

WATER PERMIT NO. 6626-3

Name of Applicant: **Stencil Development**

Address: **4804 S Minnesota Ave, Suite 102, Sioux Falls SD 57108**

Phone: **605 339-3009**

Amount of Water Claimed: **0.39 cfs**

Total Acres: **NA**

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

Water to be used for: **geothermal heat**

County: **Minnehaha**

Type of Waste Disposal System:

Location: **in Sioux Falls**

PRIORITY Date Received: **1-24-05**

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

Corrected Application Received: **5-20-05**

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

Remarks:

Diversion Point: **NE ¼ NW ¼ Sec 21-T101N-R49W**

Land to be Irrigated:

Depth of Well: **295 feet deep**

Well Driller: **Dave Putzke Well Drilling & Repair**

Remarks:

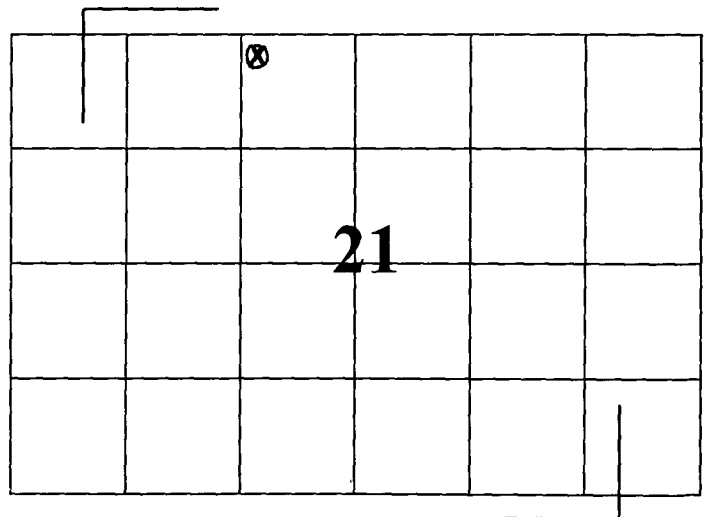
Type of Map: **plat**

Prepared by: **Jon R Brown, PE**

Reviewed and the Number Assigned on: **XX**

By: **Karen Schlaak**

Notice of Hearing - date to intervene: _____



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

(office use only)
No. 6626-3 Hydrologic Unit 10170203
Basin Sioux River
Newspaper Argus Leader, Sioux Falls

RECEIVED
JAN 24 2005
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 Stencil Developement Phone (605) 339-3009
(check one) ☐ Owner ☐ Tenant/lessee
Mailing Address 4804 S Minnesota Avenue Suite 102 Sioux Falls State SD 57108
(Street, RR, or Box and City) (Zip Code)
- Amount of water claimed 0.39 *CFS or 175 **GPM ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable
- Source of water supply Geothermal Heating Only
- Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) County Minnehaha
1- Well South East Corner of 1st Avenue & 12th St. Downtown Sioux Falls, SD
NE 1/4 NW 1/4 Sec 21 - T101N - R49W
- County or counties where water will be used Minnehaha
- Annual period during which water is to be used Annual 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)

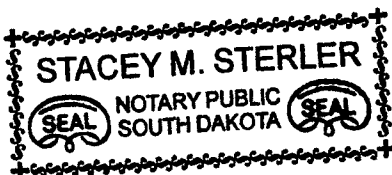
STATE OF SOUTH DAKOTA)
County of Minnehaha) SS

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

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

Applicant's signature [Signature]

Subscribed and sworn to before me this 21 day of January 20 05



[Signature]
Notary Public signature

**SOUTH DAKOTA
WATER PERMIT NO. 6626-3**

Date of first receipt of application January 24, 2005.

Date of return to applicant for corrections, amendments or changes January 25, 2005.

Date of receipt of corrected application May 20, 2005.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 6626-3 to Stencil Development, c/o Paul Reynolds, 4804 S Minnesota Ave, Suite 102, Sioux Falls SD 57108 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. 6626-3 appropriates 0.39 cubic feet of water per second from one well completed into the Sioux Quartzite (approximately 295 feet deep) located in the NE 1/4 NW 1/4 Section 21-T101N-R49W.
2. The water appropriated shall be used for the purpose of geothermal heating use and may not exceed the amount of water needed for beneficial use.
3. The water is to be used during the following described annual period: January 1 – December 31.
4. The date of approval of Permit No. 6626-3 is July 1, 2005.
5. The date from which applicant may claim right is May 20, 2005.
6. One-fifth of the construction is to be completed on or before January 1, 2008.
7. All construction is to be completed on or before July 1, 2010.
8. Water is to be put to beneficial use on or before July 1, 2014.
9. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

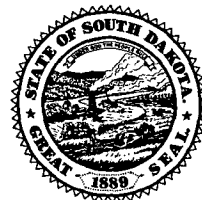
QUALIFICATIONS

1. The well approved under this Permit will be located near domestic wells and other wells which may obtain water from the same aquifer. The well owner under this Permit shall control his withdrawals so there is not a reduction of needed water supplies in adequate domestic wells or in adequate wells having prior water rights.
2. No chemicals, such as corrosion inhibitors, shall be added to the geothermal water without prior written permission by the Surface Water Quality Program, DENR, Pierre (Phone # 605 773-3351).
3. Permit No. 6626-3 is subject to compliance with the state, federal and city of Sioux Falls regulations regarding the discharge of water.

WATER MANAGEMENT BOARD

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

JUL 29 2005
date



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date January 25, 2005

RECEIVED OF Stencil Construction Inc., 4804 S Minnesota Ave Suite 102, Sioux Falls SD 57103

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

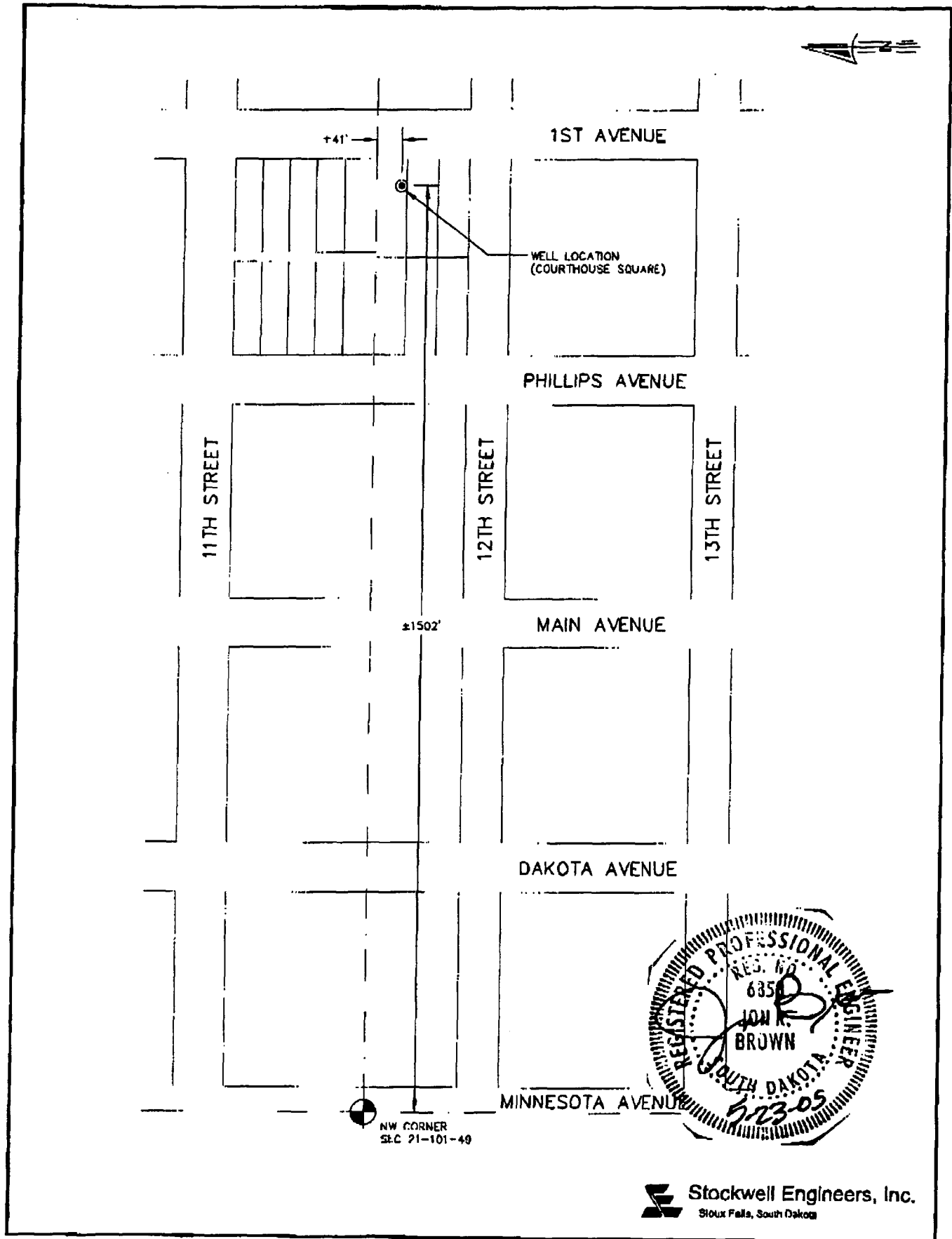
Fee for Application for Permit No. <u>66666-3</u> to Appropriate Water, to construct and to put water to beneficial use	250	00
Fee for Application for Permit No. _____ to Appropriate Water for Future use		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. <u>66666-3</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	300.00

No.

000007

By

Darlene E. Eide
Chief Engineer *gm*





Stockwell Engineers, Inc.

211 East 14th Street • Suite 200 • Sioux Falls, South Dakota 57104-6913
Telephone (605) 338-6668 • Fax (605) 338-8750

May 20, 2005

Mr. Paul Reynolds
Stencil Construction, Inc.
4804 South Minnesota Avenue, Suite 102
Sioux Falls, South Dakota 57108

Re: Well Location
Courthouse Square
Sioux Falls, South Dakota

Dear Paul:

The following are coordinates of the well for the geothermal system Courthouse Square:

Northing - 15825834.6796
Easting - 2243236.1077

The well is located in the northwest quarter of Section 21, Township 101 North, Range 49 West.
Refer to the attached drawing for location.

Please call if you have any questions or require additional information.

Very Truly Yours,

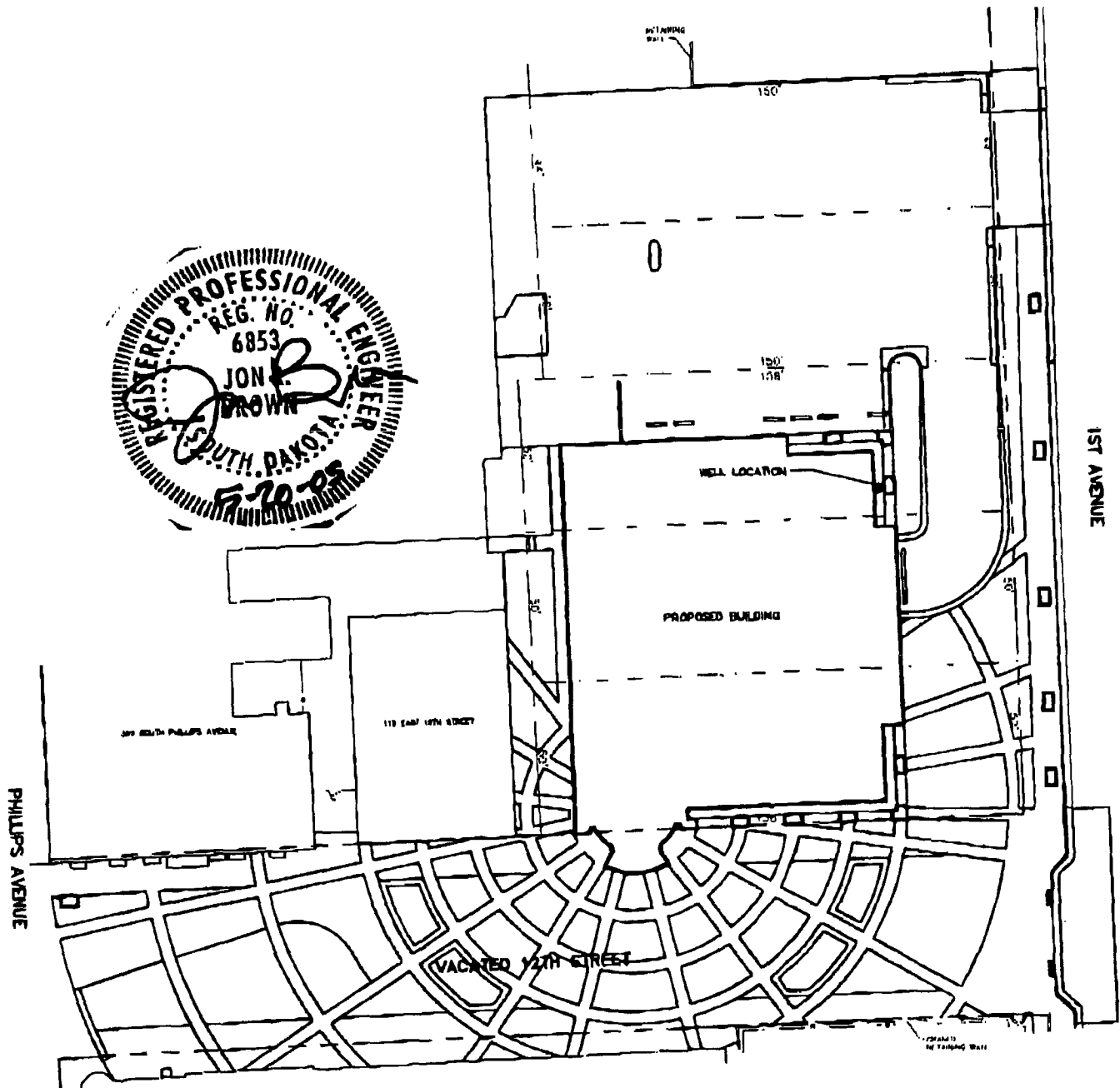
STOCKWELL ENGINEERS, INC.

Jon Brown, P.E.

Attachment

pk

COURTHOUSE SQUARE

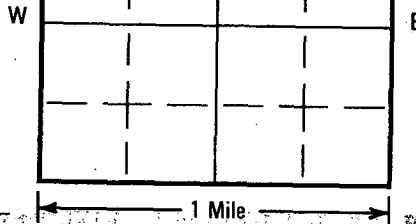


SOUTH DAKOTA WATER WELL COMPLETION REPORT

07-92

Location SW 1/4 SW 1/4 Sec 16 Twp 10 N Rg 49 W
County Minnehaha North

Please mark well location with an "X"



Well Completion Date

10-15-04

LOCATION:

Distance from 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

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe _____

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
19.18 LB/FT	IN	0 FT	22 FT	10 IN
_____ LB/FT	IN	_____ FT	_____ FT	_____ IN
_____ LB/FT	IN	_____ FT	_____ FT	_____ IN

GROUTING DATA

Grout Type	No. of Sacks	Grout Weight	From	To
Portland 1#	4	lb./gal	0 ft	22 ft
_____	_____	lb./gal	_____ ft	_____ ft

Describe grouting procedure Run from 100' down

SCREEN: ☐ Perforated pipe ☐ Manufactured

Diameter _____ IN 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: 5 gallons of Chlorine Pumped

☐ NO, Why Not? _____

Laboratory sent to for water quality analysis

Well Owner: Stencil Const.
 Business Name: "
 Address: 4804 S. Minnesota Ave Suite 10
 Sioux Falls SD 57108

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
TOP Soil	0	2
Yellow clay	2	22
Granite	22	295
Granite	295	

STATIC WATER LEVEL

29

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: _____
☐ Bailed _____
☐ Other _____

Pumping Level Below Land Surface

190 ft. After 24 Hrs. pumped 150 GPM

_____ ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate _____ GPM

REMARKS

RECEIVED

DEC 27 2004

This well was drilled under license # 439 WATER RIGHTS PROGRAM

And this report is true and accurate.

Drilling firm Dave Putzke Well Drilling & Repairs

Signature of License Representative:

Dave Putzke

Signature of Well Owner or Equitable Property Holder:

[Signature]

Date: 10/20/04

22-28-04

SF64571

Prepared by:
Getty Abstract & Title Company Inc.
A. Thomas Poketa, Counsel
4900 S Minnesota Ave
Sioux Falls SD 57108
605-336-0490

SOUTH DAKOTA, MINNEHAHA COUNTY
Recorded JUL 26 2004 at 12:20 o'clock
In Book 494 of Deeds Page 813
JULIE D. RISTY, REGISTER OF DEEDS
By *[Signature]* Deputy 12m

TRANSFER FEE
JUL 26 2004
☐ EXEMPT PAID \$ 1500

BOOK 494 PAGE 813



R425192

WARRANTY DEED - STATE FORM

SPENCER FURNITURE, INC.,

grantor(s) of Minnehaha County, State of South Dakota, for and in consideration of One Dollar and other good and valuable consideration, GRANT(S), CONVEY(S) AND WARRANT(S) TO

STENCIL CONSTRUCTION, INC.,

grantee(s) of 4804 S MINNESOTA AVE STE 102, SIOUX FALLS, SD 57108, all interest in the following described real estate in the County of Minnehaha in the State of South Dakota:

LOT 14 AND 15 IN BLOCK 19 OF J.L. PHILLIPS ADDITION TO SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA, ACCORDING TO THE RECORDED PLAT THEREOF. 313-S 1st

LOT 4, 5, AND 6 IN BLOCK 4 OF GALES SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA, ACCORDING TO THE RECORDED PLAT THEREOF. 122 E 12th St.

Subject to easements and restrictions of record, if any.

Dated July 20, 2004.

SPENCER FURNITURE, INC.

[Signature]
By Lawrence H. Spencer
Its President



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

January 5, 2005

Stencil Construction
4804 S Minnesota Ave
Suite 102
Sioux Falls SD 57108

Dear Sir:

I am writing in regard to a well driller's report filed by Dave Putzke Well Drilling & Repair, Inc. The report shows a new well has been completed for Stencil Construction. 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 January 31, 2005.

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

enclosures



January 25, 2005

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

Stencil Development
Paul J Reynolds
4804 S Minnesota Ave
Suite 102
Sioux Falls SD 57108

Dear Mr. Reynolds:

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

- A map showing the location of the well in relation to a government section corner or quarter corner by direction and distance is required.
- The map must be signed by one of the following: Registered Land Surveyor, Registered Professional Engineer or by any other government employee who normally prepares maps as a part of his assigned duties (i.e. aerial photo map from local Natural Resources Conservation Service).

If you have any questions, please contact me.

Sincerely,

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



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

May 3, 2005

Stencil Development
Paul J Reynolds
4804 S Minnesota Ave, Suite 102
Sioux Falls SD 57108

Dear Mr. Reynolds:

On January 24, 2005, you submitted an Application for Permit to Appropriate Water Within the State of South Dakota for geothermal heating purposes. You were notified what additional information was required to complete the application. A copy of that letter is enclosed. To date, we have not received the required information.

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

Pursuant to South Dakota Codified Laws 46-1-15, 46-5-9, 46-5-10 and 46-2-18, you must have a water permit prior to using water.

If you have any questions, please contact me.

Sincerely,

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

enclosures

Water Rights Program - DENR
Conversation File Documentation

NAME OF PERSON OR FILE: Water Permit Application No. 6626-3, Stencil Development

ADDRESS: COUNTY: Minnehaha County

DATE: June 1, 2005 TELEPHONE: 605 339-3009

RE: Discussion on discharge of water after use for geothermal purposes.

COMMENTS:

I contacted Paul Reynolds to inquire about what their intentions are once the water has been used for geothermal purposes. Mr. Reynolds indicated they are investigating two alternatives.

One option is using the city of Sioux Falls storm water system. They have been in contact with the city about this possibility.

The other option is injecting the water back into the aquifer. Stencil Development has been in contact with EPA regarding this alternative.

Mr. Reynolds stated they are fully aware that they will need to get proper authorization for the discharge.

NAME: Eric Reynolds



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

June 6, 2005

Randy Janssen, Water Superintendent
City of Sioux Falls
224 W 9th Street
Sioux Falls SD 57104-6407

Bob Kappel
Environmental Compliance Manager
224 W 9th Street
Sioux Falls SD 57104-6407

Dear Mr. Janssen & Mr. Kappel:

Enclosed is a copy of the report, recommendation and public notice on Water Permit Application No. 6626-3 filed by Stencil Development. The notice of hearing is scheduled to be published in the Argus Leader on June 13 and 20, 2005.

This information is being sent to keep you informed of water right permitting issues within Sioux Falls.

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

Sincerely,

Eric Gronlund
Water Rights Program
(605) 773-3352

enclosures

REPORT ON WATER PERMIT APPLICATION NO. 6626-3
For Stencil Development
May 27, 2005

Application No. 6626-3 proposes to appropriate 0.39 cfs (175 gpm) from one well approximately 295 feet deep located in the NE ¼ NW ¼ of section 21, T101N R49W in Minnehaha County. The water is for geothermal heating use.

AQUIFER – SIOUX QUARTZITE (SOUX)

The Sioux Quartzite consists of predominantly orthoquartzite with minor conglomerate and mudstone layers. The rock is typically pale red to moderate red consists of pink-colored fine grains of quartz sand cemented with silica (Tomhave, 1994). The quartzite is broken into well developed blocks by jointing which are both vertical and horizontal (Tomhave, 1994). The spacing of these joints is quite variable. The number of fractures and joints encountered by the well bore determine how productive a well will be. There is very little natural porosity in this rock type except for the fractures and joints. Typically wells completed into the quartzite are low yield in terms of specific capacity. The quartzite underlies all of Minnehaha County and appears to discharge to the overlying Big Sioux aquifer, the Brandon aquifer, the Wall Lake aquifer and the Split Rock Creek aquifer in some areas of the county (Lindgren, 1992). No estimate for the amount of water in storage or the amount of recharge to the aquifer is available. The aquifer is under water table conditions at this site.

The well log filed with the application indicates topsoil from the surface to two feet in depth, yellow clay from two to 22 feet, granite (probably Sioux quartzite from 22 to 295 feet. The completed well had a static water level of 29 feet below land surface and was capable of producing 150 gpm at a pumping level of 190 feet. This would equate to a specific capacity of about 0.9 gpm/ft of drawdown. This is a low specific capacity but is realistic for this rock type. This well is constructed in accordance with South Dakota Well Construction Standards.

The Water Rights Program does not monitor any observation wells completed into the quartzite in Minnehaha County. There are some observation wells completed into the aquifers overlying the quartzite but none of these observation wells are located near the area of this application. Very little is known about ground water levels in the area of this application but it is anticipated that these water levels will behave similarly to others aquifer in Minnehaha County, that is, rising during wet years (recharge) and gradually declining during dry years (Water Rights, 2005).

REVIEW OF EXISTING WATER PERMITS/RIGHTS

There is an existing water right No. 6112-3 (two wells, 265-275 feet deep, 0.267 cfs) located about 1,000 feet east of this application and also for geothermal use. It is not known what the effects of pumping will have on water levels at this distance. Based upon the calculated specific capacity for these wells it appears there will be drawdown

created at this distance but the magnitude should not be significant. This would be a low yield well based upon the pumping data. This well may not be able to yield the amount of water requested during an extended period of time.

CONCLUSIONS

1. Water is available from the Sioux Quartzite.
2. The aquifer is under water table conditions at this site. Until this well is pumped and used for an extended period of time the affects or potential effects on the other user in the area can not be determined. Interference is not expected to be a concern at this time.
3. The well has been constructed in accordance with SD Well Construction Standards.
4. The applicant did not indicate how the water will be disposed of. Permits may be required to inject water into the aquifer or to discharge to surface water (NPDES).
5. Philosophically it seems like a waste to pump good quality ground water simply to dump it into the Big Sioux River. However, this is a legitimate beneficial use for ground water and there is no reason to suspect that pumping this amount of water exceeds the recharge rate to the aquifer.



James A Goodman
Natural Resources Engineer

BIBLIOGRAPHY

- Lindgren, R.J., C.A. Niehus, 1992, Water Resources of Minnehaha County, South Dakota, Water-Resources Investigations Report 91-4101, USGS, Huron, SD, 57350.
- Tomhave, D.W., 1994, Geology of Minnehaha County, South Dakota, Bulletin 37, SD DENR, SDGS, Vermillion, SD, 57069.
- Water Rights, 2005, Unpublished Observation Well Data for Minnehaha County, SD DENR, DES, Water Rights Program, Pierre, SD, 57501.



**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. 6626-3, Stencil Development**

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. 6626-3, Stencil Development, c/o Paul J. Reynolds, 4804 S Minnesota Avenue, Suite 102, Sioux Falls SD 57108.

The Chief Engineer is recommending APPROVAL of Application No. 6626-3 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 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. No chemicals, such as corrosion inhibitors, shall be added to the geothermal water without prior written permission by the Surface Water Quality Program, DENR, Pierre (Phone # 605 773-3351).
3. Permit No. 6626-3 is subject to compliance with the state, federal and city of Sioux Falls regulations regarding the discharge of water.

See report on application for additional information.

Garland Erbele, Chief Engineer
June 6, 2005

NOTE: The discharge of the water to Sioux Falls' storm water system will require authorization from the city of Sioux Falls and Surface Water Quality Program of DENR. Please contact Al Spangler with DENR at (605) 773-3352 to discuss state requirements for a surface discharge. If water will injected back into aquifer, EPA will need to be contacted for authorization.

AFFIDAVIT OF PUBLICATION-

Customer Number: **078340**

Invoice Number: **841909**

DEPARTMENT OF ENVIRONMENT & NAT. RES.

Argus Leader
AFFIDAVIT OF PUBLICATION

ok-6/22/05
EJS

STATE OF SOUTH DAKOTA

COUNTY OF MINNEHAHA } ss

Linda Schulte being duly sworn, says: That The Argus Leader is, and during all the times hereinafter mentioned was, a daily legal newspaper as defined by SDCL 17-2-21, as amended published at Sioux Falls, Minnehaha County, South Dakota; that affiant is and during all of said times, was an employee of the publisher of such newspaper and has personal knowledge of the facts stated in this affidavit; that the notice, order or advertisement, a printed copy of which is hereto attached, was published in said newspaper upon

Monday, the 13 day of June 2005,

Monday, the 20 day of June 2005,

_____, the _____ day of _____ 2005,

_____, the _____ day of _____ 2005,

_____, the _____ day of _____ 2005,

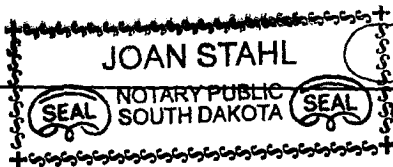
_____, the _____ day of _____ 2005,

_____, the _____ day of _____ 2005,

and that \$93.05 was charged for publishing the same including A \$5.00 affidavit fee.

Linda Schulte

Subscribed and sworn to before 6/20/2005



Notary Public, South Dakota

My Commission expires June 30, 2005

NOTICE OF APPLICATION

ND 6626-3

to Applicant, The Water

Notice is given that Stencil Development, 4804 S Minnesota Ave, Suite 102, Sioux Falls SD 57108 has filed an application for a water permit to appropriate 0.39 cubic feet of water per second from one well completed into the Sioux Quartzite (approximately 295 feet deep) located in the NE 1/4 NW 1/4 Section 21-T101N-R49W. The water is for geothermal heating use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6626-3 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 recommend, 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 1, 2005.

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.

841909 June 13 & 20, 2005

RECEIVED

JUN 22 2005

**WATER RIGHTS
PROGRAM**

Instruction to Newspaper - Publish first Notice on June 13, 2005 with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF APPLICATION NO. 6626-3 to Appropriate Water

Notice is given that Stencil Development, 4804 S Minnesota Ave, Suite 102, Sioux Falls SD 57108 has filed an application for a water permit to appropriate 0.39 cubic feet of water per second from one well completed into the Sioux Quartzite (approximately 295 feet deep) located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 21-T101N-R49W. The water is for geothermal heating use.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 6626-3 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 1, 2005.

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



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

June 6, 2005

Argus Leader
PO Box 5034
Sioux Falls SD 57117-5034

ATTENTION: Legal Public Notice

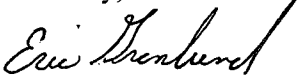
Enclosed is a Notice on Application No. 6626-3 to Appropriate Water to be published twice. Please publish the first notice on June 13, 2005 with the second publication 7 days later. The text of the notice can be e-mailed to your paper by contacting Karen Schlaak at (605) 773-3352.

The applicant must verify to you that the notice is to be published, before you make the first publication. **Please BILL the APPLICANT for the cost of publication.** The APPLICANT is Stencil Development, %Paul J Reynolds, 4804 S Minnesota Ave Suite 102, Sioux Falls SD (Ph # 605-339-3009).

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. 6626-3

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

Date _____

We are in receipt of your letter of June 6, 2005 enclosing Notice to Appropriate Water by Application No. 6626-3 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.

June 6, 2005

Stencil Development
% Paul J Reynolds
4804 S Minnesota Ave Suite 102
Sioux Falls SD 57108

Dear Mr. Ryenolds:

Water Permit Application No. 6626-3 for geothermal heat use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Publisher of the Argus Leader printed at Sioux Falls, SD (Ph # 605-331-2200). You will need to contact the newspaper and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

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

Sincerely,


Eric Gronlund
Natural Resources Engineer
(605) 773-3352

enclosures

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



JUL 29 2005

**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

Stencil Development
% Paul Reynolds
4804 S Minnesota Ave Suite 102
Sioux Falls SD 57108

Dear Mr. Reynolds:

Enclosed is Water Permit No. 6626-3 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.

Sincerely,

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

enclosures

SOUTH DAKOTA WATER WELL COMPLETION REPORT

6626-3

07-92

Location NW 1/4 NW 21 Sec 21 Twp 101N Rg 49W
County Minnehaha North

Well Owner: Stencil Const

Business Name: 11

Address: 4804 S. Minn ave Suite 103
Sioux Falls S.D 57108

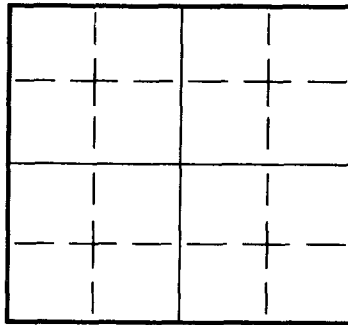
Please mark well location with an "X"

W

E

Well Completion Date

10-10-05



LOCATION:

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)? None ft. from None (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>19.18</u> LB/FT	<u>6</u> IN	<u>0</u> FT	<u>22</u> FT	<u>10</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>portland 1#</u>	<u>4</u>	_____ lb./gal	<u>0</u> ft	<u>22</u> ft
_____	_____	_____ lb./gal	_____ ft	_____ ft

Describe grouting procedure _____

SCREEN: ☐ Perforated pipe ☐ Manufactured

Diameter _____ IN 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: 5 gallons of

Chlorine

Laboratory sent to for water quality analysis _____

WELL LOG:

DEPTH

FORMATION

FROM

TO

<u>top soil</u>	<u>0</u>	<u>2</u>
<u>yellow clay</u>	<u>2</u>	<u>22</u>
<u>Granite</u>	<u>22</u>	<u>182</u>
<u>Granite</u>		

STATIC WATER LEVEL

29

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: AIR

☐ Bailed

☐ Other

Pumping Level Below Land Surface

40

ft. After

24

Hrs. pumped

240

GPM

ft. After

Hrs. pumped

GPM

If pump installed, pump rate _____

GPM

REMARKS

RECEIVED

NOV 16 2005

WATER RIGHTS PROGRAM

This well was drilled under license # 439

And this report is true and accurate.

Drilling firm Dave Putzke well Drilling & Repair Inc

Signature of License Representative:

Dave Putzke

Signature of Well Owner or Equitable Property Holder:

[Signature]

Date: 11-10-05

The legal description of said property is:

LOT 14 AND 15 IN BLOCK 19 OF J.L. PHILLIPS ADDITION TO THE CITY OF SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA, ACCORDING TO THE RECORDED PLAT THEREOF. *313 51st Ave*

LOT 4, 5, AND 6 IN BLOCK 4 OF GALES SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA ACCORDING TO THE PLAT THEREOF.

*127 F 12th St.
325 51st*

(This well is located 100 feet from the existing well on the same parcel.)

STENCIL

CONST./DEVELOPMENT

General Contractors Since 1979

STENCIL HOMES

December 28, 2005

Eric Gronlund
Water Rights Program
523 East Capital
Pierre, SD 57501-3182

RE: CSquare - Courthouse Square
Well Permitting

Dear Eric:

We are writing in response to your recent letter date December 12, 2005 regarding our second well which was drilled at our site located at NE 1/4 NW 1/4 Section 21-T101N-R49W.

In the letter it makes reference to water usage levels out of these wells. Between these wells we will not be exceeding a total usage of 175 g.p.m..

If you could please provide us with an additional well permit as stated in the letter.

Thank you.

Sincerely,
Stencil Construction, Inc.



Paul J. Reynolds
Construction Manager

RECEIVED

DEC 30 2005

WATER RIGHTS
PROGRAM

4804 S. Minnesota Ave., Suite 102
Sioux Falls, South Dakota 57108

Phone 605-339-3009

Fax 605-339-3049

Approval of an Additional Diversion Point

NAME: Stencil Development

ADDRESS: 4804 S. Minnesota Avenue, Suite 102, Sioux Falls SD 57108

DATE: January 9, 2006 **COUNTY:** Minnehaha **TELEPHONE:** 605 339-3009

BACKGROUND:

Stencil Development holds Water Permit No. 6626-3 to appropriate 0.39 cubic feet of water per second (175 gpm) from one well completed into the Sioux Quartzite located in the NE ¼ NW ¼ Section 21, T101N, R49W. The water is to be used for geothermal purposes. A well completion report was submitted by Dave Putzke Drilling on November 16, 2005 indicating a second well was drilled by Stencil Development at this site. The Water Rights Program sent a letter in Stencil Development regarding the new well and the potential water permitting that may be necessary. Paul Reynolds, on behalf of Stencil Development, wrote a letter stating that a second well was drilled at the site and that the total usage does not exceed 175 gpm. A supplement to the request indicates the new well is 100 feet from the original well.

AUTHORITY:

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

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

The well authorized under Water Permit No. 6626-3 is constructed into the Sioux Quartzite. The additional well completed on October 10, 2005 is 182 feet deep and is constructed into the Sioux Quartzite.

No additional appropriation of water is being requested. The original water permit appropriates 0.39 cfs (175 gpm) with a date to complete construction of July 1, 2010. The total diversion capacity from the two wells with the pumps in place does not exceed 175 gpm according to Mr. Reynolds.

- **Review of Existing Diversions**

A review was conducted of existing water rights and domestic wells on file within a one mile radius of the Stencil wells. There is considerable development from the groundwater in this area given the location is in Sioux Falls. However, this review found only four water rights held by others that utilize the Sioux Quartzite in neighboring sections. A review of well completion records in Water Right files found two domestic/stock wells and two wells used for geothermal purposes within this one mile radius constructed into the Sioux Quartzite

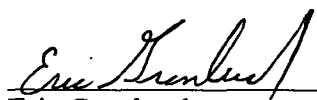
This review reflects only those well completion reports on file with the Water Rights Program.

CONCLUSION

- This additional well does not appropriate additional water.
- The additional well is constructed into the Sioux Quartzite which is the same water source as the existing well authorized by Water Permit No. 6626-3.
- Existing domestic wells will not be adversely impacted by authorizing this additional well.
- This permit was approved on July 1, 2005 and Stencil Development is still within the time to complete construction authorized by the water permit.
- There have been no complaints regarding Stencil's development at this site..

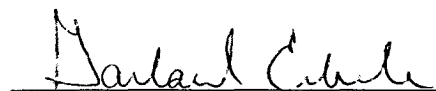
RECOMMENDED ACTION

Based on the above criteria, it is recommended that the additional diversion point be authorized by Water Permit No. 6626-3.


Eric Gronlund
Water Rights Program

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

This additional diversion point does not increase the potential for adverse effects to existing diversions.


Garland Erbele, Chief Engineer
Water Rights Program



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

January 10, 2006

Paul J. Reynolds, Construction Manager
Stencil Development
4804 S. Minnesota Avenue, Suite 102
Sioux Falls SD 57108

Dear Mr. Reynolds:

I am writing in regard to Stencil Development's request for an additional well to be authorized by Water Permit No. 6626-3. Water Permit No. 6626-3 appropriates 0.39 cubic feet of water per second (175 gpm) from one well completed into the Sioux Quartzite located in the NE ¼ NW ¼ Section 21, T101N, R49W. The water is to be used for geothermal purposes.

Stencil Development has requested authorization for an additional well that was drilled in October 2005, to be used for geothermal heating. The new well is also located approximately 100 feet from the original well and is constructed into the same water source as the existing wells. No additional water will be appropriated.

Upon review of the request and pursuant to SDCL 46-5-13.1, the additional well drilled for Stencil Development is authorized without application or publication of a notice of hearing pursuant to SDCL 46-2A-4. However, a new water right permit will be necessary if more than 175 gallons per minute will be pumped.

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

Sincerely,

Garland Erbele, Chief Engineer
Water Rights Program



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

September 12, 2011

6626-3

Mike Martin
First Dakota National Bank
101 North Main Suite 213
Sioux Falls SD 57104

Dear Mr. Martin:

I am contacting you in regard to Water Permit No. 6626-3 for Stencil Development. Mike DeFea, a staff engineer with our program requested I send you a transfer of ownership form for the permit.

Enclosed is a partially completed Notice of Transfer of Ownership form for filing an ownership change. Please review the form and make any necessary corrections. The form will need to be signed by the new owner (or representative) and returned to our office with a required filing fee of \$50.00. The check or money order for the fee can be made payable to the Water Rights Program.

If you have any questions, please contact me.

Sincerely,

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

enclosure

NOTICE OF TRANSFER OF OWNERSHIP

RECEIVED

SEP 21 2011

WATER RIGHTS
PROGRAM

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

No. 6626-3

Date: 9-14-11

I/We request that Water Permit No. 6626-3

formerly owned by: Stencil Development

be transferred to: (name & address) First Dakota National Bank
101 N. Main Ave #213
Sioux Falls, SD 57104 Telephone No. 333-8200

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

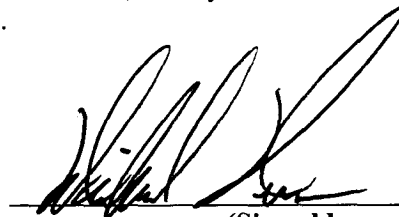
2 wells - NE 1/4 NW 1/4 Section 21, T101N, R49W

I/We understand that the validity of Water Permit No. 6626-3 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 FDNB, the new owner, certify that the above information is true and correct.



(Signed by new owner)

NOTE: Water permits may be cancelled for nonconstruction after the five year construction period has expired. Once a water permit is developed and the water used, the permit becomes a right. A water right may be lost for three reasons:

1. Abandonment - no intent to use water and use is abandoned.
2. Forfeiture - no use of water for three year period without legal excuse.
3. For a third violation of a condition of a water permit/right.

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date 9/21, 20 11

RECEIVED OF First Dakota Nat'l Bank 101 N Main Ave # 213 Sioux Falls SD 57104

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 <u>6626-3</u>		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____	50 00	
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	50 00

No. **05033**

By

[Signature]
Chief Engineer



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

September 21, 2011

6626-3

Mike Martin
First Dakota National Bank
101 North Main Suite 213
Sioux Falls SD 57104

Dear Mr. Martin:

I am writing to acknowledge receipt of the "Notice of Transfer of Ownership" form and filing fee you submitted for Water Permit No. 6626-3.

The ownership change has been completed. The water permit formerly held by Stencil Development is now listed in the name of "First Dakota National Bank".

Enclosed for your records is Receipt No. 05033 in the amount of \$50.00. If you have any questions, please contact me.

Sincerely,

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

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

enclosure

Permit No. 6626-3
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 made a thorough examination of the water use system constructed by First Dakota National Bank of 101 North Main Ave #213, Sioux Falls, SD 57104 holder of Permit No. 6626-3, bearing the priority of May 20, 2005 authorizing the diversion of 0.39 cu. ft. per second of the waters of the Sioux Quartzite for Geothermal use purposes, in Minnehaha County.

Inspection contact & relationship **Mike Martin**
to permit holder, if applicable:

A. Works used to divert the water:

Well Information:

- 1) Well Drilling Firm: Dave Putzke Well Drilling and Repair
- 2) No. of Wells 2
- 3) Depth(s) 295 and 182 feet
- 4) Well log is available Y
- 5) Comment:

Casing:

- 1) Diameter 6 inches
- 2) Length 22 feet
- 3) Type Steel

Screen:

- 1) Type None
- 2) Static water level 29 feet

Pump:

- 1) Make Grundfos
- 2) Model 150S-150
- 3) Size 15 hp
- 4) Capacity 150 GPM

B. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by Y

Report of Examination of Works

Permit No. 6626-3

2) Irrigation Questionnaires checked to determine if permit owner started irrigation by the end of construction period NA

3) Exceptions to compliance are: None

The system is in Good condition with the point(s) of diversion located as follows:

Inside Well:

Approximately 30 feet south and 1,485 feet east of the NW corner of Section 21-T101N-R49W

(N 43.54385, W -96.72567) (NE ¼ NW 1/4)

Outside Well:

Approximately 120 feet south and 1,520 feet east of the NW corner of Section 21-T101N-R49W

(N 43.54354, W -96.72554) (NE ¼ NW 1/4)

The works are capable of diverting and conveying to the place of use 0.33cu. ft. per second of water which is to be used for Geothermal use.

The license should be issued for 0.33 cfs.

All structures, wells and lands on map Y

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

Water from the outside well is pumped into the buildings geothermal system and returned back into the quartzite through the inside well.



Mike DeFea

Natural Resources Engineer II
DENR, Water Rights Program

Date report completed: May 16, 2014

First Dakota National Bank

Water Permit No.6626-3



Mike DeFea

Mike DeFea
Natural Resources Engineer
DENR, Water Rights Program
May 14, 2014

0 365 730 1,460 2,190 2,920 Feet



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



**DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES**

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



MAY 22 2014

6626-3

Mike Martin
First Dakota National Bank
101 N Main Ave #213
Sioux Falls SD 57104

Dear Mr. Martin:

Enclosed is Water License No. 6626-3. This is the final water right document completing the process of obtaining a Water Right. Included with the license is a map prepared by the staff engineer who conducted the field investigation.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the well authorized by Water Right No. 6626-3, 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. 6626-3**

(1) Stencil Development, Sioux Falls SD made Application No. 6626-3, January 24, 2005 for a water permit to divert 0.39 cubic feet of water per second from ground water (one well – Sioux Quartzite), Minnehaha County, South Dakota for geothermal heating purposes. Permit No. 6626-3, with a priority date of May 20, 2005 was approved July 1, 2005 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before July 1, 2010 and for the application to beneficial use of said water on or before July 1, 2014.

In January, 2006, the permit holder was granted authorization for a new well drilled approximately 100 feet from the original well and constructed into the same water source. Pursuant to SDCL 46-5-13.1, the location of a diversion point may be changed or additional diversion points may be licensed provided no additional water is appropriated. The Chief Engineer made a finding pursuant to SDCL 46-5-13.1 and ARSD 74:02:01:14.01 that the additional diversion point did not increase the potential for adverse effects to existing diversions.

On September 21, 2011, Water Permit No. 6626-3 was transferred to First Dakota National Bank.

(2) It is certified that the permit holder has complied with the provisions of South Dakota State Law relating to completion of the construction of the water supply system and is entitled to divert 0.33 cubic feet of water per second for beneficial use. The location of the diversion points are as follows:

- **inside well:** 30 feet south & 1,485 feet east of the NW corner of Section 21, T101N, R49W (NE ¼ NW ¼);
- **outside well:** 120 feet south and 1,520 feet east of the NW corner of Section 21, T101N, R49W (NE ¼ NW ¼).

(3) The permit holder has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use. Water from the outside well is pumped into the buildings geothermal system and returned back into the quartzite through the inside well.

(4) Pursuant to South Dakota Water Law 46-5-30.1 First Dakota National Bank, 101 N Main Ave #213, Sioux Falls SD 57104 the holder and/or owner of Water Right No. 6626-3 is issued a license to appropriate water, the right to use 0.33 cubic feet of water per second from ground water (two wells – Sioux Quartzite) with a priority date of May 20, 2005 from the locations specified in (2) of this license for geothermal heating purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 6626-3 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.
- No chemicals, such as corrosion inhibitors shall be added to the geothermal water without written permission by the Surface Water Quality Program, DENR, Pierre, SD (phone # 605 773-3351)
- Permit No. 6626-3 is subject to compliance with the state, federal and city of Sioux Falls regulations regarding the discharge of water.



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

MAY 22 2014

date



(See attached)

SOUTH DAKOTA WATER WELL COMPLETION REPORT

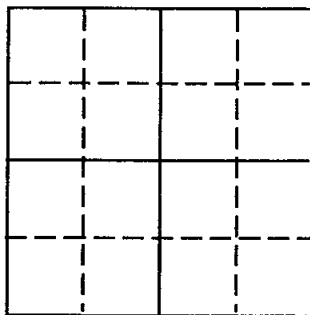
0626-3
11-02

Location 1/4 1/4 Sec 21 Twp 101N Rg 49

County Minnehaha

North

Please mark well location with an "X"



Well completion Date

10-12-15

1 Mile

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

? None ft. from None (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Rotary

CASING DATA:

☒ Steel ☐ Plastic ☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>19.18 LB/FT</u>	<u>6 IN</u>	<u>0 FT</u>	<u>42 FT</u>	<u>10 IN</u>
LB/FT	IN	FT	FT	IN
LB/FT	IN	FT	FT	IN

GROUTING DATA:

Grout Type	No. of Sacks	Grout Weight	From	To
<u>Portland 1</u>	<u>14</u>	<u>Lb/gal</u>	<u>0 Ft</u>	<u>42 Ft</u>
		Lb/gal	Ft	Ft

Describe grouting procedure Run Tramic Line Pump
w/ Grouter

SCREEN:

☐ 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? 5 gallon of chlorine

Lab sample sent to for water quality analysis ☐ No, Why Not? Pumped

Well Owner:

Business Name: First Dakota National Bank

Address: 101 W main ave

City, State, Zip: Sioux Falls S.D 57104

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
TOP Soil	0	2
Yellow clay	2	17
Granite	17	42
Granite	42	362

STATIC WATER LEVEL

17

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: AIR

☐ Bailed

☐ Other

Pumping Level Below Land Surface

 Ft. After Hrs. pumped GPM

 Ft. After Hrs. pumped GPM

If pump installed, pump rate: GPM

REMARKS

200 gpm AT 340'

SOX

This well was drilled under license # 439

And this report is true and accurate.

Drilling firm: Dave Patkewell Drilling & Repair, INC

Signature of License Representative:

Dave Patkewell

Signature of Well Owner or Equitable Property Holder:

RECEIVED

NOV - 4 2015

WATER RIGHTS PROGRAM

Date:

Please return WHITE COPY to: DENR Water Rights

523 E Capitol Ave. Pierre SD 57501

The legal description of said property is:

LOT 14 AND 15 IN BLOCK 19 OF J.L. PHILLIPS ADDITION TO THE CITY
OF SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA, ACCORDING TO
THE RECORDED PLAT THEREOF.

LOT 4, 5, AND 6 IN BLOCK 4 OF GALES SIOUX FALLS, MINNEHAHA
COUNTY, SOUTH DAKOTA ACCORDING TO THE PLAT THEREOF.

KS:

I WOULD CALL
THE LEGAL

Sec 21, T101N-R9W

43.54308731
- 96.72667318
KB



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

December 16, 2015

FIRST DAKOTA NAT'L BANK

101 N MAIN AVE
SIOUX FALLS, SD 57104

Dear Well Owner:

A well driller's report filed by DAVE PUTZKE WELL DRILLING, INC. shows that they recently completed a new well for you. The report indicates the well water will be for business use. I have reviewed our files and cannot find a water permit for a well located in the NW¼ NW¼ Section 21-T101N-R49W in Minnehaha County. Based on the information in the report, it appears you may need a water permit for this water use.

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

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 an instruction sheet to apply for a water permit for business. The completed forms with the application fee and map can be returned to: Water Rights Program, 523 E Capitol, Pierre SD 57501.

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 Eric Gronlund or me. We will be happy to assist you in any way possible.

Sincerely,

Karen Schlaak

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

enclosures

12-21-15

*Call from Larry Mehle
605 333-8246*

*this is a replacement
for the receiving well.*