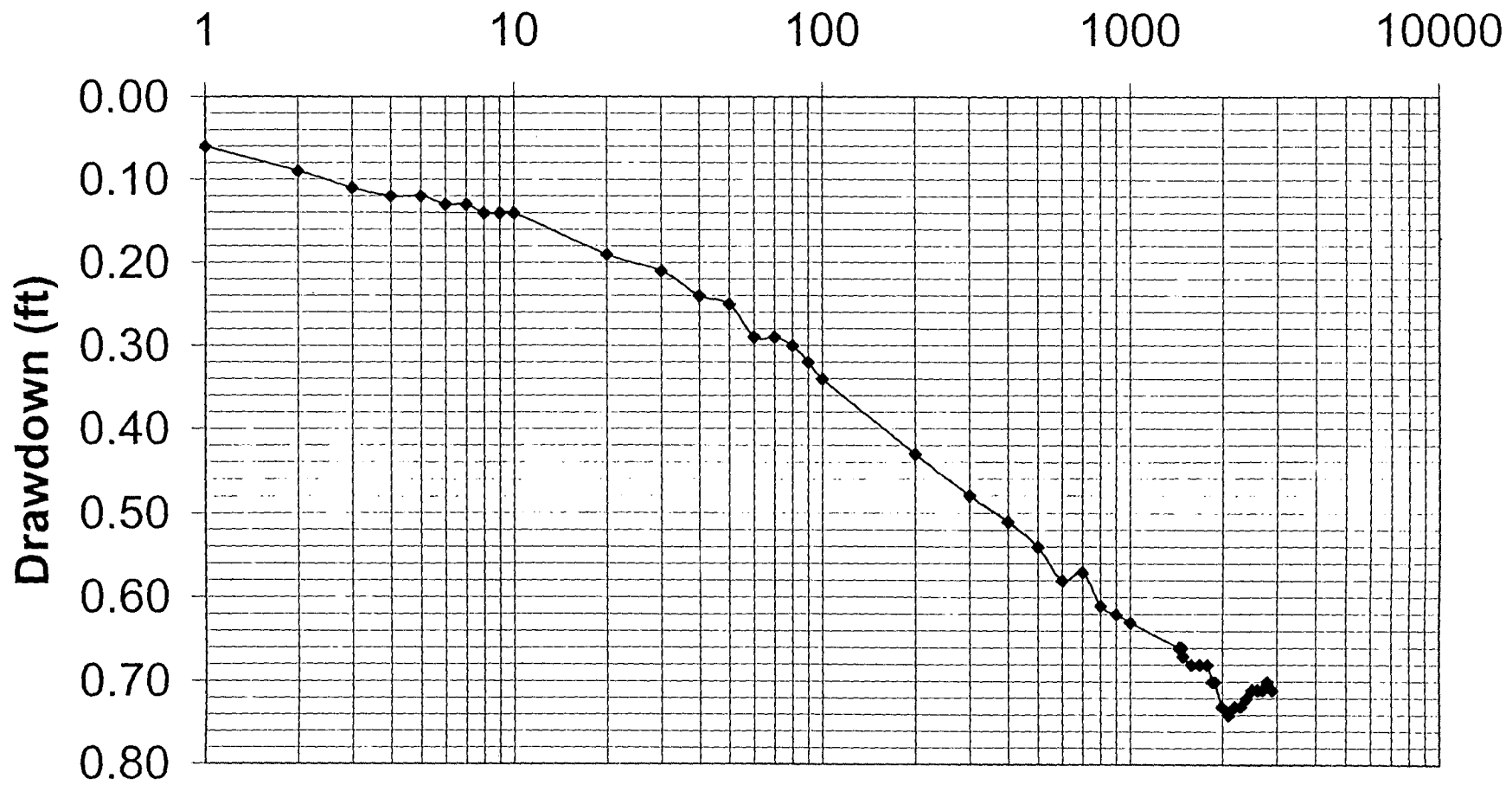
Pumped Well

Time (min)



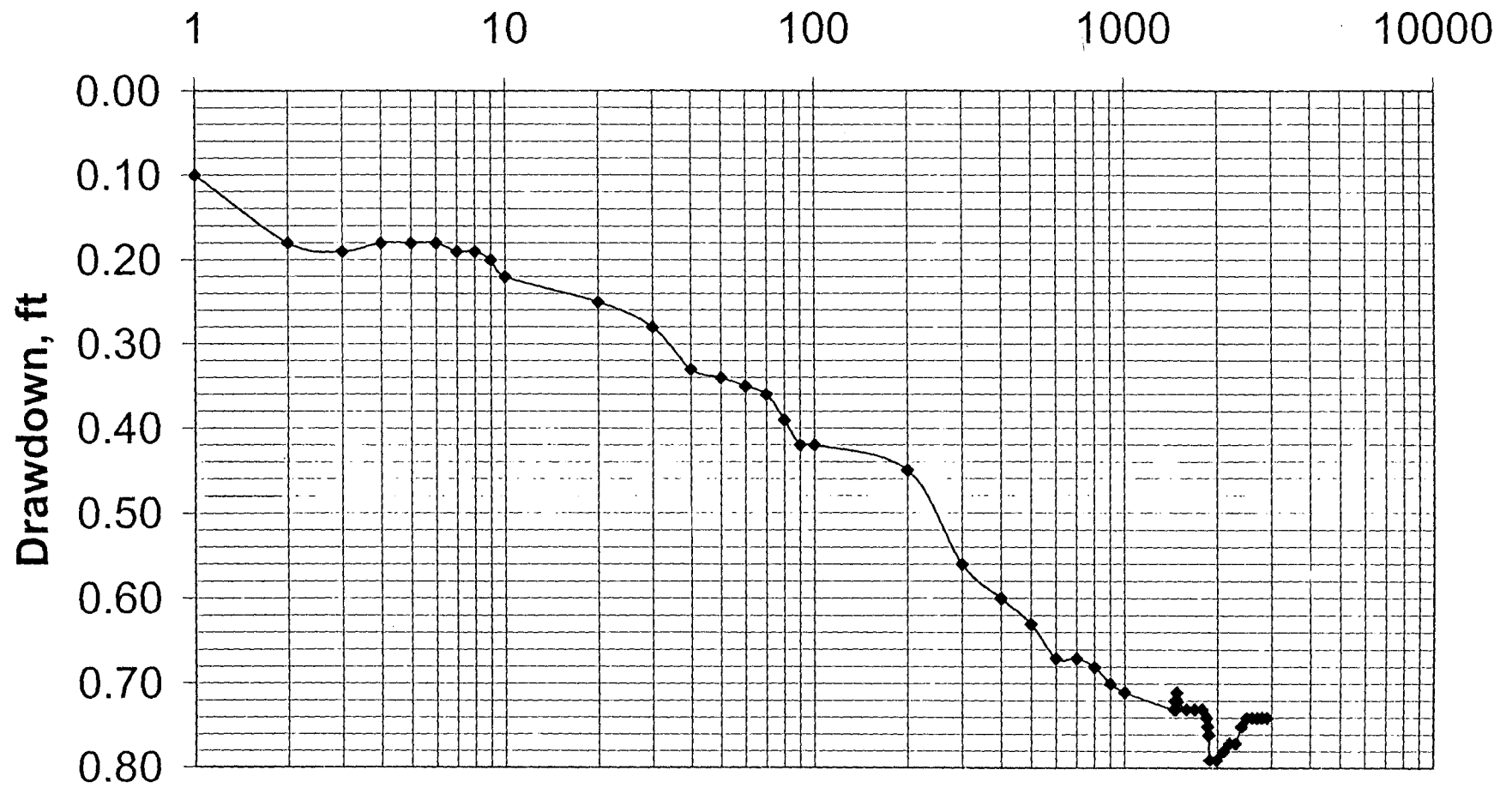
MW-1

Time (min)



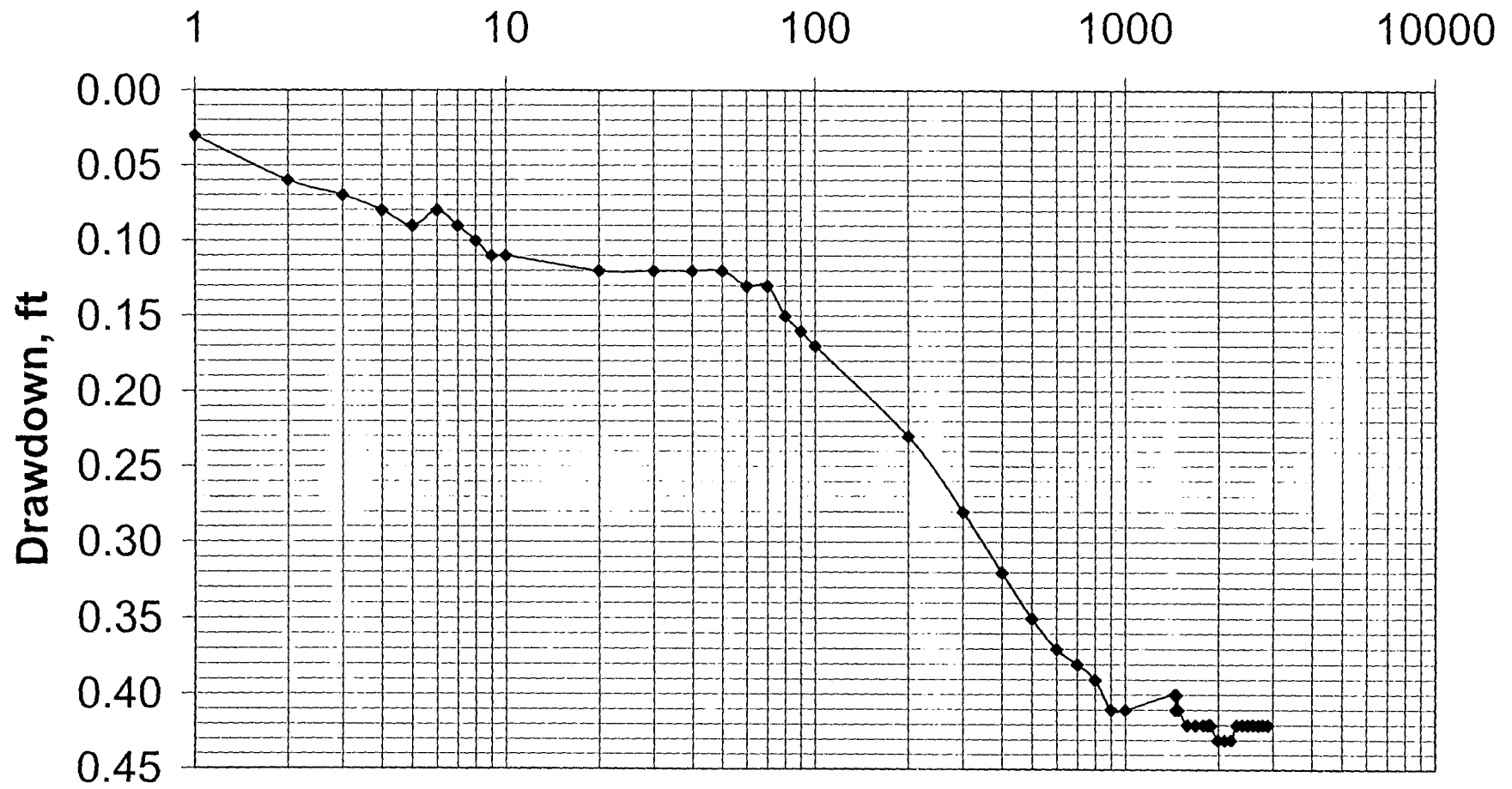
MW-2

Time (min)

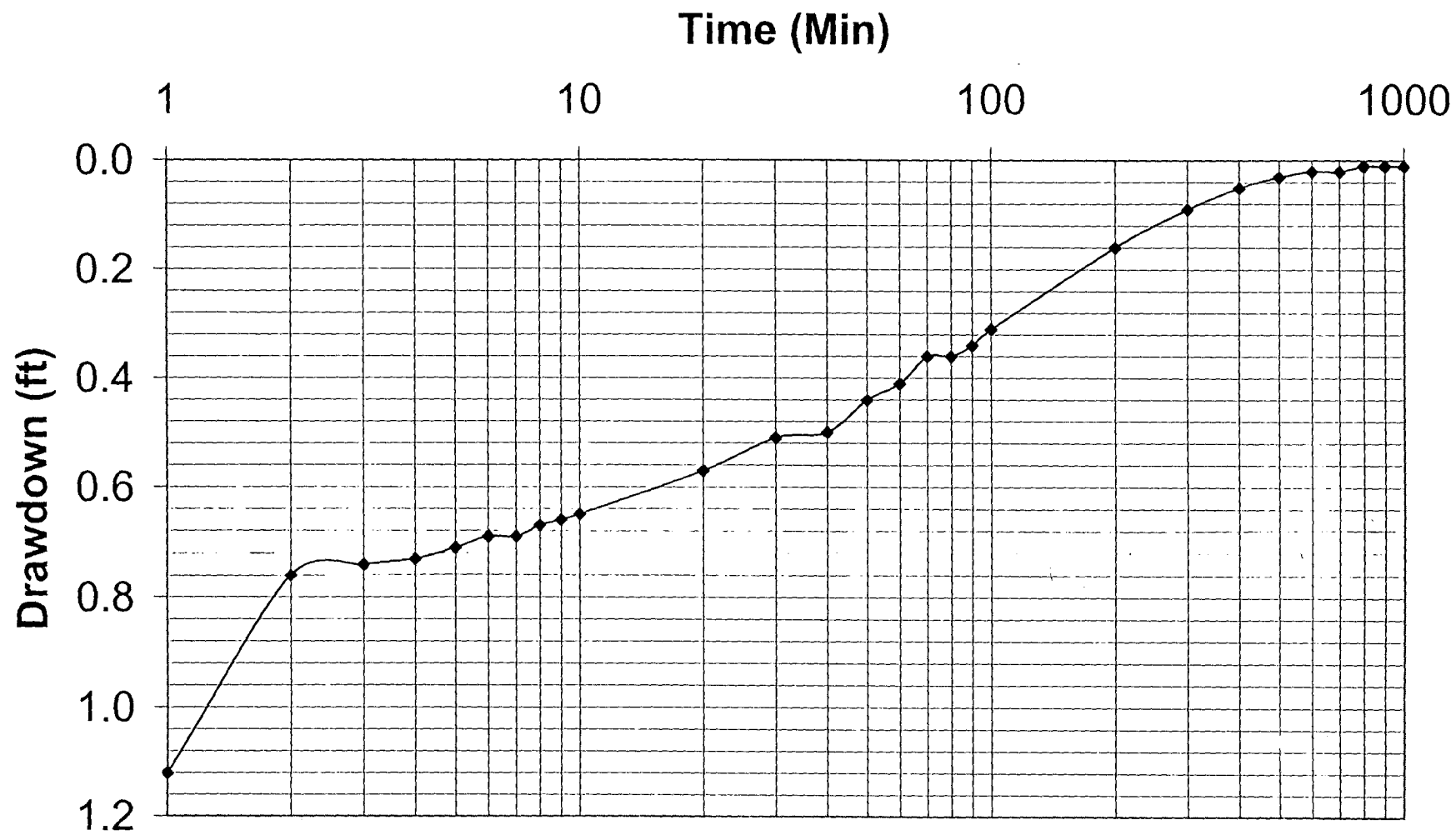


MW-3

Time (min)

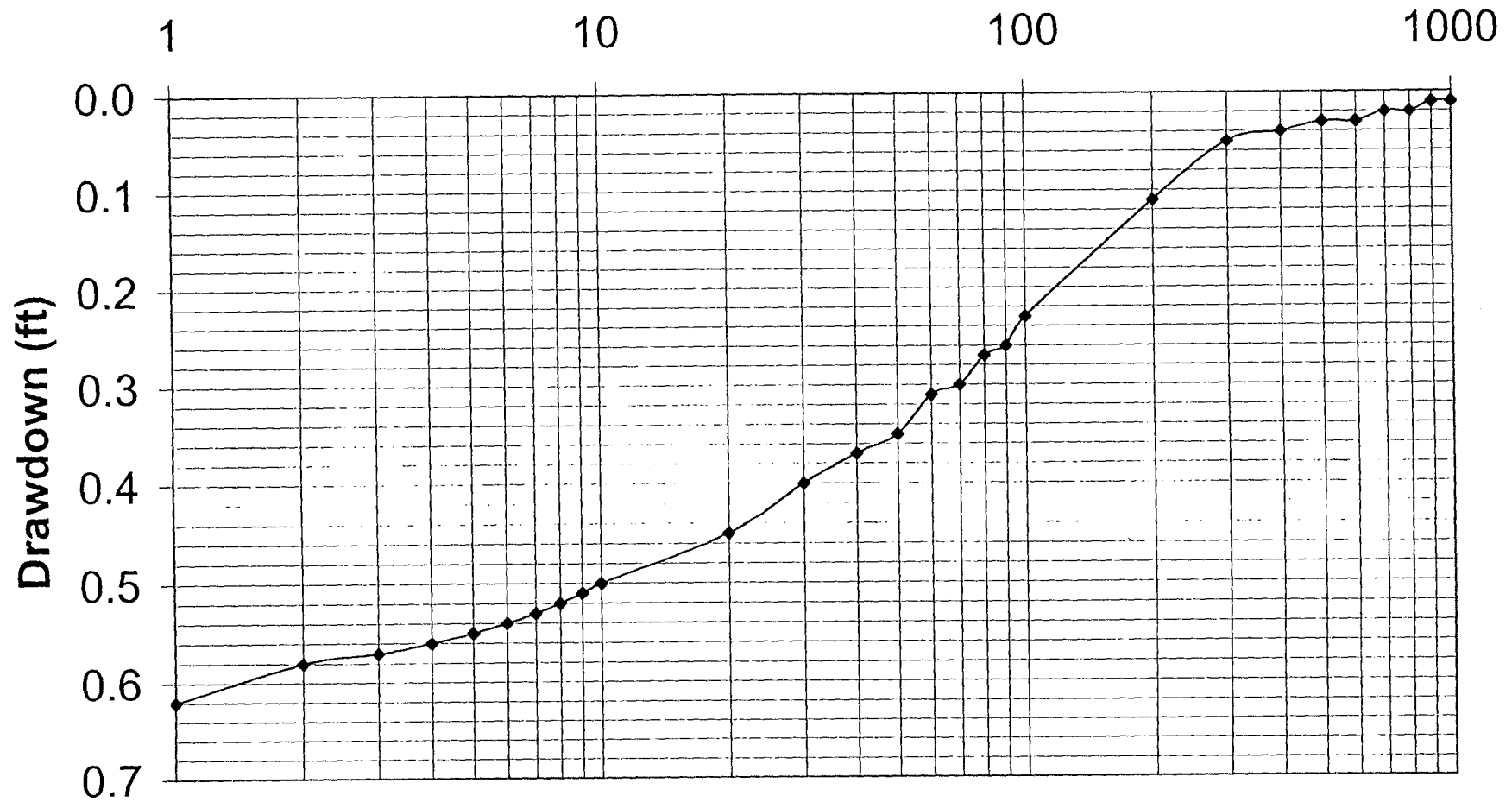


Recovery Pumped Well



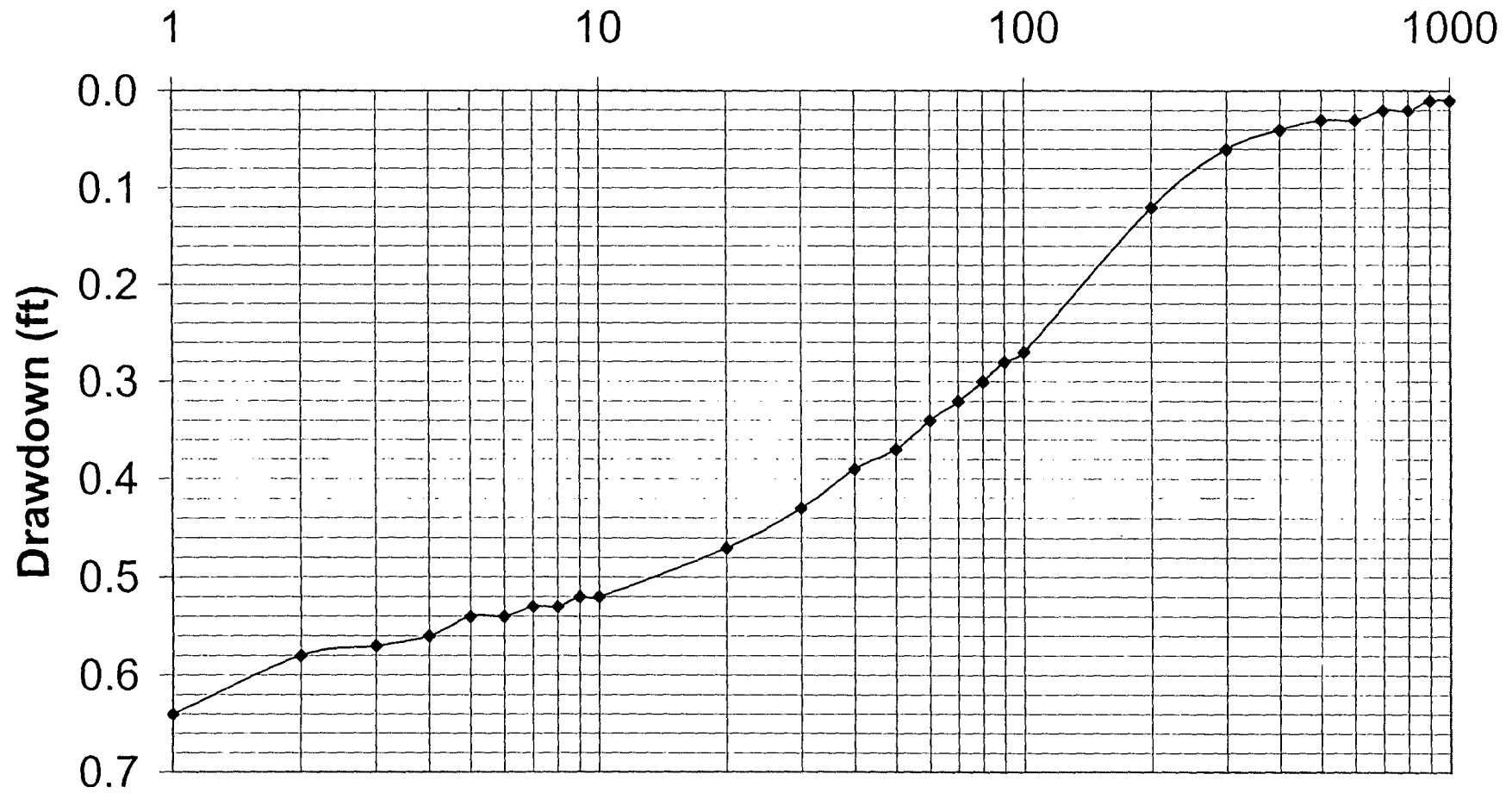
Recovery MW-1

Time (Min)

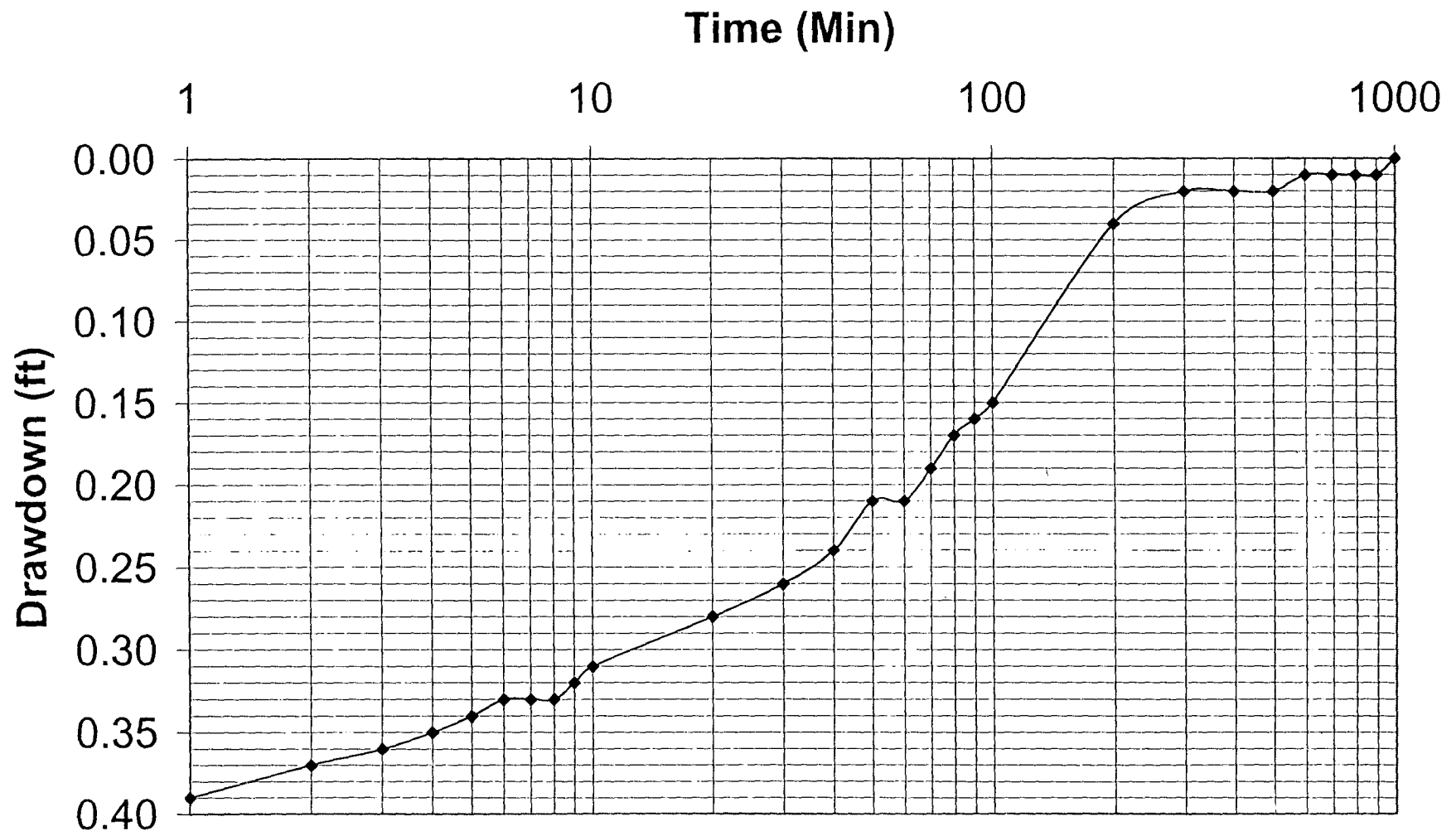


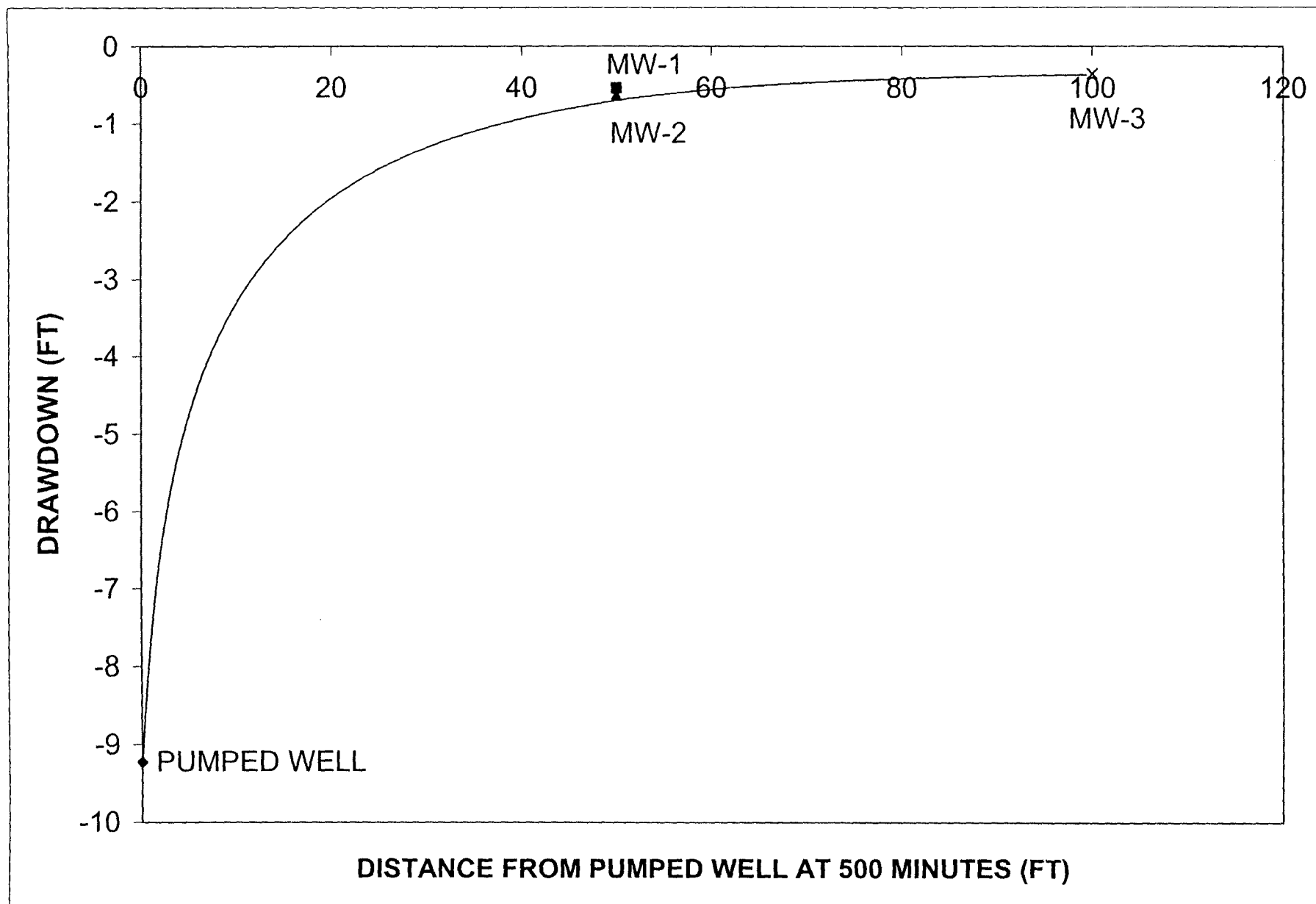
Recovery MW-2

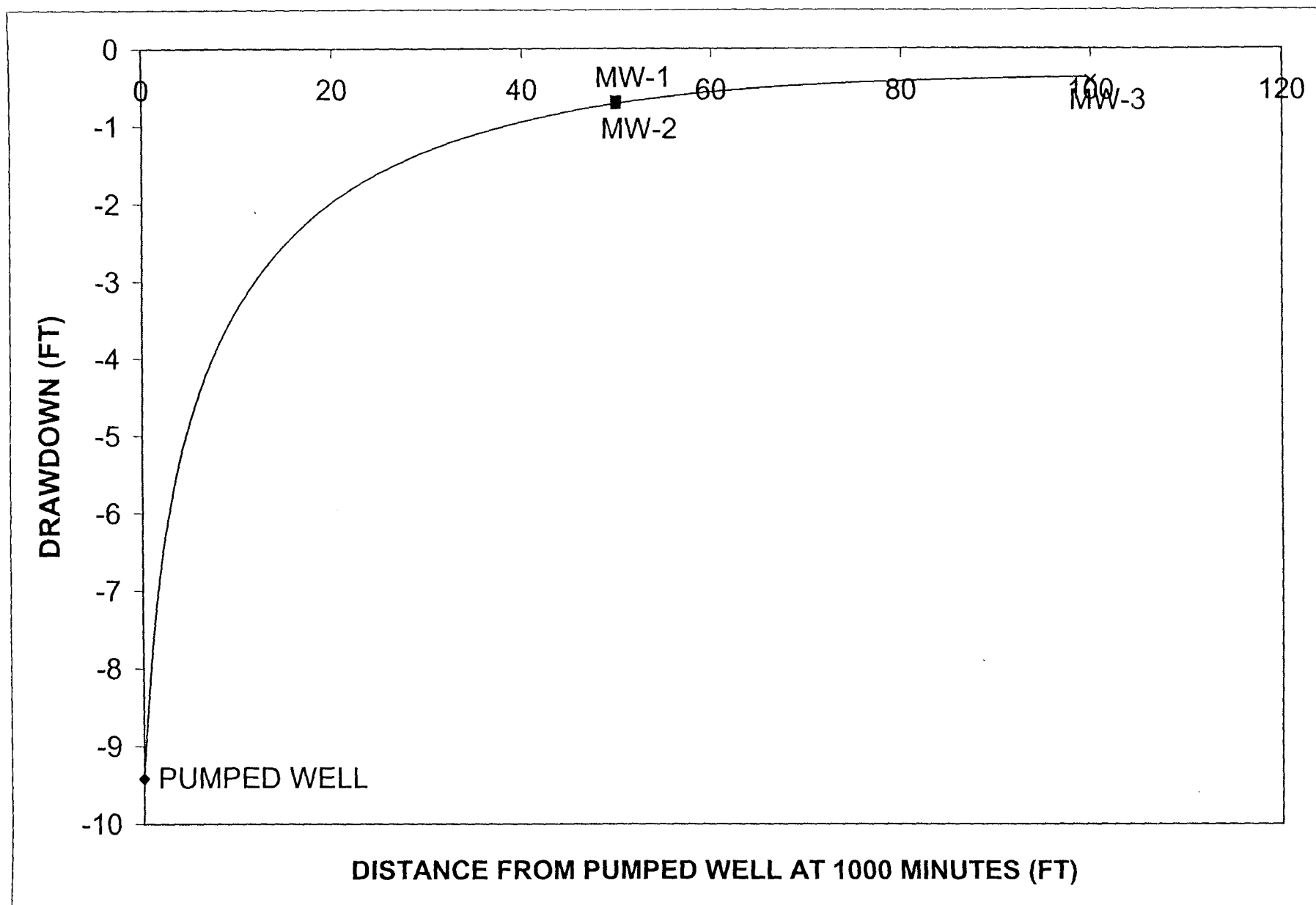
Time (Min)

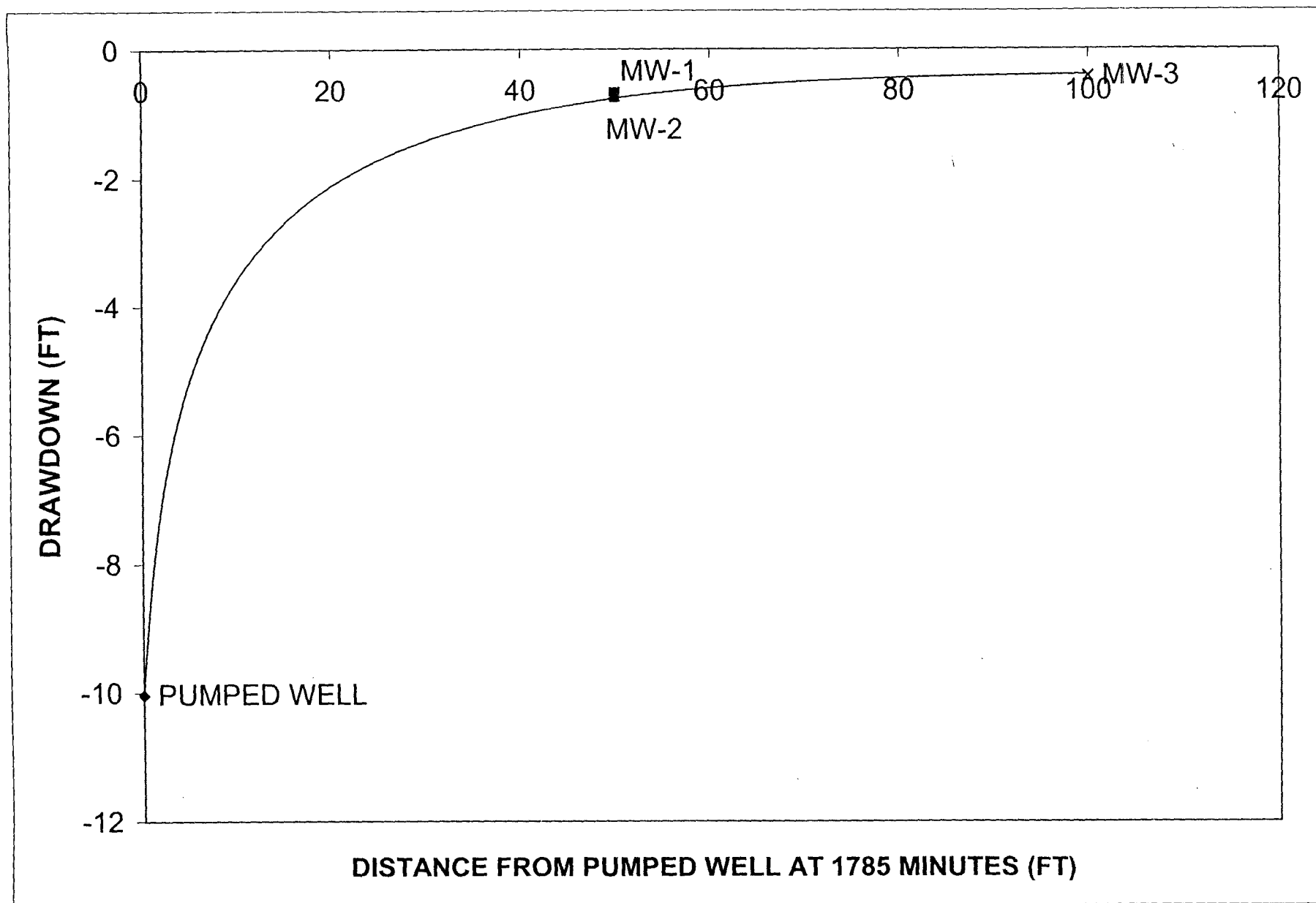


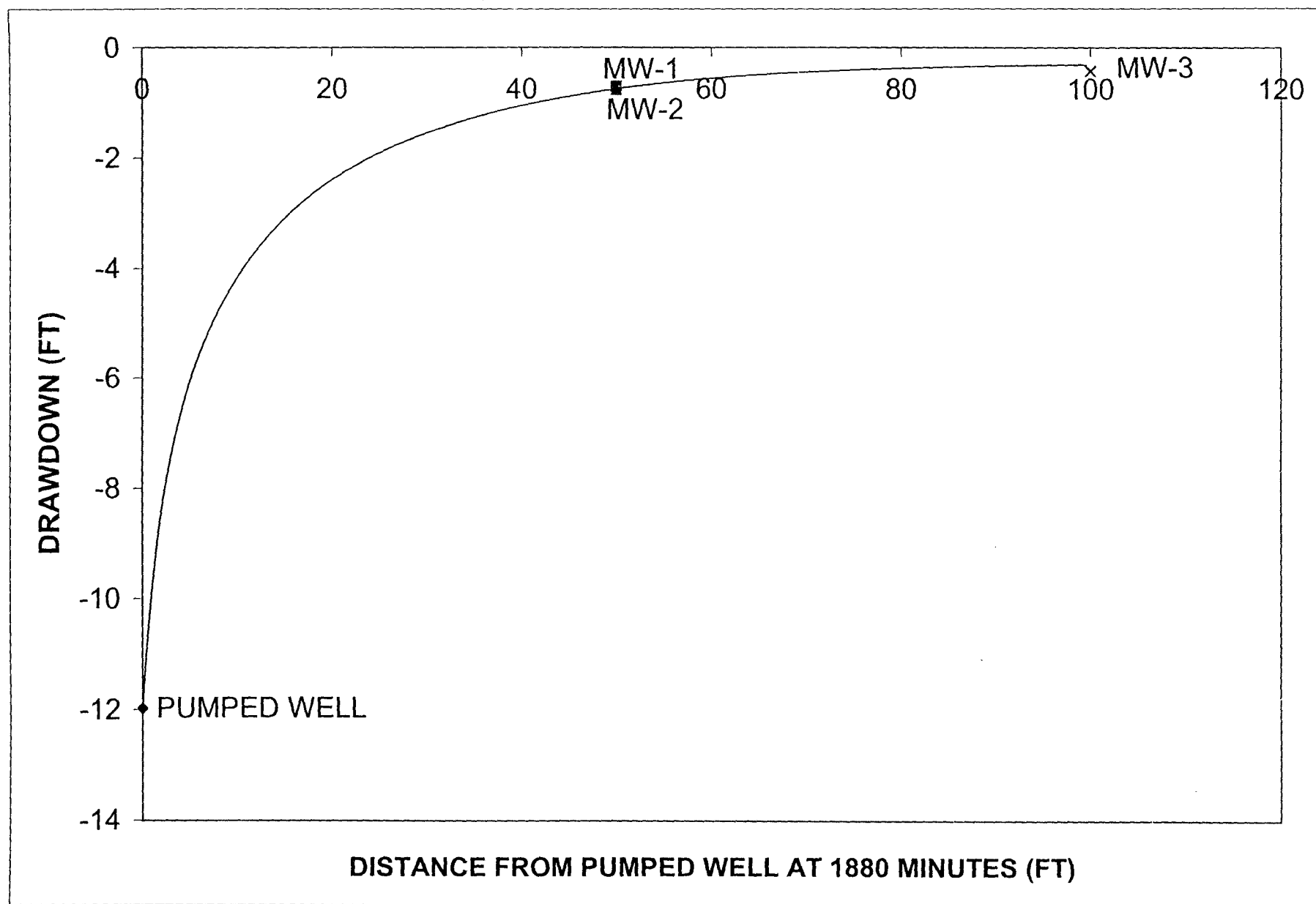
Recovery MW-3

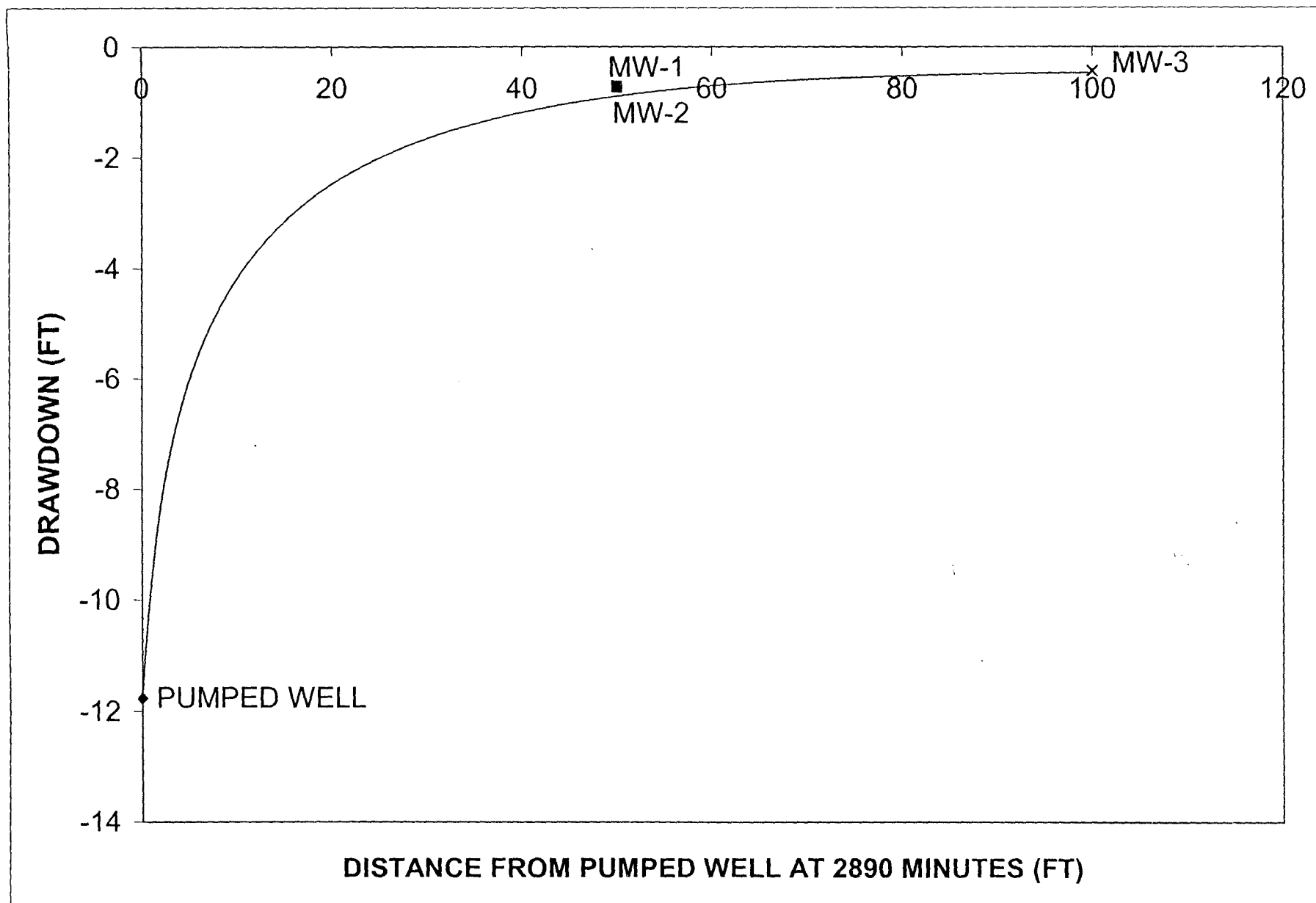












Schlaak, Karen

From: Gronlund, Eric
Sent: Tuesday, April 08, 2003 8:20 AM
To: Goodman, Jim; Schlaak, Karen; McMath, Genny
Subject: FW: Future use water right for ethanol plant in area near Hudson

We can expect a request for a test well followed for a temporary use permit to allow test pumping. Then sometime after that they will be filing for a water right permit. -----

Original Message-----

From: Gronlund, Eric
Sent: Tuesday, April 08, 2003 8:17 AM
To: 'Dave Odens'
Cc: richvictor@broin.com
Subject: RE: Future use water right for ethanol plant in area near Hudson

A request to construct a test well for the facility can be made to Jim Goodman of the Water Rights Program, DENR. Assuming that the request is granted, you can file for a temporary use permit to allow for test pumping. As your probably aware the temporary use permit application is on DENR's website.
(<http://www.state.sd.us/denr/des/waterrights/waterprg.htm>)

Eric

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

From: Dave Odens [mailto:daveo@bannerbkgs.com]
Sent: Monday, April 07, 2003 7:43 PM
To: Eric.Gronlund@state.sd.us
Cc: richvictor@broin.com
Subject: RE: Future use water right for ethanol plant in area near Hudson

The information you provided is very useful. Thank you for the thorough reply to the inquiry. We will be assisting the ethanol plant with preparation of the applications and will submit them as soon as we have necessary information for the applications.

It may be necessary for the project to construct a test well to determin the likely capacity and spacing of the wells for the permanent water supply. will it be possible for the plant to construct a test well to obtain the necessary information and get that well permitted for testing purposes under a temporary use permit similar to a dewatering permit?

Thanks

Dave Odens

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

From: Eric.Gronlund@state.sd.us [mailto:Eric.Gronlund@state.sd.us]
Sent: Mon 4/7/2003 9:05 AM
To: Dave Odens
Cc:
Subject: RE: Future use water right for ethanol plant in area near Hudson

I am aware that an ethanol plant near Hudson is in the works. I do not think that Big Sioux Ethanol LLC is an entity that under SD law can hold a future use permit. Below is the statute that defines entities entitled to hold a future use permit. There have been instances where a rural water system (which can hold a future use permit) has obtained the water permit to serve an ethanol plant.

46-5-38. Future use of water -- Entities entitled to reservation. The following entities may reserve water for contemplated future needs upon a showing of availability of

unappropriated water and future need pursuant to procedures set forth in chapter 46-2A:

- (1) A state institution, facility or agency;
- (2) A municipality as defined in § 9-1-1;
- (3) The South Dakota conservancy district or a water development district as defined in § 46A-2-4;
- (4) A water user district as defined in § 46A-9-2;
- (5) A nonprofit rural water supply company as defined in § 10-36A-1 engaged in the treatment, distribution and sale of water primarily for domestic purposes to a rural area. The term "rural area" may include a municipality;
- (6) A sanitary district as defined in chapter 34A-5;
- (7) An irrigation district as defined in chapter 46A-4; and
- (8) A water project district as defined in chapter 46A-18.

Depending on the timeframes for the ethanol plant to go to full productions, a future use permit may not be appropriate. Remember that once the water permit is obtained, the permit holder has 5 years to construct and an additional 4 years to place water to beneficial use.

As far as a timeline, that's a little more complicated. This is a significant amount of water considering it appears the use will continuous (unlike irrigation or municipal uses). That being said this area does not raise any red flags. Assuming the Chief Engineer's recommendation is for approval, I believe that we would public notice the application in a manner that if no one petitions to intervene, the application will be approved based on the recommendation. Under this scenario, the permitting process is about 2 - 3 months.

If the Chief Engineer believes that application presents important issues of public policy or public interest that should be heard by the Board, we will schedule for a Board hearing. The next Board meeting is July 9 - 10 with the next following Board meeting being October 1 & 2. Additionally, if someone petitions to intervene under any of the public notice scenarios, this causes additional delays which makes it impossible to predict when the permit may be issued since there are provisions for them to request a delay, the need for the Board to adopt findings and the possibility of the appeal of the Board's decision to the courts. Generally, I tell people that if petitions are received the process will take at least 8 months (sometimes it's less and sometimes more time).

I hope this information is helpful. Please let me know if you have questions or need clarification. I will be in the office through Tuesday and then I'll be gone until next Monday.

Eric Gronlund
Water Rights Program, DENR
605 773-3352

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

From: Dave Odens [mailto:daveo@bannerbkgs.com]
Sent: Friday, April 04, 2003 5:02 PM
To: eric.gronlund@state.sd.us
Cc: richvictor@broin.com
Subject: Future use water right for ethanol plant in area near Hudson

Dear Mr. Gronlund;

Big Sioux Ethanol, LLC is planning to develop an ethanol plant near Hudson, SD and they are planning to develop their own water supply by construction of wells in the

Big Sioux Aquifer at the plant site and on an adjacent site if necessary. They have not yet obtained water rights for that beneficial use and are planning to do some test drilling and probably a production pump test to determine capacity and spacing for wells.

It seems appropriate to us that they file an application for a future use permit for the overall site and then follow up with a request for appropriation once we have selected the sites for the wells. We will be preparing that application (future use) next week and will submit it when ready. Would you be willing to provide us a probable time line for review and action on that request for a permit? Is this an action that requires Water management Board approval or is it a staff decision? If Water Management Board approval is required, when is the earliest that application can be considered?

The ethanol plant site is located in Section 35, T96N, R48W. The initial water needs for the facility are expected to be 600 gpm 24 hr/day, 7 days per week. Future expansion may require an additional 300-400 gpm on a continuous basis. The intent is to construct a series of wells to meet the water needs with one well out of service and then rotate the operation of the wells.

David Odens, Vice President

Banner Associates, Inc.

409 22nd Ave. S.

PO Box 298

Brookings, SD 57006-0298

605-692-6342

daveo@bannerbkgs.com

CONFIDENTIALITY NOTICE: This E-mail (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-2521, is confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply to the sender that you have received the message in error and destroy all copies of the original message. Thank you.

**27 North Yale Street
Vermillion, SD 57069
605-624-6745
605-670-2321 cell
605-624-9102 Fax**

April 25, 2003

**Jim Goodman
Water Rights Program
Joe Foss Building
523 East Capitol Ave.
Pierre, SD 57501**

Dear Sir:

I am writing to request permission to drill a well pursuant to ARSD 74:02:04:21. I am drilling the well to test the Big Sioux aquifer at T96N-R48W, Section 35 ABB. The well will very likely be converted to a permitted commercial well to supply water the proposed Sioux River Ethanol plant, if the owner's plans come to fruition.

Thanks in advance for your consideration of this request.

Sincerely,



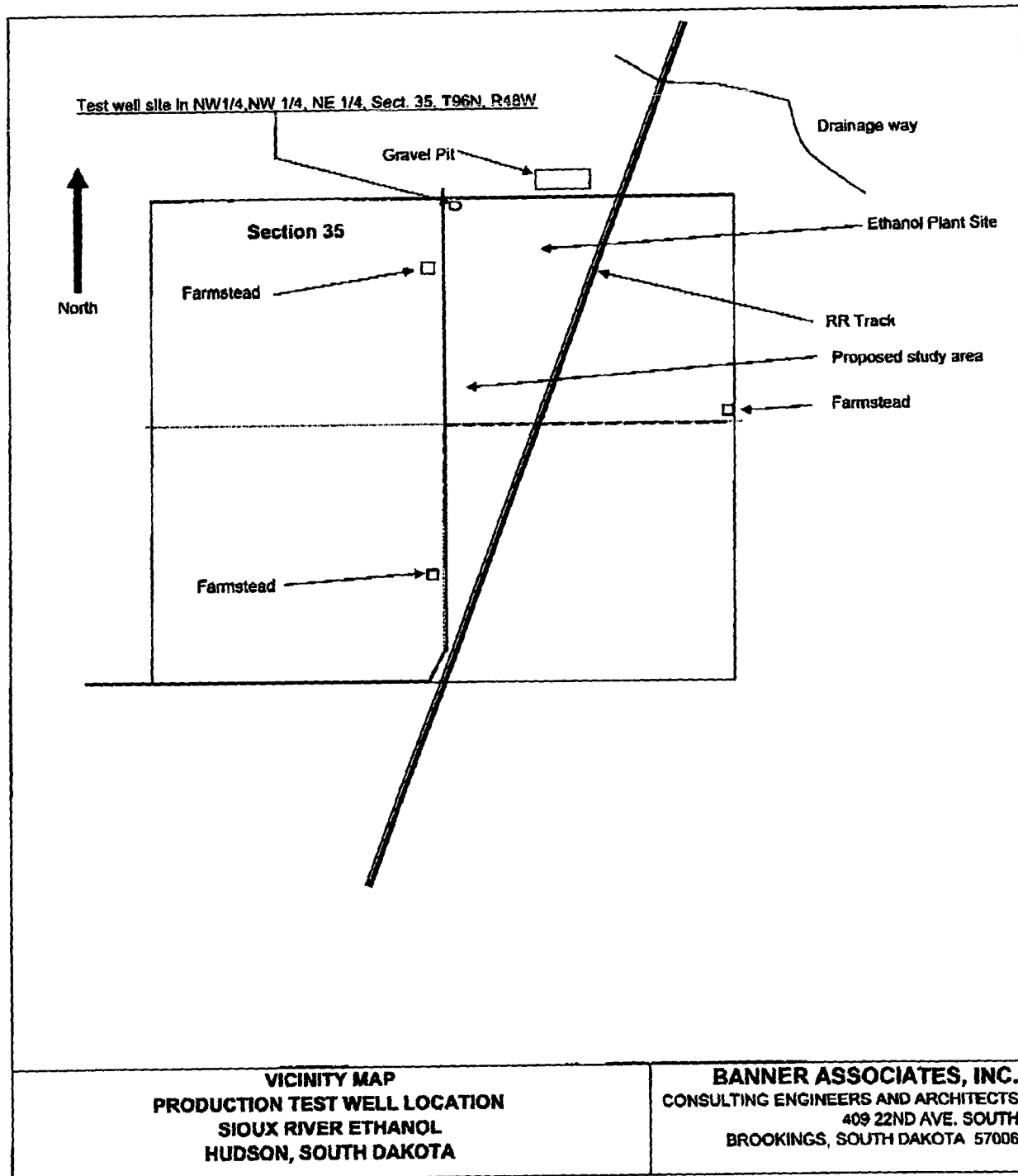
**Richard H. Hammond
Hammond-Wetmore Drilling**

RECEIVED

MAY 05 2003

**WATER RIGHTS
PROGRAM**

TEST WELL - VICINITY MAP





2209 East 57th St. N.
Sioux Falls, SD 57104
Ph: (605) 965-2200
Fax: (605) 965-2203
www.broin.com

RECEIVED

JUN - 3 2003

WATER RIGHTS
PROGRAM

DATE: June 2, 2003

TO: Water Rights Program
523 East Capitol
Pierre, SD 57501

ATTN: Eric Gronlund

SHIP VIA:

Overnight:

☐ Priority ☒ Standard

☐ 2nd Day ☐ 3rd Day

☐ Regular Mail

☐ Hand Delivered

☐ Electronic

PROJECT: Sioux River Ethanol
LOCATION: Hudson, SD
REFERENCE: _____
BUDGET ACCT #: _____
TRANS. LTR: _____

Gentlemen:

Enclosed are:

☐

Design Calcs

☐

Shop Drawings

☐

Procedures

Other:

☒

Stamped: ☐

Approved

☐

Approved As Noted

☐

Revise & Resubmit

☐

Rejected-Comments

<u>Copies</u>	<u>Page No.</u>	<u>Rev.</u>	<u>Description</u>
2	Ea		Application for Permit to Appropriate Water
2	Ea		Water Right Application – Supplemental Information

Remarks:

Enclosed please find the above referenced paperwork and our check in the amount of \$500.00. Please call me with any questions or concerns you may have.

BROIN AND ASSOCIATES, INC.

Richard Victor
Director of Projects

Copies:

REPORT ON WATER PERMIT NO. 6423-3
For Sioux River Ethanol
June 19, 2003

Application No. 6423-3 proposes to appropriate 1.78 cfs (800 gpm) (1,000 acre-feet annually) from up to four wells approximately 33 feet deep located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of section 35, T96N R48W in Lincoln County. The water is for industrial use at the ethanol plant.

AQUIFER – BIG SIOUX SOUTH (BS-S)

The Big Sioux South is a surficial outwash (sand and gravel) which is under water table conditions in this area. The Big Sioux aquifer underlies 60 square miles and contains an estimated 160,000 acre-feet of water in storage in Lincoln and Union Counties (Niehus, 1994). The aquifer underlies the floodplain of the Big Sioux River and is hydraulically connected to the Big Sioux River and the Schindler, Newton Hills and Missouri aquifers. Ground water movement is from north to south and locally toward the Big Sioux River. The Big Sioux South aquifer is a management unit of the Big Sioux aquifer which underlies 15,600 acres and contains an estimated 70,400 acre-feet of recoverable water in storage in Lincoln County (Hedges, 1982). Recharge rates to the Big Sioux aquifer vary considerably from year to year but Niehus reported an average rate of 7.54 inches per year and a steady state recharge rate of 6.33 inches per year for Lincoln and Union Counties (Niehus, 1998). This would equate to an average annual recharge volume of about 8,200 acre-feet per year. Also, Niehus goes on to state in the 1998 report that during an extended drought the aquifer may not be capable of sustaining the existing level of development. These phenomena would be due primarily to the drought and the relative thinness of the aquifer not to the pumping.

The applicant has submitted test pumping and test hole reports for this area. Test results indicate that drawdown a well spacing of about 300 feet is all that is necessary to minimize the affects of pumping. The data indicate a drawdown of about 0.5 feet at a distance of 100 feet pumping a rate of 220 gpm. The test indicates a specific capacity of about 18 to 20 gpm/ft of drawdown can be expected at this site.

The Water Rights Program monitors an observation well, LN-57D, that is located about one mile north of this application. Water levels for this observation well show good response to climatic conditions, that is, rising during wet years (recharge) and gradually declining water levels during dry years. The water level record indicates that the aquifer is capable of sustaining additional withdrawals (Water Rights, 2003). A hydrograph for observation well LN-57D is included with this report.

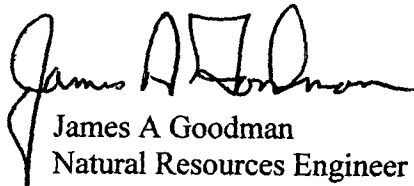
REVIEW OF EXISTING WATER PERMITS/RIGHTS

There is one existing ground water right No. 3358-3 (1.29 cfs for irrigation of 90 acres) that is located within one mile of this application. Interference is not a concern.

Drawdown created by pumping is not significant and is not expected to cause any adverse effects at the distance between this right and the proposed application.

CONCLUSIONS

1. Water is available from the Big Sioux South aquifer.
2. The aquifer is under water table conditions. Drawdown created by pumping does not extend very far from individual production wells. This is shown by the testing completed by the applicant. Interference is not a concern.
3. The wells authorized by this application must be constructed in accordance with SD Well Construction Standards.
4. As with all development from the Big Sioux aquifer, the relative thinness of the aquifer limits potential well yields. Also the normal water level fluctuation both seasonal and long term indicate that water level changes of 10 to 12 feet can be expected over time. This is shown by the observation well hydrograph. The applicant needs to be aware of these factors when designing a water supply system.

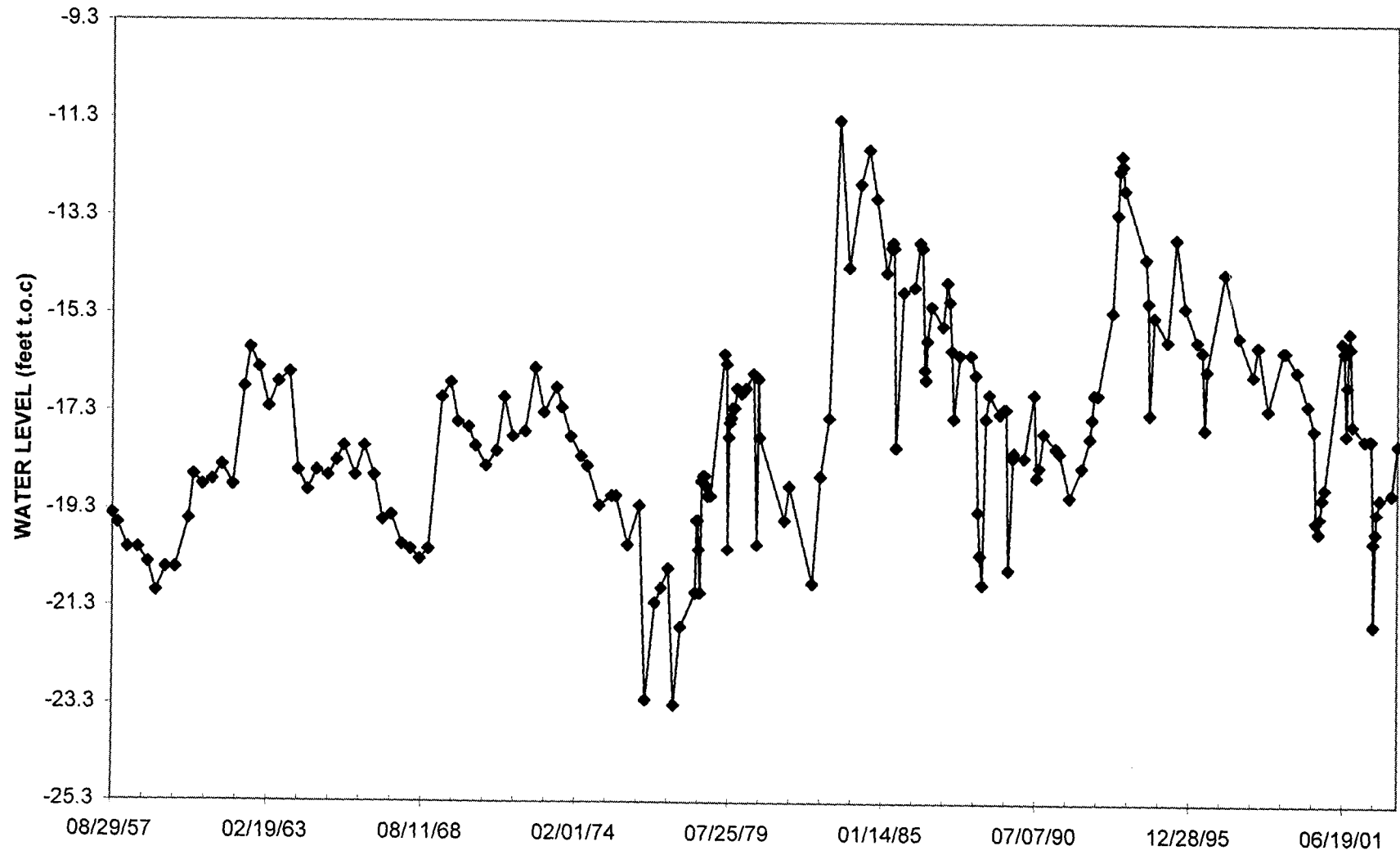


James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

- Hedges, L.S., and others, 1982, Evaluation of Ground-Water Resources Eastern SD and Upper Big Sioux River, SD and Iowa, for US Army Corps of Engineers, SD DENR, SDGS, Vermillion, SD, 57069.
- Niehus, C.A., 1994, Water Resources of Lincoln and Union Counties, South Dakota, Water-Resources Investigations Report 93-4195, USGS, Rapid City, SD, 57702.
- Niehus, C. A., R.F. Thompson, 1998, Appraisal of the Water Resources of the Big Sioux Aquifer, Lincoln and Union Counties, South Dakota, Water Resources Investigations Report 97-4161, USGS, Rapid City, SD, 57702.
- Water Rights, 2003, Unpublished Observation Well Data for the Big Sioux Aquifer, SD DENR, DES, Water Rights Program, Pierre, SD, 57501.

WATER RIGHTS' OBSERVATION WELL
LN-57D





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 6423-3, Sioux River Ethanol 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. 6423-3, Sioux River Ethanol LLC, c/o Richard Victor, 29816 County Highway 103, Hudson SD 57034.

The Chief Engineer is recommending APPROVAL of Application No. 6423-3 because 1) the proposed diversion can be developed without unlawful impairment of existing rights, 2) the proposed use is a beneficial use and 3) it is in the public interest with the following qualifications 4) there is a reasonable probability that unappropriated water is available for the proposed use:

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 wells authorized by Permit No. 6423-3 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28.
3. Sioux River Ethanol shall report to the Chief Engineer annually the amount of water withdrawn from the Big Sioux:South Aquifer.

See report on application for additional information.

Garland Erbele, Chief Engineer
July 1, 2003



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

July 2, 2003

Sioux Valley News
PO Box 255
Canton SD 57013-0255

ATTENTION: Legal Public Notice

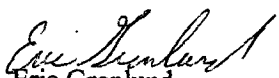
Enclosed is a Notice of Hearing on Application No. 6423-3 to Appropriate Water to be published twice. Please publish the first notice on July 10, 2003 with the second publication 7 days later.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is Sioux River Ethanol, LLC, % Richard Victor, 29816 County Highway 103, Hudson SD 57034 (Ph # 605-965-2200).

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

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

Sincerely,


Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

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

No. 6423-3

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

Date _____

We are in receipt of your letter of July 2, 2003 enclosing Notice of Hearing to Appropriate Water by Application No. 6423-3 which was first published in our issue of _____. **ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.**

Name Newspaper



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

www.state.sd.us/denr

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

July 2, 2003

Sioux River Ethanol LLC
%Richard Victor
29816 County Highway 103
Hudson SD 57034

Dear Mr. Victor:

Water Permit Application No. 6423-3 for industrial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Sioux Valley News printed at Canton, SD (Ph # 605-764-2000). You will need to contact the newspaper and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice of Hearing and to arrange for payment. Early contact with the paper can eliminate delays. Upon receiving authorization, the publisher has been instructed to publish your notice once each week for two consecutive weeks with the last publication to occur twenty days before the board meeting. The newspaper has also been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Eric Gronlund
Natural Resources Engineer
(605) 773-3352

enclosures

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

Instruction to Newspaper - Publish first Notice on July 10, 2003 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 6423-3 to Appropriate Water

Notice is given that Sioux River Ethanol, LLC, c/o Richard Victor, 29816 County Highway 103, Hudson SD 57034 has filed an application for a water permit to appropriate 1.78 cubic feet of water per second (1,000 acre-feet annually) from up to 4 wells (Big Sioux: South Aquifer) 33 feet deep located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 35-T96N-R48W. The water is for industrial use at the ethanol plant.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6423-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by July 28, 2003.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.

Affidavit of Publication

STATE OF SOUTH DAKOTA
COUNTY OF LINCOLN

JULIE GERBER

being first duly sworn on her oath says; that the Sioux Valley News is a legal weekly newspaper of general circulation as required by South Dakota Code of Nineteen Hundred Thirty-Nine, and any acts amendatory thereto, printed and published by the Sioux Valley News, Inc., in Canton, in said county and State, and has been such legal newspaper during the time hereinafter mentioned; that she is and during all of said time was bookkeeper of said newspaper and has personal knowledge of the facts stated in this affidavit; that the advertisement headed:

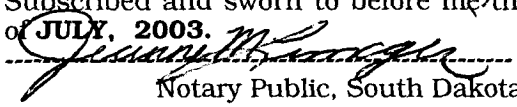
NOTICE OF APPLICATION NO. 64233 TO APPROPRIATE WATER

a printed copy of which is hereto attached, was printed and published in said newspaper for **TWO** successive weeks upon the following dates, to-wit:

JULY 10, 2003
JULY 17, 2003

that the full amount of the fees charged for publishing the same to-wit: the sum of **\$34.25** insures solely to the benefit of the publishers of said newspaper; that no agreement or understanding for any division of this sum has been made with any other person; and that no part of said sum has been agreed to be paid to any person whomsoever.

Subscribed and sworn to before me this **17th** day of **JULY, 2003**.


Notary Public, South Dakota

(Seal)

RECEIVED

JUL 21 2003

WATER RIGHTS
PROGRAM

Jeanne M. Limoges
My Commission Expires
November 18, 2003

NOTICE OF APPLICATION NO. 64233 TO APPROPRIATE WATER

Notice is given that Sioux River Ethanol, LLC, c/o Richard Victor, 29816 County Highway 103, Hudson, SD 57034 has filed an application for a water permit to appropriate 1.78 cubic feet of water per second (1,000 acre-feet annually) from up to 4 wells (Big Sioux: South Aquifer) 33 feet deep located in the SW1/4 NE1/4 and the NW1/4 SE1/4 Section 35-T96N-R48W. The water is for industrial use at the ethanol plant.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6423-3 because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest. In accordance with SDCL 46-2A-23, the Chief Engineer will act on the application, as recommended, unless a petition is filed opposing the application or the applicant files a petition contesting the Chief Engineer's recommendation. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled and the Water Management Board will consider the application. Notice of the hearing will be given to the applicant and any person filing a petition.

Any person interested in opposing or supporting this application or recommendation must file a written petition with BOTH the applicant and Chief Engineer. The applicant must file a petition if contesting the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre, SD 57501 (605-773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by July 28, 2003.

The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained. Contact Eric Gronlund at the above Water Rights Program address to request copies of information pertaining to this application. Steven M. Pirner, Secretary, Department of Environment and Natural Resources.



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
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www.state.sd.us/denr

May 5, 2003

Richard H. Hammond
Hammond-Wetmore Drilling
27 North Yale Street
Vermillion, SD 57069

Dear Mr. Hammond:

As requested, pursuant to South Dakota Well Construction Standard 74:02:04:21, you are authorized to construct a test well for the proposed Sioux River Ethanol plant prior to approval of a water permit. The test well is to be completed into the Big Sioux aquifer in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 35, T96N-R48W. The test well must be constructed in accordance with the SD Well Construction Standards. Any test holes that are abandoned must be plugged pursuant to the SD Well Construction Standards.

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

Very truly yours,

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



**DEPARTMENT of ENVIRONMENT
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www.state.sd.us/denr

AUG 08 2003

Sioux River Ethanol, LLC
29816 County Highway 103
Hudson SD 57034

Dear Sir:

Enclosed is Water Permit No. 6423-3 authorizing construction of your water diversion system and beneficial use of the water, not exceeding the limits as specified in the Water Permit.

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

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

At the time of application, Broin & Associates submitted \$500 for the application/license fee. The correct fee for the amount of water requested is \$450. Therefore, Broin & Associates will be receiving a refund check for \$50 within the next couple of weeks.

Sincerely,

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

enclosures

c: Richard Victor, Broin & Associates

SOUTH DAKOTA WATER WELL COMPLETION REPORT 6423-3 07-92

Location NW 1/4 SE 1/4 Sec 35 Twp 96 N Rg 48 W

County LINCOLN

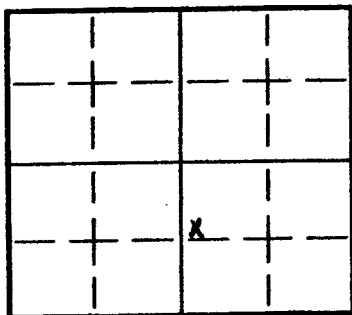
Please mark well location with an "X"

W

E

Well Completion Date

NOV 6, 2003



Well Owner: Sioux River Ethanol #4

Business Name:

Address: Hudson SD

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>SILT, BRN clayey</u>	<u>0</u>	<u>3</u>
<u>GRAVEL; med to coarse; sandy</u>	<u>3</u>	<u>30</u>
<u>CLAYSTONE, DK GRAY</u> <u>(CARLILE shale)</u>	<u>30</u>	<u>32</u>

LOCATION:

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.): 1000 ft. from Septic Tank (identify source).

PROPOSED USE:

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

METHOD OF DRILLING:

Bucket Rig

casing DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>DR 21 LB/FT</u>	<u>16 IN</u>	<u>6 FT</u>	<u>24 FT</u>	<u>24 IN</u>

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
<u>Cement</u>	<u>17</u>	<u>214 lb./gal</u>	<u>6 ft</u>	<u>20 ft</u>

Describe grouting procedure Tremie

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 16 IN Length 6 FEET

Material STAINLESS Steel

Slot Size .040 Set From 24 Feet to 30 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:

HTH

☐ NO, Why Not?

laboratory sent to for water quality analysis

STATIC WATER LEVEL 11 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced Flowrate _____ GPM

Can well be completely shut in? _____

WELL TEST DATA:

☒ Pumped

Describe: 24 Hour Pump Test

☐ Bailed

☐ Other

Pumping Level Below Land Surface

22 ft. After 24 Hrs. pumped 200 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate 180 GPM

REMARKS

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JAN 30 2004

WATER RIGHTS
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This well was drilled under license # 666

And this report is true and accurate.

Drilling firm HAMMOND-Wetmore Drilling

Signature of License Representative:

R D Damm

Signature of Well Owner or Equitable Property Holder:

2-1-04

SOUTH DAKOTA WATER WELL COMPLETION REPORT

6423-3

07-92

Location NW ¼ NE ¼ Sec 35 Twp 96 N Rg 48 W

County

LINCOLN

North

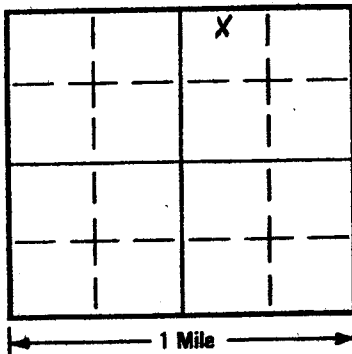
Please mark well location with an "X"

W

E

Well Completion Date

NOV 4, 2003



Well Owner: SIOUX RIVER ETHANOL #2

Business Name:

Address: HUDSON, SD

WELL LOG:

DEPTH

FORMATION	DEPTH	
	FROM	TO
SILT, BROWN, clayey	0	2
GRAVEL; med - coarse; sandy	2	31
CLAYSTONE, GRAY (CARLILE)	31	33

LOCATION:

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? 2000 ft. from Abandoned well (identify source).

PROPOSED USE:

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

METHOD OF DRILLING:

Bucket Rig

CASING DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
10R21 LB/FT	16 IN	6 FT	25 FT	24 IN

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
ement	15	714 lb./gal	6 ft	20 ft

Describe grouting procedure Tmle

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 16 IN Length 6 FEET

Material STAINLESS STEEL

Slot Size 140 Set From 25 Feet to 31 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:

HTH

NO, Why Not?

Laboratory sent to for water quality analysis

STATIC WATER LEVEL 12' Feet

If flowing: closed in pressure PSI

GPM flow through inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other

Reduced Flowrate GPM

Can well be completely shut in?

WELL TEST DATA:

☒ Pumped Describe: 24 HR TEST PUMP☐ Bailed☐ Other

Pumping Level Below Land Surface

25 ft. After 24 Hrs. pumped 200 GPM

ft. After Hrs. pumped GPM

If pump installed, pump rate 180 GPM

REMARKS

RECEIVED

JAN 30 2004

WATER RIGHTS PROGRAM

This well was drilled under license # 666

And this report is true and accurate.

Drilling firm HAMMOND-WETMORE DRILLING

Signature of License Representative:

RA Adair

Signature of Well Owner or Equitable Property Holder:

2-1-04

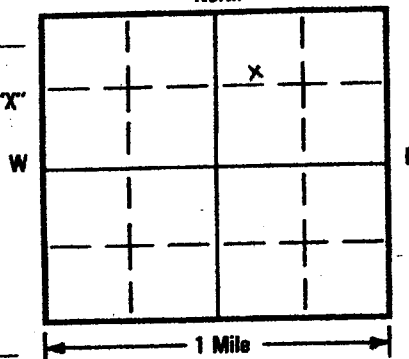
SOUTH DAKOTA WATER WELL COMPLETION REPORT

6423-3

07-92

Location NW ¼ NE ¼ Sec 35 Twp 96N Rg 48W
 County LINCOLN

Please mark well location with an "X"



Well Completion Date

May 29, 2003

LOCATION:

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? 2000 ft. from Abandoned Well (identify source).

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary

casing DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>12.21</u> LB/FT	<u>16</u> IN	<u>6</u> FT	<u>25</u> FT	<u>24</u> IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	_____ IN	_____ FT	_____ FT	_____ IN

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
<u>Concrete</u>	<u>22</u>	<u>714</u> lb./gal	<u>6</u> ft	<u>20</u> ft
_____	_____	_____ lb./gal	_____ ft	_____ ft

Describe grouting procedure TRPMIR

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 16 IN Length 8 FEET

Material Stainless Steel

Slot Size .40 Set From 25 Feet to 33 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:

HTH

☐ NO, Why Not?

laboratory sent to for water quality analysis

Well Owner: Sox River ETHANOL LLC

Business Name: _____

Address: Hudson, SD

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>SILT, BRN, Clayey</u>	<u>0</u>	<u>3</u>
<u>GRAVEL, medium to coarse,</u>	<u>3</u>	<u>33</u>
<u>Sandy</u>		
<u>CLAYSTONE, GRAY, (carbide)</u>	<u>33</u>	<u>43</u>

STATIC WATER LEVEL 13 Feet

If flowing: closed in pressure _____ PSI

GPM flow _____ through _____ inch pipe

Controlled by ☐ Valve ☐ Reducers ☐ Other _____

Reduced Flowrate _____ GPM

Can well be completely shut in? _____

WELL TEST DATA:

☒ Pumped

Describe: 72 HR pump test

☐ Bailed

☐ Other

Pumping Level Below Land Surface

24.8 ft. After 60 Hrs. pumped 220 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate 200 GPM

REMARKS

This well was drilled under license # 666

And this report is true and accurate.

Drilling firm HAMMOND water more Drilling

Signature of License Representative:

RH Hammond

Signature of Well Owner or Equitable Property Holder:

RECEIVED
JAN 30 2004
WATER RIGHTS
PROGRAM

2-1-04



29619 Spur Ave. PO Box 439
Hudson, SD 57034
poet.com

605.984.2222
605.984.2056

RECEIVED

APR - 2 2009

WATER RIGHTS
PROGRAM

Monday, March 30, 2009

Ms. Karen Schlaak
Water Rights Program
South Dakota Department of Environment & Natural Resources
PMB 2020
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3185

Subject: Corrected Water diversion info for Sioux River Ethanol, LLC Water Permit No. 6423-3

Karen,

Due to an error in the formula that we use to track the amount of water we divert from the Big Sioux: South Aquifer, Sioux River Ethanol, LLC is resubmitting the amount of water diverted from the Big Sioux: South Aquifer for each year that we have done so. Below are the amounts that we reported to you and the corrected amount of water that was actually diverted.

	<u>Reported (gal)</u>	<u>Actual (gal)</u>	
2004	95,064,802	144,058,935	442 AF
2005	117,425,375	169,086,937	518 AF
2006	128,088,195	184,474,628	566 AF
2007	129,020,993	185,792,728	570 AF
2008	119,720,304	172,404,840	529 AF

We apologize for any confusion and/or problems that this may pose. If you have any questions or would like to discuss this matter further, please contact myself or Jeremy Halgerson at 605.984.2222.

Sincerely,

Naomi Mentele
Environmental Health and Safety Specialist
Poet Biorefining – Hudson

Permit No. 6423-3
Big Sioux River - Water District

Report of Examination of Works and/or Application of Water to Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, October 16, 2013, made a thorough examination of the water use system constructed by Sioux River Ethanol, LLC of 29816 County Hwy 103, Hudson, SD 57034 holder of Permit No. 6423-3, bearing the priority of June 3, 2003 authorizing the diversion of 1.78 cu. ft. per second, 1,000 acre-feet annually, of the waters of Big Sioux: South Aquifer for industrial purposes, in Lincoln County.

Inspection contact & relationship **Bill Anderson, EHS**
to permit holder, if applicable: **605.984.2222**

A. Works used to divert the water:

Well Information: well #1

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 43 feet
- 3) Well log is available Yes
- 4) Comment: completed 5-29-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 25 feet
- 3) Type plastic

Screen:

- 1) Type stainless steel
- 2) Length 8 feet
- 3) Static water level 13 feet

Pump:

- 1) Make Grundfos
- 2) Model 15B70005
- 3) Size 6"
- 4) Capacity 315 GPM

Motor:

- 1) Make Grundfos
- 2) Model No. 78255515
- 3) Horsepower rating 17.5 hp

Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 33 feet
- 3) Well log is available Yes
- 4) Comment: completed 11/4/2003

Casing:

- 1) Diameter 16 inches
- 2) Length 20 feet
- 3) Type plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
- 3) Static water level 12 feet

Pump:

- 1) Make Grundfos
- 2) Model 15B70005
- 3) Size 6"
- 4) Capacity 315 GPM

Motor:

- 1) Make Grundfos
- 2) Model No. 78255515
- 3) Horsepower rating 17.5 hp

Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 37 feet
- 3) Well log is available Yes
- 4) Comment: completed 11-5-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 29 feet
- 3) Type Plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
- 3) Static water level 14 feet

Pump:

- 1) Make Grundfos
- 2) Model 15B70005
- 3) Size 6"
- 4) Capacity 315 GPM

Motor:

- 1) Make Grundfos
- 2) Model No. 78255515
- 3) Horsepower rating 17.5 hp

Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 32 feet
- 3) Well log is available Yes
- 4) Comment: completed 11-6-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 24 feet
- 3) Type Plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
- 3) Static water level 11 feet

Pump:

- 1) Make Grundfos
- 2) Model 15B70005
- 3) Size 6"
- 4) Capacity 315 GPM

Motor:

- 1) Make Grundfos
- 2) Model No. 78255515
- 3) Horsepower rating 17.5 hp

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

- 1) Type pvc 2) Size 6 inches 3) Length 2555 feet
- 1) Type pvc 2) Size 12 inches 3) Length 1530 feet

C. Works used to apply water to beneficial use:

Wells pump to 522,000 gallon storage tank for use at an ethanol plant.

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by Yes
- 2) Exceptions to compliance are: none

The system is in good condition with the points of diversion located as follows: Well#1 is 2,867' N and 581' E (43.09138739, -96.47779014); well #2 is 3,447' N and 583' E (43.09289228, -96.47775436); well #3 is 2,321' N and 433' E (43.08981836, -96.47837467); well #4 is 1,732' N and 244' E (43.08825219, -96.47908906); all from the S¼ corner Section 35-T96N-R48W. The works are capable of diverting and conveying to the place of use 1.4 cu. ft. per second of water which is to be used for industrial purposes. Water has been put to beneficial use to the maximum extent as follows:

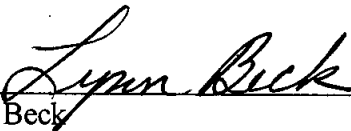
Used in the production of ethanol.

The license should be issued for 1.4 cfs.

All structures, wells and lands on map Yes

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

Two wells are pumped at the same time during maximum use. Able to pump all four at the same time for emergency use such as fire suppression.

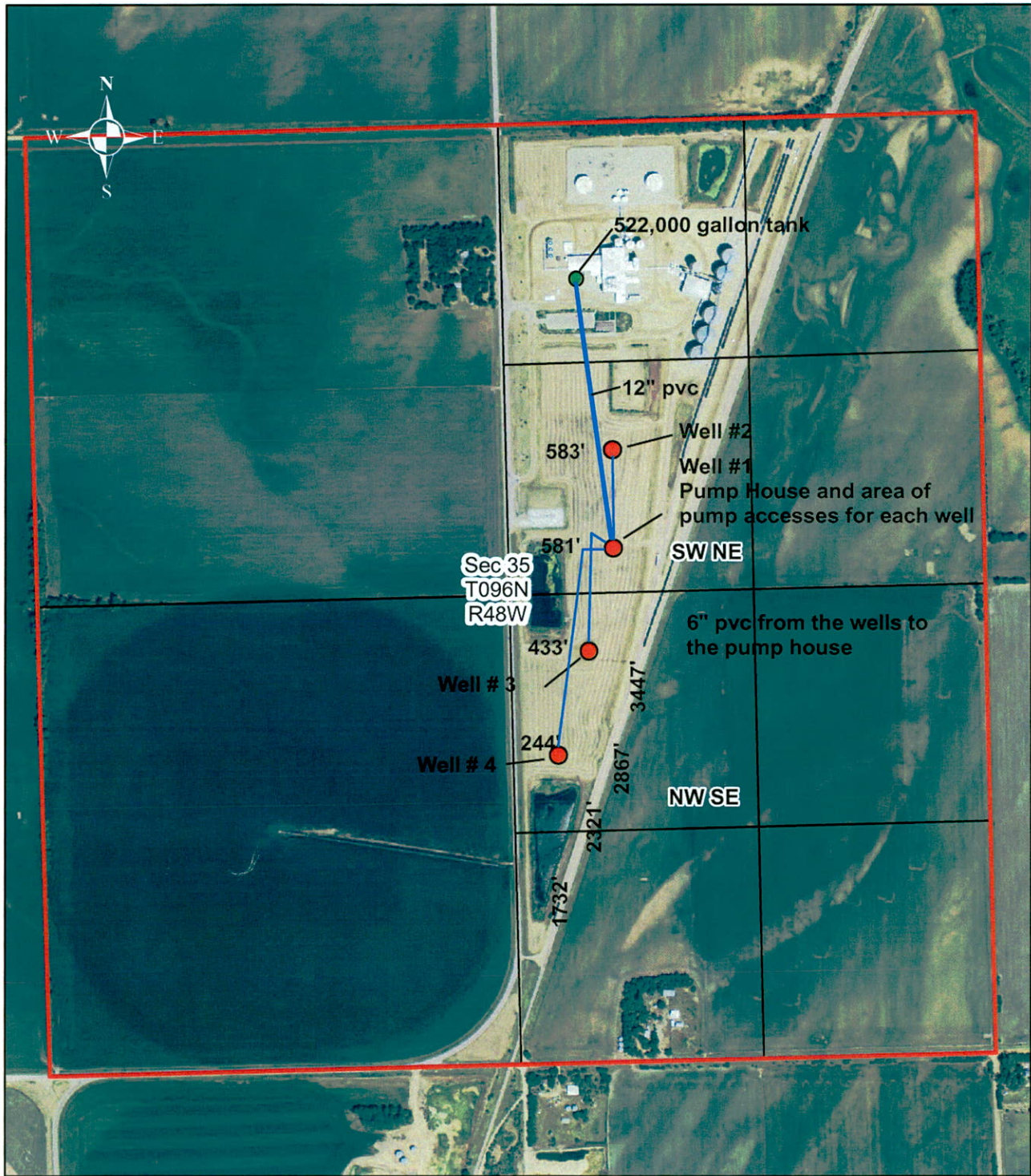


Lynn Beck

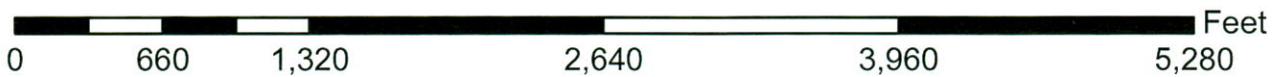
Natural Resources Engineer III
DENR, Water Rights Program

Date report completed: December 3, 2013

WATER LICENSE NO. 6423-3
SIOUX RIVER ETHANOL, LLC
December 3, 2013



SCALE



Lynn Beck

Lynn Beck
Natural Resources Engineer III
SD DENR - Water Rights Program



South Dakota
Department of Environment
& Natural Resources
Protecting SD's Tomorrow... Today



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
PMB 2020
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

DEC 20 2013

6423-3

Joel Jarmin, General Manager
Sioux River Ethanol LLC
PO Box 439
Hudson SD 57034

Dear Mr. Jarmin:

Enclosed is Water License No. 6423-3. This is the final water right document completing your process of obtaining a Water Right. Included with your license is a map prepared by the staff engineer who conducted the field investigation.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by Water Right No. 6423-3, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as you use the water beneficially, as stated in the Water License, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Sincerely,

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

enclosures

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 6423-3

(1) Sioux River Ethanol, PO Box 439, Hudson SD 57034 made Application No. 6423-3, June 3, 2003 for a water permit to divert 1.78 cubic feet of water per second (1,000 acre feet annually) from ground water – four wells (Big Sioux: South Aquifer), Lincoln County, South Dakota for industrial purposes. Permit No. 6423-3, with a priority date of June 3, 2003 was approved July 28, 2003 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before July 28, 2008 and for the application to beneficial use of said water on or before July 28, 2012.

(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to completion of the water supply system and is entitled to divert 1.40 cubic feet of water per second for beneficial use. The location of the diversion points are:

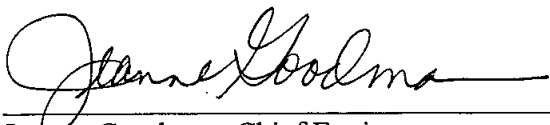
- Well #1 – 2,867 feet north and 581 feet east of the S ¼ corner of Section 35, T96N, R48W (SW ¼ NE ¼)
- Well #2 – 3,447 feet north and 583 feet east of the S ¼ corner of Section 35, T96N, R48W (SW ¼ NE ¼)
- Well #3 – 2,321 feet north and 433 feet east of the S ¼ corner of Section 35, T96N, R48W (NW ¼ SE ¼)
- Well #4 – 1,732 feet north and 244 feet east of the S ¼ corner of Section 35, T96N, R48W (NW ¼ SE ¼)

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

(4) Pursuant to South Dakota Water Law 46-5-30.1 Sioux River Ethanol, PO Box 439, Hudson SD 57034 the holder and/or owner of Water Right No. 6423-3 is issued a license to appropriate water, the right to use 1.4 cubic feet of water per second (1,000 acre feet annually) from ground water – four wells (Big Sioux South Aquifer) with a priority date of June 3, 2003 from the locations specified in (2) of this license for industrial use.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 6423-3 and subject to the following qualifications:

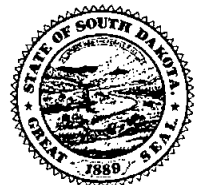
- The wells approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
- The wells authorized by Permit No. 6423-3 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with the Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28. ***All four wells were completed in 2003 by Hammond Wetmore Drilling. The logs are on file with the Water Rights Program.***
- Sioux River Ethanol shall report to the chief engineer annually the amount of water withdrawn from the Big Sioux South Aquifer.



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

DEC 20 2013

date



Beck, Lynn

From: Andersen, Bill <Bill.Andersen@POET.COM>
Sent: Monday, January 06, 2014 3:15 PM
To: Beck, Lynn
Cc: Halgerson, Jeremy
Subject: Water Permit
Attachments: Water License (12-20-13).pdf

Lynn,

Upon review of the water license recently issued to Sioux River Ethanol (d.b.a. POET Biorefining – Hudson), there are a couple administrative changes that we would like to suggest based on our plants historical water usage data.

Approximate, water flow with different number of wells running.

1 well pump running = 340 GPM
 2 well pumps running = 460 GPM
 3 well pumps running = 690 GPM
 4 well pumps running = 800 GPM (approximately 1.78 cfs)

Based on this data, we would like to suggest the language in HUD's water license be changed to read:

Item (2): "....and is entitled to divert 1.40 cubic feet of water per second (1,000 acre feet annually) for beneficial use...."

Item (4): "....the holder and/or owner of Water Right No. 6423-3 is issued a license to appropriate water, the right to use 1,000 acre feet of water annually at a maximum diversion rate of 1.78 (or 1.8x) cubic feet of water per second from ground water – four wells....."

Let me know any questions or concerns.

Thank You

Bill Andersen

Bill Andersen
 EH&S Coordinator

POET
Biorefining
 29619 Spur Avenue
 Hudson, SD 57034
 P/ +1 (605) 984-7213
 F/ (605) 984-2056
 poet.com

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Permit No. 6423-3
Big Sioux River - Water District

Report of Examination of Works and/or Application of Water to Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, October 16, 2013, made a thorough examination of the water use system constructed by Sioux River Ethanol, LLC of 29816 County Hwy 103, Hudson, SD 57034 holder of Permit No. 6423-3, bearing the priority of June 3, 2003 authorizing the diversion of 1.78 cu. ft. per second, 1,000 acre-feet annually, of the waters of Big Sioux: South Aquifer for industrial purposes, in Lincoln County.

Inspection contact & relationship to permit holder, if applicable: **Bill Anderson, EHS**
605.984.2222

A. Works used to divert the water:

Well Information: well #1

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 43 feet
- 3) Well log is available Yes
- 4) Comment: completed 5-29-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 25 feet
- 3) Type plastic

Screen:

- 1) Type stainless steel
- 2) Length 8 feet
- 3) Static water level 13 feet

Pump:

- 1) Make Grundfos
- 2) Model 15B70005
- 3) Size 6"
- 4) Capacity 340 GPM

Motor:

- 1) Make Grundfos
- 2) Model No. 78255515
- 3) Horsepower rating 17.5 hp

Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 33 feet
- 3) Well log is available Yes
- 4) Comment: completed 11/4/2003

Casing:

- 1) Diameter 16 inches
- 2) Length 20 feet
- 3) Type plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
- 3) Static water level 12 feet

Pump:

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Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 37 feet
- 3) Well log is available Yes
- 4) Comment: completed 11-5-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 29 feet
- 3) Type Plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
- 3) Static water level 14 feet

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Well Information:

- 1) Well Drilling Firm: Hammond Wetmore Drilling
- 2) Depth(s) 32 feet
- 3) Well log is available Yes
- 4) Comment: completed 11-6-2003

Casing:

- 1) Diameter 16 inches
- 2) Length 24 feet
- 3) Type Plastic

Screen:

- 1) Type stainless steel
- 2) Length 6 feet
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B. Works used to transport water to place of use:

- 1) Type pvc 2) Size 6 inches 3) Length 2555 feet
- 1) Type pvc 2) Size 12 inches 3) Length 1530 feet

C. Works used to apply water to beneficial use:

Wells pump to 522,000 gallon storage tank for use at an ethanol plant.

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by Yes
- 2) Exceptions to compliance are: none

Report of Examination of Works

Permit No. 6423-3

The system is in good condition with the points of diversion located as follows: Well#1 is 2,867' N and 581' E (43.09138739, -96.47779014); well #2 is 3,447' N and 583' E (43.09289228, -96.47775436); well #3 is 2,321' N and 433' E (43.08981836, -96.47837467); well #4 is 1,732' N and 244' E (43.08825219, -96.47908906); all from the S¼ corner Section 35-T96N-R48W. The works are capable of diverting and conveying to the place of use 1.78 cu. ft. per second of water which is to be used for industrial purposes. Water has been put to beneficial use to the maximum extent as follows:

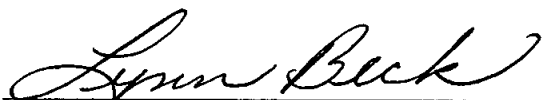
Used in the production of ethanol.

The license should be issued for 1.78 cfs.

All structures, wells and lands on map Yes

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

Standard use is to pump two wells at the same time at 1.5 cfs, occasional maximum use is four wells at 1.78 cfs.



Lynn Beck

Natural Resources Engineer III
DENR, Water Rights Program

Date report completed: January 6, 2013



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
PMB 2020
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3182
<http://denr.sd.gov>

JAN 16 2014

6423-3

Joel Jarmin, General Manager
Sioux River Ethanol LLC
PO Box 439
Hudson SD 57034

Dear Mr. Jarmin:

Enclosed is Reissued Water License No. 6423-3. The water license has been reissued based on your contact with Lynn Beck and clarification of the number of wells used and corresponding pumping rates.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the wells authorized by Water Right No. 6423-3, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as you use the water beneficially, as stated in the Water License, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Sincerely,

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

enclosure

c: Bill Andersen, POET Biorefining – Hudson, 29619 Spur Ave., Hudson SD 57034

STATE OF SOUTH DAKOTA
REISSUED WATER LICENSE NO. 6423-3

(1) Sioux River Ethanol, PO Box 439, Hudson SD 57034 made Application No. 6423-3, June 3, 2003 for a water permit to divert 1.78 cubic feet of water per second (1,000 acre feet annually) from ground water – four wells (Big Sioux: South Aquifer), Lincoln County, South Dakota for industrial purposes. Permit No. 6423-3, with a priority date of June 3, 2003 was approved July 28, 2003 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before July 28, 2008 and for the application to beneficial use of said water on or before July 28, 2012.

The original water license issued on December 20, 2013 authorized diversion of 1.40 cfs from four wells taking into account that on a normal basis only two wells were utilized at once. The maximum use if all four wells are running at one time is 1.78 cfs. The water license is being reissued for a total of 1.78 cfs (1000 acre feet annually).

(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to completion of the water supply system and is entitled to divert 1.78 cubic feet of water per second for beneficial use. The location of the diversion points are:

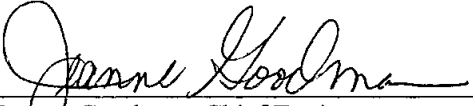
- Well #1 – 2,867 feet north and 581 feet east of the S $\frac{1}{4}$ corner of Section 35, T96N, R48W (SW $\frac{1}{4}$ NE $\frac{1}{4}$)
- Well #2 – 3,447 feet north and 583 feet east of the S $\frac{1}{4}$ corner of Section 35, T96N, R48W (SW $\frac{1}{4}$ NE $\frac{1}{4}$)
- Well #3 – 2,321 feet north and 433 feet east of the S $\frac{1}{4}$ corner of Section 35, T96N, R48W (NW $\frac{1}{4}$ SE $\frac{1}{4}$)
- Well #4 – 1,732 feet north and 244 feet east of the S $\frac{1}{4}$ corner of Section 35, T96N, R48W (NW $\frac{1}{4}$ SE $\frac{1}{4}$)

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

(4) Pursuant to South Dakota Water Law 46-5-30.1 Sioux River Ethanol, PO Box 439, Hudson SD 57034 the holder and/or owner of Water Right No. 6423-3 is issued a license to appropriate water, the right to use 1.78 cubic feet of water per second (1,000 acre feet annually) from ground water – four wells (Big Sioux South Aquifer) with a priority date of June 3, 2003 from the locations specified in (2) of this license for industrial use.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 6423-3 and subject to 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 wells authorized by Permit No. 6423-3 shall be constructed by a licensed well driller and construction of the well and installation of the pump shall comply with the Water Management Board Well Construction Rules, Chapter 74:02:04 with the well casing pressure grouted (bottom to top) pursuant to Section 74:02:04:28. *All four wells were completed in 2003 by Hammond Wetmore Drilling. The logs are on file with the Water Rights Program.*
- Sioux River Ethanol shall report to the chief engineer annually the amount of water withdrawn from the Big Sioux South Aquifer.



Jeanne Goodman, Chief Engineer
Water Rights Program

Department of Environment and Natural Resources

JAN 16 2014

date



6423-3

Schlaak, Karen

From: Schlaak, Karen
Sent: Wednesday, February 06, 2019 11:40 AM
To: May, Colin (Colin.May@POET.COM)
Subject: FW: [EXT] Water Rights No. 6423-3
Attachments: 6423-3Transferform.doc.docx

It appears Water Right No. 6423-3 needs to be transferred to a new name. Attached is a partially completed Notice of Transfer of Ownership form. Please complete the form, sign and mail it back with the required fee of \$50.00. Let me know if you have questions.

From: Schlaak, Karen
Sent: Monday, January 07, 2019 1:41 PM
To: 'May, Colin'
Subject: RE: [EXT] Water Rights No. 6423-3

Thank you for the information.

From: May, Colin [<mailto:Colin.May@POET.COM>]
Sent: Monday, January 07, 2019 1:32 PM
To: Schlaak, Karen
Subject: [EXT] Water Rights No. 6423-3

Water Rights No. 6423-3

POET Biorefining Hudson (previously Sioux River Ethanol LLC) is reporting that the amount of water diverted from the Big Sioux: South Aquifer during 2018 is 169,961,806 gallons. Please let me know if you have any questions. Thank you.

Colin May
Plant Manager

POET
biorefining
29619 Spur Avenue
Hudson, SD 57034
P/ +1 (605) 984-7203
F/ +1 (605) 984-2056
C/ +1 (605) 759-8719
poet.com



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NOTICE OF TRANSFER OF OWNERSHIP

RECEIVED

PAID

FEB 13 2019

Ck# 021053

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

FEB 13 2019

WATER RIGHTS
PROGRAM

No. 6423-3

Date: 2/6/2019

I/We request that Water Right/Permit No. 6423-3

formerly owned by: Sioux River Ethanol

be transferred to: (name & address) POET Biorefining – Hudson, LLC

29619 Spur Ave. PO BOX 439

Hudson, SD 57106

Telephone No. 605-984-2222

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

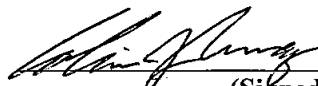
4 wells located in the SW 1/4 NE 1/4 and NW 1/4 SE 1/4 Section 35-T96N-R48W for industrial use

I/We understand that the validity of Water Right/Permit No. 6423-3 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 POET Biorefining – Hudson, the new owner, certify that the above information is true and correct.

 Colin May
(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.

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date **February 13**, 20**19**

RECEIVED OF **POET Biorefining Hudson 29619 Spuff Ave PO Box 439 Hudson SD 57106**

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	50	00
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form 6423-3		
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	50 00

No. **09041**

By *Jeanne Goodman*
Chief Engineer *vm*



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

February 25, 2019

6423-3

Colin May
POET Biorefining – Hudson LLC
PO Box 439
Hudson SD 57106-0439

Dear Mr. May:

I am writing to acknowledge receipt of the transfer form and filing fee submitted for changing ownership on Water Right No. 6423-3.

The ownership change has been completed. The water right formerly held by Sioux River Ethanol is now listed in the name of **POET Biorefining – Hudson LLC**.

Enclosed for your records is Receipt No. 09041 in the amount of \$50. If you have any questions, please contact me.

Sincerely,

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

enclosure