

WATER PERMIT NO. 8612-3

Name of Applicant: Drumgoon Digester Renewable Energy LLC

Address: 19051 US Hwy 81, Lake Norden SD 57248

Phone: 949 205-6613

Amount of Water Claimed: 0.10 cfs (4.6 acre-feet)

Total Acres: NA

Source of Water Supply: groundwater (one well)

Water to be used for: commercial

County: Hamlin

Type of Waste Disposal System:

Location: 5 miles northeast of Lake Norden

PRIORITY Date Received: 3-10-22

Application/License Fee: \$ 300.00

Corrected Application Received: 3-15-22

Period of Annual Use: January 1 – December 31

Remarks:

Diversion Point: NE 1/4 NW 1/4 Sec 6-T113N-R52W

		⊗			
			6		

Land to be Irrigated: NA

Depth of Well: 125 feet deep

Well Driller:

Remarks:

Type of Map: aerial

Prepared by:

Reviewed and the Number Assigned on: 3-15-22

By: Karen Schlaak

Notice of Hearing - date to intervene: _____

**SOUTH DAKOTA
WATER PERMIT NO. 8612-3**

Date of first receipt of application March 10, 2022.

Date of return to applicant for corrections, amendments or changes March 11, 2022.

Date of receipt of corrected application March 15, 2022.

The Chief Engineer, on behalf of the Water Management Board, issues Water Permit No. 8612-3 to Drumgoon Digester Renewable Energy LLC, Andy Steffes, Project Coordinator, 19051 US Hwy 81, Lake Norden SD 57248 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. 8612-3 appropriates 4.6 acre-feet of water annually at a maximum pump rate of 0.10 cubic feet of water per second from one well to be completed into the Prairie Coteau Aquifer (approximately 125 feet deep) located in the NE 1/4 NW 1/4 Section 6-T113N-R52W for industrial and commercial use to supply an anaerobic digester. This site is located approximately five miles northeast of Lake Norden SD.
2. The water appropriated shall be used for the purpose of industrial and commercial use and may not exceed the amount of water needed for beneficial use.
3. The water is to be used during the following described annual period: January 1 December 31.
4. The date from which applicant may claim right is March 10, 2022.
5. The date of approval of Permit No. 8612-3 is May 23, 2022.
6. One-fifth of the construction is to be completed on or before November 23, 2024.
7. All construction is to be completed on or before May 23, 2027.
8. Water is to be put to beneficial use on or before May 23, 2031.
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 Water Permit No. 8612-3 is located near domestic wells and other wells which may obtain water from the same aquifer. Water withdrawals under this Permit shall be controlled so there is not a reduction of needed water supplies in adequate domestic wells.
2. The well authorized by Permit No. 8612-3 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. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Prairie Coteau aquifer.
4. Water Permit No. 8612-3 authorizes a total annual diversion of up to 4.6 acre-feet of water.

WATER MANAGEMENT BOARD

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

JUN 01 2022
date



RECEIVED PAID

MAR 10 2022

MAR 10 2022

Mail to: DENR - Water Rights 523 E Capitol Ave Pierre, SD 57501-3182 ph. (605) 773-3352	No. <u>8612-3</u> (office use only) Hydrologic Unit <u>10170202</u> Basin <u>Sioux River</u> Newspaper <u>Hamlin Co Herald Enterprise</u> <u>Public Opinion</u>
---	---

WATER RIGHTS
PROGRAM

Rec'd#

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

Check use(s) of water:

- | | | | |
|---|--|--|--|
| ☐ Municipal | ☐ Water Distribution System | ☐ Recreational | ☐ Institutional |
| ☐ Rural Water System | ☒ Commercial | ☐ Fish & Wildlife | ☐ Geothermal |
| ☐ Domestic (over 18 gpm) | ☐ Industrial | ☐ Other | |

Type of Application: (check one)

- ☒ New ☐ Vested Right (Use production Mar 2, 1955) ☐ Future Use Reservation
☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☐ Amendment/Correction to Permit No. _____

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

contact: Andy Steffes 920 579-5251
Andy.steffes@dynamicgrp.us

1. Name to Appear on Water Permit Drumgobn Digester Renewable Energy LLC

Mailing Address 19051 US Highway 81

Lake Norden

SD 57248

Phone _____

Mobile _____

(Address)

(City)

(State)

(Zip Code)

949-205-663

Email Will.Flanagan@cleanenergyfuels.com

2. Amount of water claimed 0.10 *CFS or 45 **GPM and 4.6 ***AF or 1,500,000 Gallons
Flow rate and volume are both required. (*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of ditch/dugout or annual use)

3. Source of water supply Revere

4. Location of point of diversion (1) WELL NE 1/4 NW 1/4 section 6-113N-52W

County Hamlin

(example - 3 wells in SW 1/4 NE 1/4 section 12-T104N-R33W)

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

If "Yes," where will water be used? _____

(example - NW 1/4 section 12-T104N-R33W)

5. County or counties where water will be used Hamlin County

6. Annual period during which water is to be used JANUARY 1 - DECEMBER 31

7. Give a description of the project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

Process water supply for Anaerobic Digester's to be built on NE side of Dairy. First year water usage will be higher due to start up demands. Subsequent years will be less than 1.5 million annually.

A reverse osmosis system will produce the needed water once operational. The estimated yearly use includes RO downtime for maintenance/repair at which time the facility will require 17gpm to operate.

The wells listed as test on Page 2 were wells that were dug and plugged due to not producing enough water. The top end water test from Kaiser is included:

- I, Will Flanagan, VP Strategic Development - ENG Investment, the applicant, certify under
Name of person Title (if applicable)

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

Supplemental Information

(type or print)

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

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

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

For either Existing or Proposed Wells:

c) Well Depth (required) 125 Depth to Top of Water Bearing Material 115 Depth to Water from Surface 125

d) Distance to nearest domestic well on applicant's property Property owned by others

2. Wastewater Disposal System Information

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

b) System Capacity (gallons) Year Constructed

c) Connected to the City of Sanitary System

3. Dugout Information

a) Surface Dimensions N/A Depth

b) Depth to water (ground surface to water level)

4. Water Storage Dams

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

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

b) Freeboard

c) Crest Width

Crest Length

d) Height

e) Primary Outlet Capacity

If pipe, diameter

f) Secondary Spillway Capacity

Spillway Width

g) X & Y Slope (e.g. 3 to 1 is a typical slope)

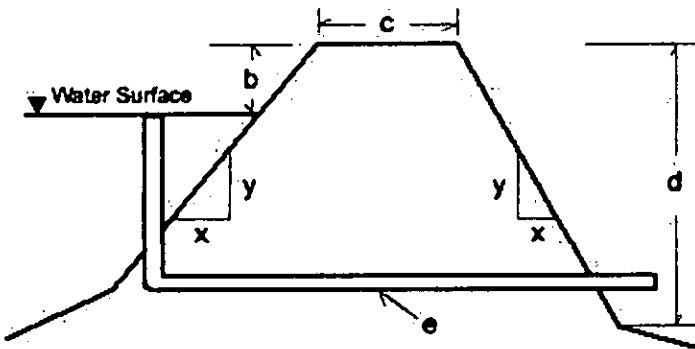
Upstream

Downstream

h) Surface Area of Impoundment

i) Storage Acre Feet

j) Drainage Area Above Dam Acres



SOUTH DAKOTA WATER WELL COMPLETION REPORT

07-92

Location NW 1/4 Sec 6 Twp 113 Rg 52

County

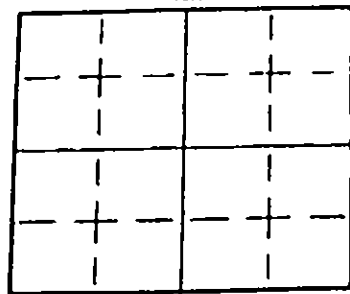
Hamilton

Please mark well location with an "X"

W

E

Well Completion Date



LOCATION

Distance from nearest potential pollution source (septic tank, abandoned well, feed lot, etc.)

150 ft from reine (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

direct rotary

CASING DATA: ☐ Steel ☒ Plastic ☐ Other

If other describe

PIPEWEIGHT DIAMETER FROM TO HOLE DIAMETER
 40 LB/FT 3 IN 3 FT 115 FT 7 1/2 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 Cement 42 94 lb./gal 0 ft 110 ft
 lb./gal ft ft

Describe grouting procedure

SCREEN: ☐ Perforated pipe ☒ Manufactured

Diameter 3" IN Length 10 FEET

Material Plastic

Slot Size 035 Set From 115 Feet to 125 Feet

Other information

WAS A PACKER OR SEAL USED? ☐ YES ☒ NO

so, what material?

Describe packer(s) and location?

DISINFECTION: Was well disinfected upon completion?

YES, How:

NO, Why Not?

Water sent to for water

Markings Col.

Well Owner

Rodney Elliott

Business Name

L EUMASON DAIRY

Address

Hwy 81

LAKE NORDEN

WELL LOG

FORMATION	DEPTH	
	FROM	TO
Top soil	0	1
Yellow clay	1	6
Yellow gravel	6	10
Yellow clay	10	96
Soft yellow clay	96	100
Yellow clay	100	115
Yellow gravel mixed with	115	125

STATIC WATER LEVEL

17

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 lift

☐ Bailed☐ Other

Pumping Level Below Land Surface

50 ft. After 2 Hrs pumped 30-40 GPM

50 ft. After 6 Hrs pumped 30-40 GPM

If pump installed, pump rate

GPM

REMARKS

mailed to state

This well was drilled under license #

689

And this report is true and accurate.

Drilling firm KWD

Signature of License Representative:

Signature of Well Owner or Equitable Property Holder:

Rodney Elliott

Date:

June 14th 2006



South Dakota State University

Analytical Services Laboratory

Box 2170, Rm. 133 A5C,
Brookings, SD 57007-1217
Telephone: (605) 688-6171
FAX: (605) 688-6295
Web: <http://hansenr.sdstate.edu>

Report of Analysis

KAISER WELL DRILLING
46560 193RD ST
LAKE NORDEN, SD 57248

Reported: 05/02/06
Received: 05/01/2006

<u>06S-08747</u>	WATER WELL 125FT R. ELLIOT	
Alkalinity, mg CaCO ₃ /L (ppm)		405
Electrical Conductivity, umhos/cm		849
Electrical Conductivity, dS/M		0.849
Water Hardness, mg CaCO ₃ /L		456
Water Hardness, grains/gallon (gpg)		27.0
Nitrate Nitrogen, mg/L (ppm)		0.0400
Sulfate, mg/L (ppm)		94.4
Sulfate, meq/L		1.97
Iron, mg/L (ppm)		0.0700
Magnesium, mg/L (ppm)		52.4
Manganese, mg/L (ppm)		0.260
Sodium, meq/L		0.710
Sodium, mg/L (ppm)		16.4

For additional information, please contact David German at the Water Resources Institute, 605-688-5611 or David.German@sdstate.edu.

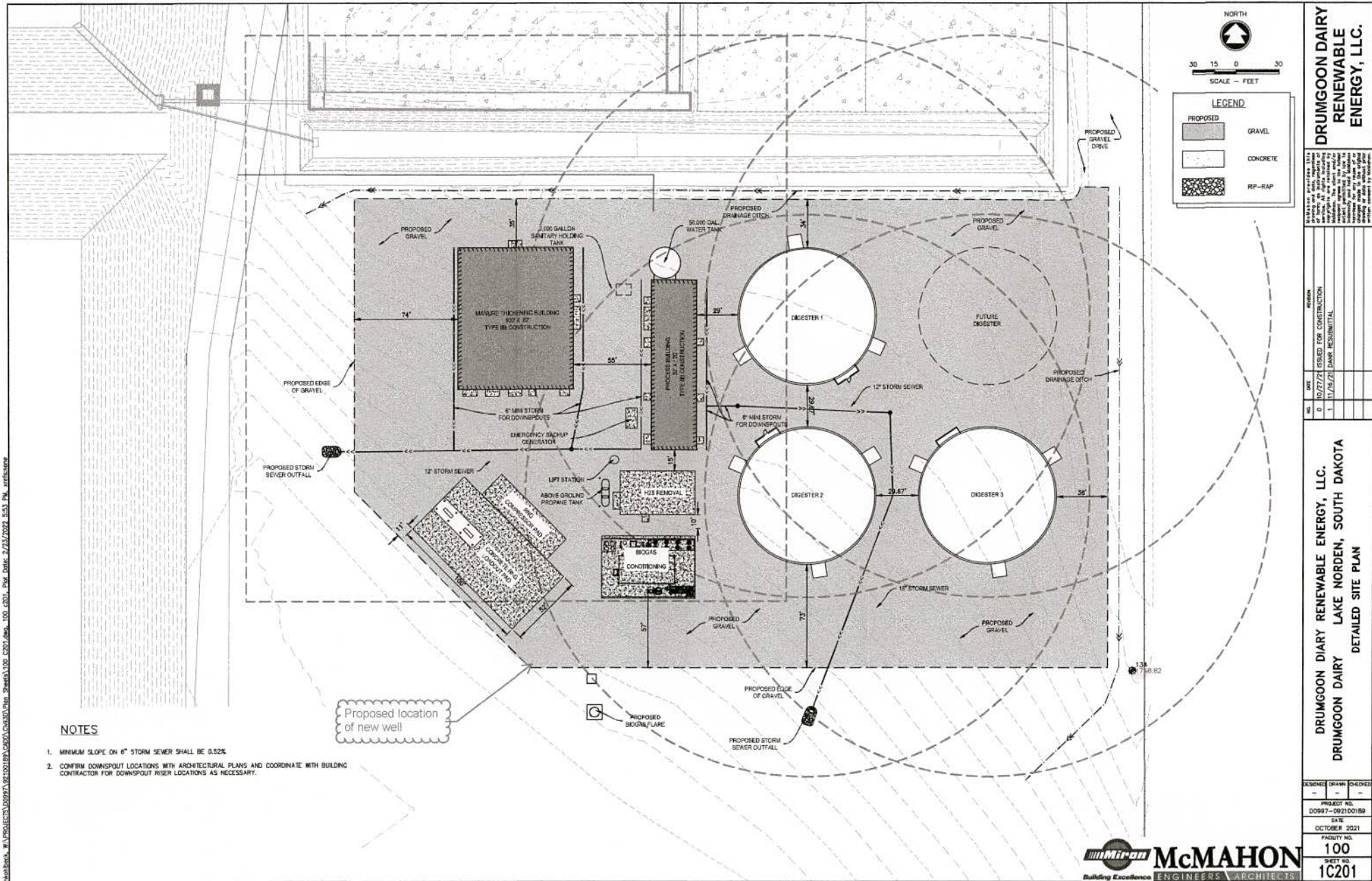
Reviewed By:

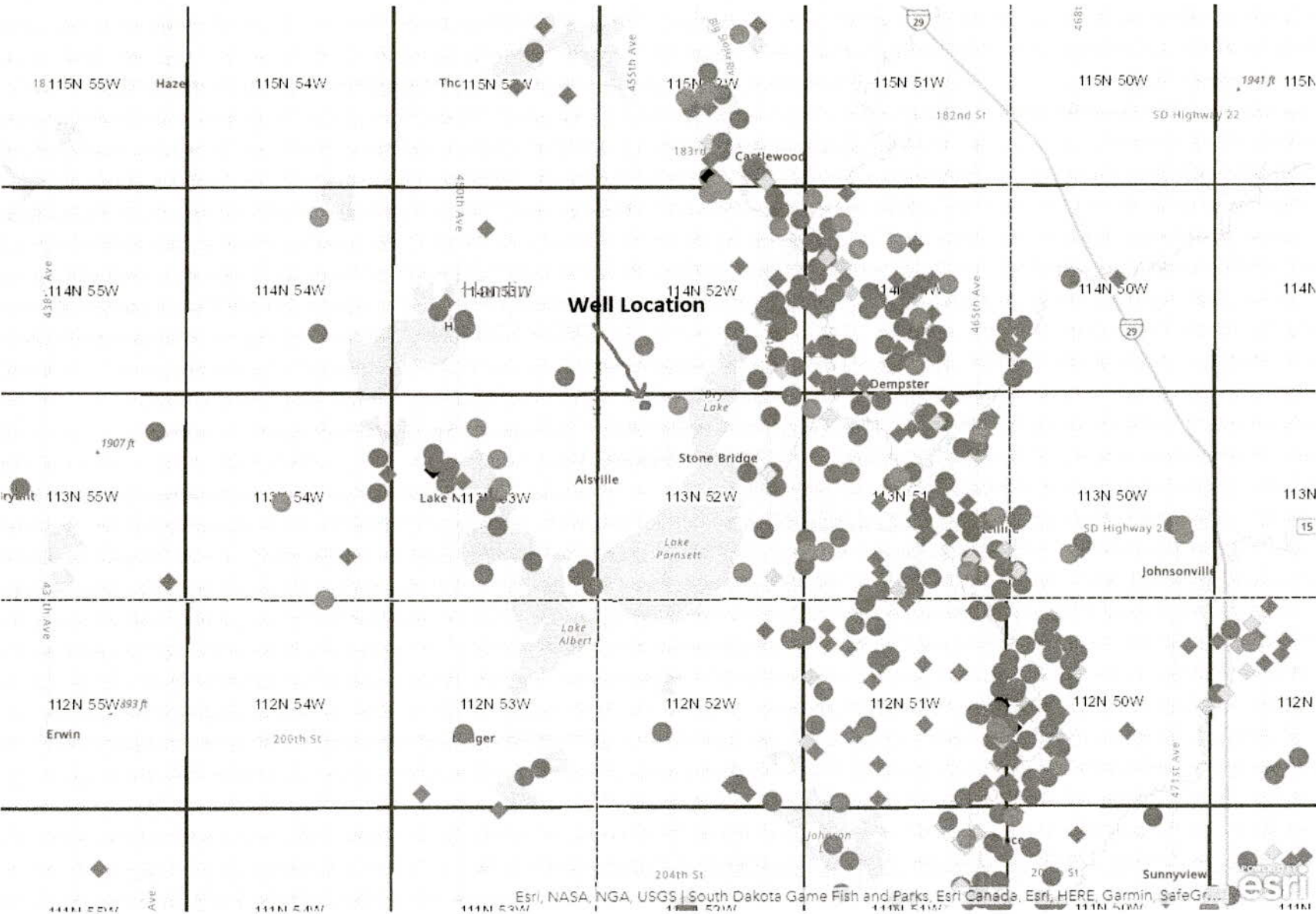
Nancy Thiex
Nancy Thiex

CC: WATER RESOURCES INSTITUTE
SDSU AE 211 BOX 2120
BROOKINGS, SD 57007



DIGESTER SITE PLAN





- Information on Wells
- Irrigation Questionnaire
- Permitting/Forms
- Forms
- Hearing Procedures
- Public Notices
- Contested Cases
- Aquifer Restriction
- Databases
- Water Rights
- Location Notices
- Lake Levels
- Well Completion Report:
- WCR Mobile-Friendly
- Observation Wells
- Well Drillers

It is incomplete. There are water permits/rights not included because coordinates for the location have not been established due to the lack of a proper legal record or old filings which did not reference a specific section, township and range. Each water permit/right shown on the map is represented by a single diversion point.

114N 53W
Section: 36

114N 52W
Section: 31

114N 52W
Section: 32

X Well Location

113N 53W
Section: 01

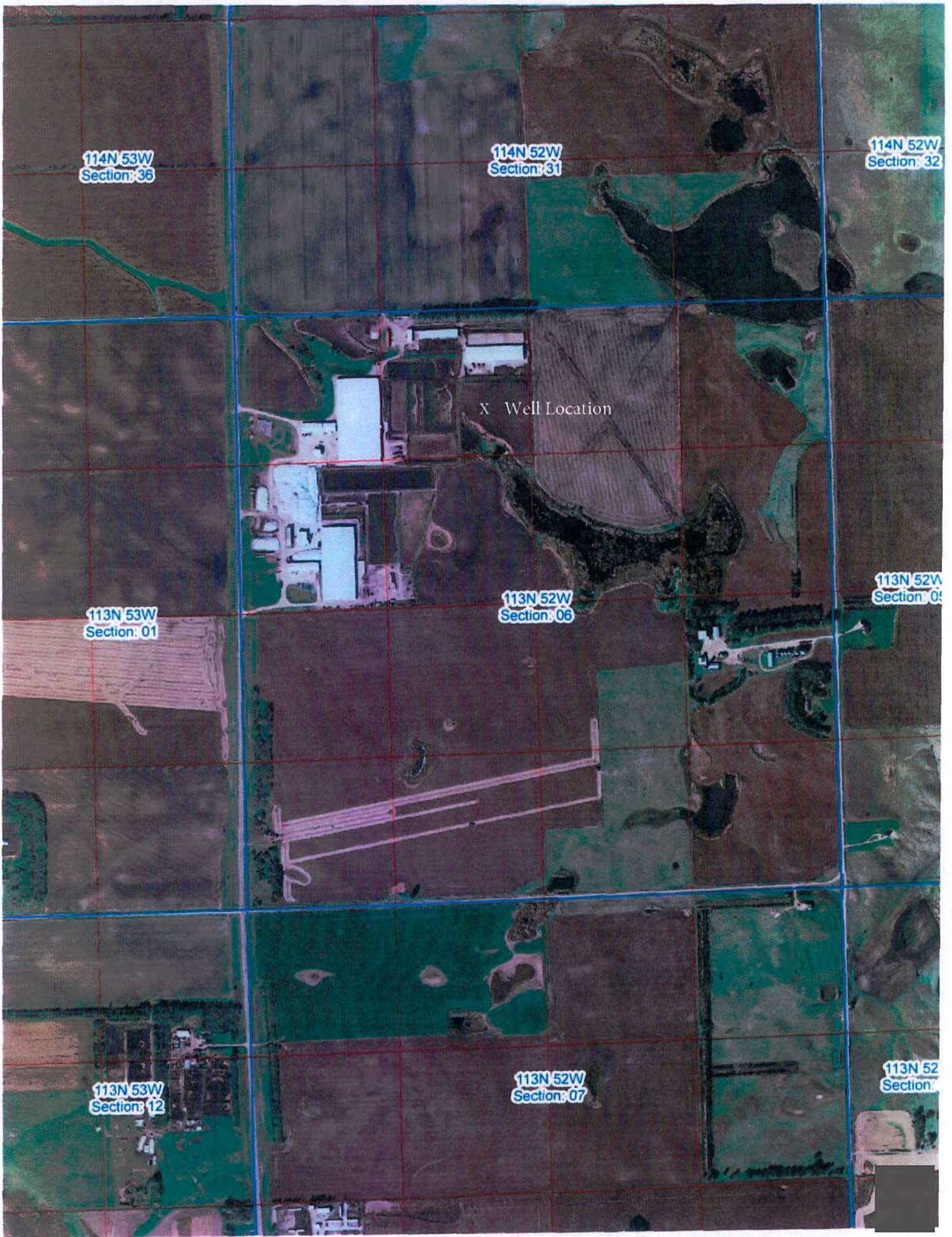
113N 52W
Section: 06

113N 52W
Section: 05

113N 53W
Section: 12

113N 52W
Section: 07

113N 52W
Section: 08



RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Agriculture and Natural Resources

Date March 10, 2022

RECEIVED OF Dynamic Systems Management 19051 US Highway 81 Lake Norden SD 57248

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

Fee for Application for Permit No. <u>8612-3</u> to Appropriate Water, to construct and to put water to beneficial use	\$ <u>100.00</u>
Fee for Application for Permit No. _____ to Appropriate Water for Future use	\$ _____
Fee to retain Future Use Permit No. _____ after period of seven years.	\$ _____
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. <u>8612-3</u>	\$ <u>200.00</u>
Fee for Filing Transfer Form _____	\$ _____
Fee for _____	\$ _____
Fee for Issuing New Well Driller's License No. _____	\$ _____
Fee for Renewal of Well Driller's License No. _____	\$ _____
Fee for Issuing Well Pump Installer's License No. _____	\$ _____
Fee for Renewal of Well Pump Installer's License No. _____	\$ _____
(Any Other Work Provided by Law) TOTAL	\$ <u>300.00</u>

By Eric Gronlund
Chief Engineer
me

Secretary of State Office
500 E Capitol Ave
Pierre, SD 57501
(605)773-4845
corpinfo@state.sd.us

APPLICATION FOR CERTIFICATE OF AUTHORITY FOREIGN LIMITED LIABILITY COMPANY

SDCL 47-34A-1002

FILING FEE: \$765

Make check payable to SECRETARY OF STATE

Application must be accompanied by a one page Original Certificate of Existence issued by the Secretary of State or other official having custody of the organizational records in the state or other jurisdiction under whose law it is organized.

1. The name of the company:

Drumgoon Digester Renewable Energy, LLC

2. If the name indicated above does not include Limited Liability Company, Limited Company or the abbreviation L.L.C., LLC, L.C. or LC. (Limited may be abbreviated as Ltd. and company may be abbreviated as Co.), then what is the alternative name adopted:

3. The name of the state or other jurisdiction under whose laws it is organized: Delaware

4. The address of its principal office (this is the address of the executive offices of the company):

4675 MacArthur Court, Suite 800	Newport Beach	CA	92660
Street Address	City	State	ZIP+4

Mailing Address if different from street address	City	State	ZIP+4
--	------	-------	-------

Email Address (Optional)

5. If the jurisdiction under which the company is formed requires the company to maintain an office in that jurisdiction then provide for that office:

Street Address	City	State	ZIP+4
----------------	------	-------	-------

Mailing Address if different from street address	City	State	ZIP+4
--	------	-------	-------

6. The South Dakota Registered Agent's name:

South Dakota law permits the registered agent to be either: A) noncommercial registered agent (this may be an individual) or B) a commercial registered agent. Complete only one below, either (a) or (b).

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

Actual Street Address in this State	City	State	ZIP+4
-------------------------------------	------	-------	-------

Mailing Address in this State, if Different from Street Address	City	State	ZIP+4
---	------	-------	-------

Email Address (Optional)

(b) When listing a Commercial Registered Agent, please state their CRA#. This number can be obtained from the Commercial Registered Agent.

C T Corporation System.

CR000002

Commercial Registered Agent Name

CRA#

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

Dated August 23, 2021

Email

(Optional)



Signature of an authorized person

William Flanagan

Printed Name

Vice President, Strategic Development

Title



OFFICE OF THE SECRETARY OF STATE

STEVEN J. BARNETT, SECRETARY OF STATE

JASON LUTZ, DEPUTY SECRETARY OF STATE

DRUMGOON DIGESTER RENEWABLE ENERGY, LLC
319 S COTEAU ST
PIERRE, SD 57501-3187

August 24, 2021

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Business ID :	FL208919		
Filing Type:	Limited Liability Company - Foreign		
Filing Date:	08/24/2021		
Status:	Good Standing	Annual Report Due:	08/01/2022
Duration Term:	Perpetual		

Registered Agent Address:

C T CORPORATION SYSTEM
319 S COTEAU ST
PIERRE, SD 57501-3187
CT-STATECOMMUNICATIONS@WOLTERSKLUWER.COM

Principal Address:

4675 MACARTHUR COURT, SUITE 800
NEWPORT BEACH, CA 92660

Congratulations on the successful filing of your **Application for Certificate of Authority** for **DRUMGOON DIGESTER RENEWABLE ENERGY, LLC** in the State of South Dakota which is effective on the date shown above.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain an active South Dakota Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Steve Barnett
Secretary of State
State of South Dakota



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

March 11, 2022

Drumgoon Digester Renewable Energy LLC
Andy Steffes, Project Coordinator
19051 US Hwy 81
Lake Norden SD 57248

Dear Mr. Steffes:

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

- A map needs to be submitted that references a government section corner or quarter corner including section, township and range. For your use, I have enclosed a map with those designations. Please mark the proposed well location with an "X".
- The application states the well will be in the NW 1/4 NE 1/4 Section 6-T113N-R52W. Once map is returned, we can determine if that is the correct well location.
- Please complete Item No. 6, Annual period during which water will be used. If water will be used for the entire year, please put January 1 – December 31 or whatever the appropriate months will be.
- Regarding the signature on the application, a review of the Secretary of State's corporation website lists Drumgoon Digester Renewable Energy LLC, but there was no listing of officers for the LLC. DANR will need a statement of authority that the person signing the application has the authority to act on behalf of Drumgoon Digester Renewable Energy LLC on all matters involving the water permit application.

If you have any questions, please contact me.

Sincerely,

Karen Schlaak

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

enclosures

Schlaak, Karen

From: Andy Steffes <andy.steffes@dynamicgrp.us>
Sent: Wednesday, March 16, 2022 7:28 AM
To: Schlaak, Karen
Subject: RE: [EXT] Water Permit Application for Drumgoon Digester Renewable Energy LLC

Yes please for now.

Thank you,

Andy Steffes

Project Coordinator | Dynamic
(920) 579-5251



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From: Schlaak, Karen <Karen.Schlaak@state.sd.us>
Sent: Tuesday, March 15, 2022 3:29 PM
To: Andy Steffes <andy.steffes@dynamicgrp.us>
Subject: RE: Water Permit Application for Drumgoon Digester Renewable Energy LLC

Thank you for the information. Do you want to remain the contact person on this application?
Karen

From: Andy Steffes <andy.steffes@dynamicgrp.us>
Sent: Tuesday, March 15, 2022 2:41 PM
To: Schlaak, Karen <Karen.Schlaak@state.sd.us>
Cc: Jeff Decker <jeff.decker@dynamicgrp.us>
Subject: RE: [EXT] Water Permit Application for Drumgoon Digester Renewable Energy LLC

Good afternoon Karen – please see attached with corrections / updates.

If there are any questions and/or further corrections needed, please let us know.

Thank you - have a nice day.

Thank you,

Andy Steffes

Project Coordinator | Dynamic
(920) 579-5251



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From: Schlaak, Karen <Karen.Schlaak@state.sd.us>
Sent: Thursday, March 10, 2022 1:39 PM
To: Andy Steffes <andy.steffes@dynamicgrp.us>
Subject: Water Permit Application for Drumgoon Digester Renewable Energy LLC

Pursuant to your phone conversation with Eric Gronlund, attached is a copy of what is being mailed to you today regarding this application.

Karen Schlaak
DANR - Water Rights Program
(605) 773-3352
Website: <https://danr.sd.gov>



Water Rights Program - DENR
Conversation File Documentation

NAME OF PERSON OR FILE: Andy Steffes

ADDRESS: 19051 US Hwy 81, Lake Norden, SD, 57248 **COUNTY:** Hamlin

DATE: April 26, 2022 **TELEPHONE:** 920-579-5251

Nakaila Steen called Andy Steffes to ask if he agreed to add industrial use (in addition to the commercial use), as a proposed use to Water Permit Application No. 8612-3. The water is proposed to be used as a process water supply for an anaerobic digester. The applicant inquired on the difference between commercial and industrial use, and it was explained that commercial use typically serves drinking water purposes/provide a service in a business, and industrial typically involves manufacturing a product. The applicant agreed that industrial use was a better proposed use for this application. Both commercial and industrial use will be kept on the water permit application.

Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, May 2, 2022 10:40 AM
To: Andy Steffes
Subject: Water Permit Application No. 8612-3, Drumgood Digester Renewable Energy LLC
Attachments: 3357.pdf

Andy,

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

Karen Schlaak

DANR - Water Rights Program
(605) 773-3352
Website: <https://danr.sd.gov>





**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 8612-3, Drumgoon Digester Renewable Energy LLC**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Agriculture and Natural Resources concerning Water Permit Application No. 8612-3, Drumgoon Digester Renewable Energy LLC, 19051 US Hwy 81, Lake Norden SD 57248.

The Chief Engineer is recommending APPROVAL of Application No. 8612-3 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 domestic water uses and water rights, 3) the proposed use is a beneficial use and 4) it is in the public interest as it pertains to matters of public interest within the regulatory authority of the Water Management Board with the following qualifications:

1. The well approved under Water Permit No. 8612-3 is located near domestic wells and other wells which may obtain water from the same aquifer. Water withdrawals under this Permit shall be controlled so there is not a reduction of needed water supplies in adequate domestic wells.
2. The well authorized by Permit No. 8612-3 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. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Prairie Coteau aquifer.
4. Water Permit No. 8612-3 authorizes a total annual diversion of up to 4.6 acre-feet of water.

See report on application for additional information.

Eric Gronlund, Chief Engineer
April 27, 2022

Report to the Chief Engineer
On Water Permit Application No. 8612-3
Drumgoon Digester Renewable Energy LLC
c/o Will Flanagan

April 27, 2022

Water Permit Application No. 8612-3 proposes to appropriate up to 4.6 acre-feet of water annually at a maximum instantaneous diversion rate of 0.10 cubic feet per second (cfs) from one well to be completed into the Prairie Coteau aquifer (approximately 125 feet deep) located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 6-T113N-R52W for industrial and commercial use to supply an anaerobic digester. The site of interest is located in Hamlin County approximately five miles northeast of Lake Norden, SD.

AQUIFER: Prairie Coteau (PCO)

HYDROGEOLOGY:

The DNR-Water Rights Program recognizes buried glacial outwash deposits that are not in contact with bedrock or surficial materials between the approximate altitudes of 1,550 to 1,800 feet on the Prairie des Coteau, as the Prairie Coteau aquifer (Thompson, 2001; Water Rights, 2022a, 2022b, and 2022c). Hanson (1994) delineated an approximate Prairie Coteau aquifer boundary in Grant and Codington Counties, and Thompson (2001) studied the aquifer in Roberts County and within the former boundaries of the Lake Traverse Reservation. Thompson (2001) concluded the Prairie Coteau aquifer is not a continuous aquifer but instead consists of many disconnected glacial outwash deposits of sand and gravel, of which the depth and thickness can vary widely (SDGS, 2022; Thompson, 2001; Water Rights, 2022c). These outwash deposits have been collectively grouped under a single aquifer name due to their similarities (Thompson, 2001; Water Rights, 2022a, 2022b, and 2022c).

In Deuel and Hamlin Counties, the discontinuous outwash deposits of the Prairie Coteau aquifer collectively underlie approximately 698,880 acres and contains an estimated 5,000,000 acre-feet of recoverable water in storage in total (Kume, 1985). The proposed diversion point is expected to be completed into one of these discontinuous outwash deposits (Water Rights, 2022c). The Prairie Coteau aquifer ranges from 4 to 144 feet thick, with an average thickness of 47 feet (Kume, 1985). In Hamlin County, the Prairie Coteau aquifer commonly overlies the Altamont aquifer, and underlies the Big Sioux aquifer or other local glacial outwash aquifers (Kume, 1976). The Prairie Coteau aquifer is generally under confined conditions (Kume, 1985).

A water well completion report was submitted with Water Permit Application No. 8612-3. The report lists, "Topsoil" from 0 to 1 foot below the ground surface, "Yellow clay" from 1 to 6 feet, "Yellow gravel" from 6 to 10 feet, "Yellow clay" from 10 to 96 feet, "Soft yellow clay" from 96 to 100, "Yellow clay" from 100 to 115 feet, and "Yellow gravel mixed" from 115 to 125 feet (Water Rights, 2022c). The well was screened in "Yellow gravel mixed" from 115 to 125 feet and had a static water level of approximately 17 feet below the ground surface at the time of the

well completion (May, 2006). This indicates there was approximately 100 feet of artesian head pressure in the existing well at the time of the well completion. The elevation of the ground surface at the proposed diversion point is approximately 1,745 feet above mean sea level (fmsl) and the top of Prairie Coteau outwash deposit is at approximately 1,630 fmsl (USGS, EROS, 1999). Based on the submitted well completion report, and the well completion reports and lithologic logs on file with the DANR-Water Rights Program, the Prairie Coteau is confined at the proposed diversion point (SDGS, 2022; Water Rights, 2022c).

The proposed diversion point is expected to be completed into an outwash deposit of the Prairie Coteau aquifer that was delineated utilizing test hole and water well completion reports on file (Water Rights, 2022c), historical lithologic logs from the South Dakota Geological Survey (SDGS) (SDGS, 2022), and elevation data (USGS, EROS, 1999). The areal extent of this outwash deposit of the Prairie Coteau aquifer is estimated to underlie approximately 6,000 acres of Hamlin County, with this outwash deposit ranging from approximately 1,585 to 1,650 fmsl and varying from approximately 5 to 44 feet thick (SDGS, 2022; USGS, EROS, 1999; Water Rights, 2022c). The potentiometric surface elevation in this outwash deposit generally ranges from approximately 15 to 70 feet below the ground surface (Water Rights, 2022c).

Near the proposed diversion point, this outwash deposit of the Prairie Coteau aquifer is generally overlain by glacial till and the Brookings management unit of the Big Sioux aquifer and is generally underlain by the Altamont aquifer (Kume, 1976 and 1985; Hedges et al., 1982; Water Rights, 2022a, 2022b, and 2022c).

Figure 1 displays a map of the proposed diversion point location, with the approximate areal extent of this discontinuous outwash deposit of the Prairie Coteau aquifer, and the Prairie Coteau aquifer water rights/permits and observation wells (SDGS, 2022; USGS, EROS, 1999; Water Rights, 2022a, 2022b, and 2022c). For the remainder of this report, the Prairie Coteau aquifer designation will specifically refer to the discontinuous outwash deposit of the Prairie Coteau aquifer shown in Figure 1.

South Dakota Codified Law (SDCL) 46-2A-9

Pursuant to SDCL 46-2A-9, "A permit to appropriate water may be issued only if there is a reasonable probability that there is unappropriated water available for the applicant's proposed use, that the diversion point can be developed without unlawful impairment of existing domestic water uses and water rights, and that the proposed use is a beneficial use and in the public interest as it pertains to matters of public interest within the regulatory authority of the Water Management Board as defined by SDCL 46-2-9 and 46-2-11." This report will address the availability of unappropriated water and the potential for unlawful impairment of existing domestic water uses and water rights within the Prairie Coteau aquifer.

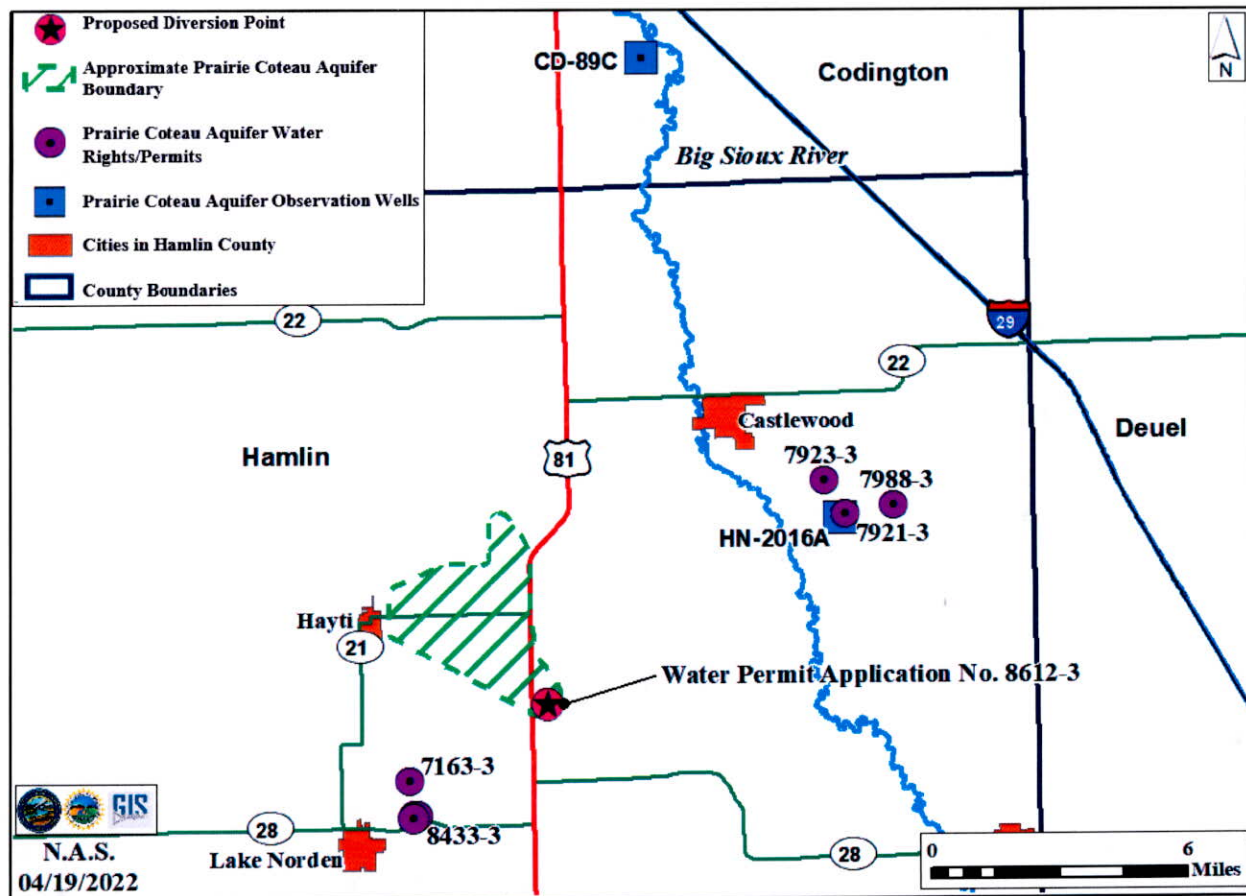


Figure 1. Location of the proposed diversion point location, with the approximate areal extent of this discontinuous outwash deposit of the Prairie Coteau aquifer, and the Prairie Coteau aquifer water rights/permits and observation wells (SDGS, 2022; USGS, EROS, 1999; Water Rights, 2022a, 2022b, and 2022c)

WATER AVAILABILITY:

Water Permit Application No. 8612-3 proposes to appropriate water from the Prairie Coteau aquifer. The probability of unappropriated water being available from the aquifer can be evaluated by considering SDCL 46-6-3.1, which requires “No application to appropriate groundwater may be approved if, according to the best information reasonably available, it is probable that the quantity of water withdrawn annually from a groundwater source will exceed the quantity of the average estimated annual recharge of water to the groundwater source. An application may be approved, however, for withdrawals of groundwater from any groundwater formation older than or stratigraphically lower than the greenhorn formation in excess of the average estimated annual recharge for use by water distribution systems.” The Prairie Coteau aquifer is not older than or stratigraphically lower than the Greenhorn Formation (Fahrenbach et al., 2010), and the applicant’s proposed use is not for use in a water distribution system as defined by SDCL 46-1-6(17). Therefore, the average annual recharge and average annual withdrawal rates to and from the Prairie Coteau aquifer must be considered.

HYDROLOGIC BUDGET:

Recharge

Recharge to the Prairie Coteau aquifer is primarily through direct infiltration of precipitation and subsequent percolation of rainfall and snowmelt where the aquifer is at or near the ground surface. Additional recharge may occur by leakage through the overlying till and the Brookings management unit of the Big Sioux aquifer, or other overlying smaller glacial aquifers (Hedges et al., 1982; Kume, 1976 and 1985).

For confined aquifers, Hedges and others (1985) recommended recharge rates of 0.15 to 0.60 inches per year for use by management and development programs. Since the Prairie Coteau aquifer is primarily a confined aquifer, the recommended recharge range for confined aquifers will be used to assess the hydrologic budget of the Prairie Coteau aquifer. The areal extent of this outwash deposit of the Prairie Coteau aquifer is estimated to be approximately 6,000 acres. Therefore, the estimated average annual recharge rate to this outwash deposit ranges between approximately 75 to 300 acre-feet per year. In general, it is prudent to assume the mid-range of the average annual recharge rate to an outwash deposit (112 acre-feet per year) when estimating recharge from a non-aquifer specific recharge rate range. Furthermore, there is not sufficient evidence available at this time to support using the lower or higher end of the recharge rate range.

Discharge

Discharge from the Prairie Coteau aquifer is primarily through well withdrawals (Water Rights, 2022b and 2022c), and possibly through leakage to hydrologically connected aquifers (such as the underlying Altamont aquifer near the proposed diversion point) (Kume, 1985). Currently, there are no water rights/permits authorized to appropriate water from this outwash deposit of the Prairie Coteau aquifer (as shown in Figure 1) (Water Rights, 2022b). Historically, average water use by non-irrigation appropriations limited by an instantaneous diversion rate have been assumed to be pumping 60% of full time at the respective permitted diversion rate. Water rights/permits limited by an annual volume are assumed to withdraw their entire respective annual volume limitation. This is a standard method used by the DNR-Water Rights Program for estimating annual withdrawals by non-irrigation appropriations from an aquifer (Water Rights, 2022b). In this case, there is no need to account for water usage by other appropriate water rights as there are none in this outwash deposit of the Prairie Coteau aquifer (Water Rights, 2022b). If approved, and assuming full volume water use, the estimated average annual withdrawal rate for Water Permit Application No. 8612-3 is approximately 4.6 acre-feet per year.

There are domestic wells on file with the DNR-Water Rights Program completed into the Prairie Coteau aquifer that do not require a water right/permit, so the withdrawal amount for domestic use is unknown (Water Rights, 2022c). Since the introduction of rural water systems, many domestic wells are likely no longer in use or are not being used as primary water sources. Due to their relatively low diversion rates and the availability of rural water, withdrawals from domestic wells are generally not considered to be a significant portion of the hydrologic budget for the Prairie Coteau aquifer. However, the average annual withdrawal rate for the five well

completion reports that appear to be completed into the same discontinuous outwash deposit of the Prairie Coteau aquifer as the proposed diversion point and located near a farm site will be included in this analysis to estimate potential domestic use. Assuming an average 2.5 people live at each farm site, using approximately 72 gallons per day per person (Carter and Neitzert, 2008), results in an estimated average annual withdrawal rate of approximately 900 gallons per day or 1 acre-foot per year for these domestic water users.

Hydrologic Budget Summary

The estimated average annual recharge rate to this outwash deposit of the Prairie Coteau aquifer ranges between approximately 75 to 300 acre-feet per year. The mid-range of the average annual recharge rate to this outwash deposit of the Prairie Coteau aquifer is approximately 112 acre-feet per year. Currently, there are no water rights/permits authorized to appropriate water from this outwash deposit of the Prairie Coteau aquifer (as shown in Figure 1) (Water Rights, 2022b). The estimated average annual withdrawal rate for domestic water users with wells on file with the DANDR-Water Rights Program within this outwash deposit of the Prairie Coteau aquifer is approximately 1 acre-foot per year. If approved, and assuming full volume water use, the estimated average annual withdrawal rate for Water Permit Application No. 8612-3 is approximately 4.6 acre-feet per year. Based on the hydrologic budget, there is a reasonable probability unappropriated water is available from the Prairie Coteau aquifer for the proposed appropriation

OBSERVATION WELL DATA:

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

Observation wells provide data on how the aquifer reacts to regional climatic conditions and local pumping. The DANDR-Water Rights Program monitors 60 observation wells completed into the discontinuous outwash deposits of the Prairie Coteau aquifer (Water Rights, 2022a). There are no observation wells completed into this outwash deposit of the Prairie Coteau aquifer (Water Rights, 2022a). Since there is no observation well data for this outwash deposit of the Prairie Coteau aquifer, no direct observation well analysis can be used to determine water availability for this portion of the Prairie Coteau aquifer. However, review of nearby Prairie Coteau aquifer observation wells completed into other deposits of the aquifer can yield some information as to how the aquifer likely reacts to climatic conditions and local pumping. The closest observation wells completed into other discontinuous outwash deposits of the Prairie Coteau aquifer to the proposed diversion point are HN-2016A (approximately 8.2 miles northeast) and CD-89C (approximately 15.4 miles northeast) (as shown in Figure 1). The hydrographs for these observation wells are displayed in Figures 2 and 3 (Water Rights, 2022a). The data points utilized to construct the hydrographs are measurements of the static water level in the observation wells from the top of the well casing. It is worth noting the hydrograph titles

display DENR Water Rights Observation Well on the hydrographs when the titles should display DANR Water Rights Observation Well on the hydrographs.

The observation well hydrographs display that the Prairie Coteau aquifer can follow climatic conditions despite being a buried confined aquifer. Furthermore, the hydrographs document that at least one other outwash deposit of the Prairie Coteau aquifer has natural discharge which can be captured for pumping. While there is no direct, specific observation well data, the other Prairie Coteau aquifer observation wells show there may be water available for this proposed appropriation.

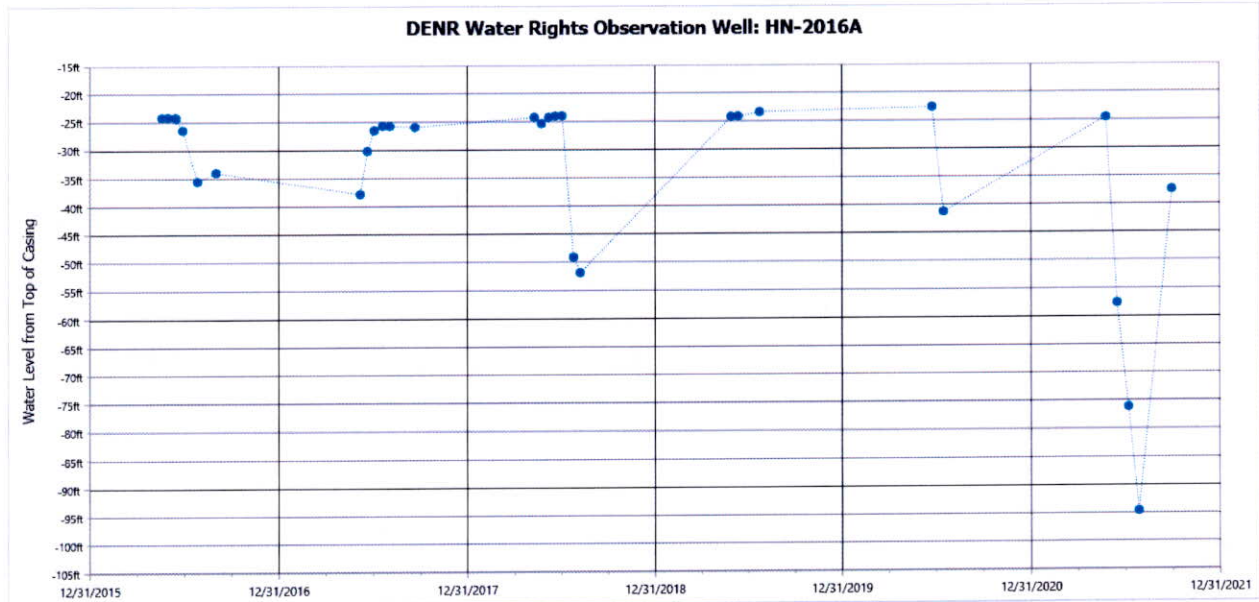


Figure 2. Hydrograph for observation well HN-2016A (Water Rights, 2022a)

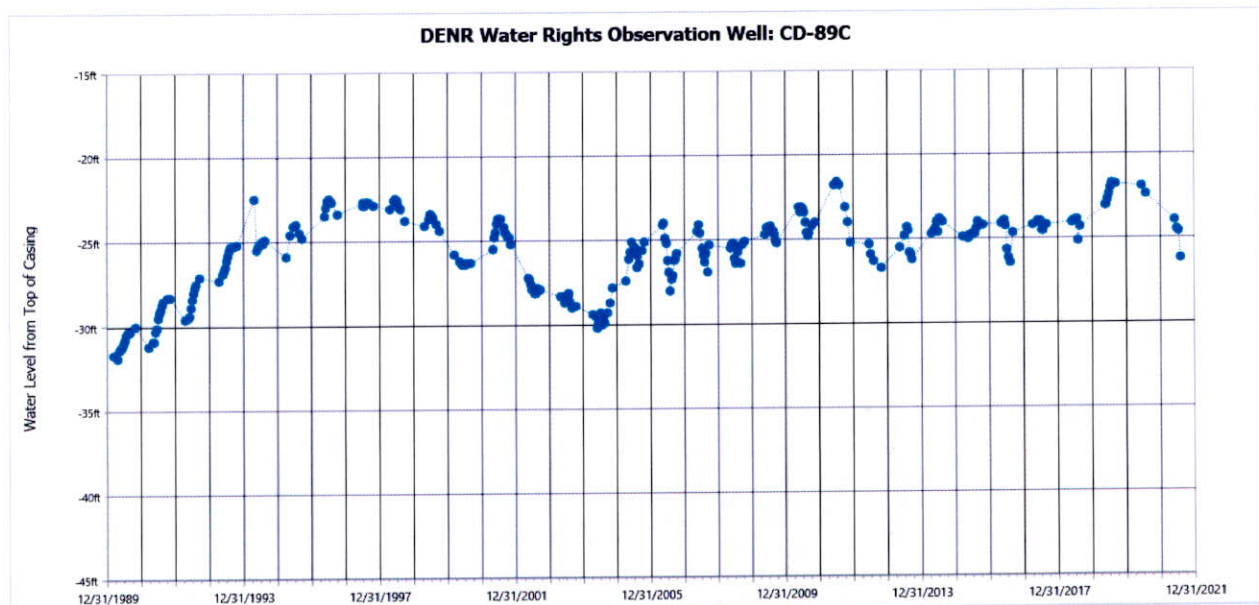


Figure 3. Hydrograph for observation well CD-89C (Water Rights, 2022a)

POTENTIAL FOR UNLAWFUL IMPAIRMENT OF EXISTING WATER RIGHTS:

Currently, there are no water rights/permits authorized to appropriate water from this outwash deposit of the Prairie Coteau aquifer (as shown in Figure 1) (Water Rights, 2022b).

There are domestic wells on file with the DNR-Water Rights Program that are completed into the Prairie Coteau aquifer, with the closest domestic well on file (not held by the applicant) approximately 2.5 miles northwest of the proposed diversion point (Water Rights, 2022c). There could potentially be other domestic wells completed into the Prairie Coteau aquifer near the proposed diversion point that are not on file with the DNR-Water Rights Program.

The Prairie Coteau aquifer is under confined conditions at the proposed diversion point based on the submitted well completion report, and the water well completion reports and lithologic logs on file with the DNR-Water Rights Program (SDGS, 2022; Water Rights, 2022c). Since the Prairie Coteau aquifer is confined near the proposed diversion point, drawdown can extend some distance but the exact drawdown behavior of a well cannot be known without an aquifer performance test.

Based on the submitted well completion report, the Prairie Coteau aquifer has a saturated aquifer thickness of approximately 10 feet (Water Rights, 2022c). Within approximately five miles of the proposed diversion point, water well completion reports on file with the DNR-Water Rights Program have saturated aquifer thicknesses ranging from approximately 5 to 44 feet (Water Rights, 2022d). Any drawdown as a result of the proposed diversion is not expected to unlawfully impair nearby adequate wells. An adequate well is defined by ARSD 74:02:04:20(6) as “a well constructed or rehabilitated to allow various withdrawal methods to be used, to allow the inlet to the pump to be placed not less than 20 feet into the saturated aquifer or formation material when the well is constructed, or to allow the pump to be placed as near to the bottom of the aquifer as is practical if the aquifer thickness is less than 20 feet.” In Hamlin County, there have been no substantiated complaints submitted to the DNR-Water Rights Program regarding well interference for adequate wells completed into the Prairie Coteau aquifer (Water Rights, 2022d). There have been several complaints of potential well interference in Codington County, one in Day County, and one in Roberts County (Water Rights, 2022d). These complaints were primarily due to several large-capacity wells pumping in a small area resulting in a cone of depression around the diversion points, creating localized drawdown during times of pumping. However, investigations of these complaints by Water Rights staff engineers concluded that there was no unlawful impairment of adequate wells (Water Rights, 2022d).

The Water Management Board recognizes that putting water to beneficial use requires a certain amount of drawdown to occur. The Board has developed rules to allow water to be placed to maximum beneficial use without the necessity of maintaining artesian head pressure for domestic use. The Water Management Board defined an “adversely impacted domestic well” in ARSD 74:02:04:20(7) as:

“A well in which the pump intake was set at least 20 feet below the top of the aquifer at the time of construction or, if the aquifer is less than 20 feet thick, is as near to the bottom of the aquifer as is practical and the water level of the aquifer has declined to a level that the pump will no longer deliver sufficient water for the well owner’s needs.”

The Water Management Board considered the delivery of water by artesian head pressure versus maximum beneficial use during the issuance of Water Right No. 2313-2 for Coca-Cola Bottling Company of the Black Hills. The Board adopted the Findings of Facts and Conclusions of Law that noted the reservation of artesian head pressure for delivery of water would be inconsistent with SDCL 46-1-4 which states, “general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable...” (Water Rights, 1995). Furthermore, the Water Management Board found if increased cost or decreased production as a result of impacts on artesian head pressure by legitimate users is to be considered as an unlawful impairment, it would also conflict with SDCL 46-1-4 (Water Rights, 1995). With that in mind, some existing well owners may need to install or lower pumps depending on the specific characteristics of the Prairie Coteau aquifer at their location. This would not be considered an unlawful impairment of existing water right/permit holders or domestic users with adequate wells. However, when considering the statutes (SDCL 46-1-4 and 46-6-6.1), rules (ARSD 74:02:04:20(6) and (7)), the artesian head pressure in wells completed into the Prairie Coteau aquifer near the proposed diversion point, Water Permit Application No. 8612-3 seeks to appropriate a relatively small proposed diversion rate and annual limit, and the lack of substantiated well interference complaints from the Prairie Coteau aquifer in the area, any drawdown created from the proposed diversion is not expected to cause an unlawful impairment on existing water users with adequate wells. Therefore, there is a reasonable probability that any interference from the proposed appropriation will not impose unlawful impairments on existing users with adequate wells.

CONCLUSIONS:

1. Water Permit Application No. 8612-3 proposes to appropriate up to 4.6 acre-feet of water annually at a maximum instantaneous diversion rate of 0.10 cfs from one well to be completed into the Prairie Coteau aquifer (approximately 125 feet deep) for industrial and commercial use to supply an anaerobic digester. The site of interest is located in Hamlin County approximately five miles northeast of Lake Norden, SD.
2. Based on the hydrologic budget, there is a reasonable probability that unappropriated water is available from this outwash deposit of the Prairie Coteau aquifer to supply the proposed appropriation.
3. Observation well data is not available to directly evaluate water availability for this discontinuous outwash deposit of the Prairie Coteau aquifer.
4. There is a reasonable probability that the proposed diversion by Water Permit Application No. 8612-3 will not unlawfully impair adequate wells for existing water users.



Nakaila Steen
Natural Resources Engineer II
SD DANR - Water Rights Program

Reviewed by:



Adam Mathiowetz, PE
Natural Resources Engineer IV
SD DANR - Water Rights Program

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- Water Rights, 2022b. Water Right/Permit Files, SD DANR-Water Rights Program, Joe Foss Bldg, Pierre, SD.
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- Water Rights, 2022d. County Files, SD DANR-Water Rights Program, Joe Foss Bldg, Pierre, SD.

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Aberdeen News
Watertown Public Opinion

PROOF OF PUBLICATION

Water Rights Program
Drumgoon Digester Renewable Energy
19051 Us Highway 81
Lake Norden SD 57248-6622

STATE OF SOUTH DAKOTA, COUNTY OF CODINGTON

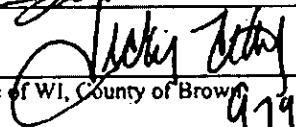
The Watertown Public Opinion is, and during all the times hereafter mentioned was, a daily legal newspaper as defined in SDCL 17-2-2.1 through 17-2-2.4, as amended, published at Watertown, Codington County, South Dakota, by Watertown Public Opinion; that the notice, order or advertisement, a printed copy of which is attached, was published in said newspaper in the issue dated:

05/11/2022

and that the fees charged are legal.

Sworn to and subscribed before on 05/11/2022



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9-19-25

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VICKY FELTY
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State of Wisconsin

NOTICE OF
APPLICATION NO. 8612-3
to Appropriate Water

Notice is given that Drumgoon Digester Renewable Energy LLC, c/o Will Flanagan, 19051 US Hwy 81, Lake Norden SD 57248 has filed an application for a water permit to appropriate 4.6 acre-feet of water annually at a maximum pump rate of 0.10 cubic feet of water per second from one well to be completed into the Prairie Coteau Aquifer (approximately 125 feet deep) located in the NE 1/4 NW 1/4 Section 6-T113N-R52W for industrial and commercial use to supply an anaerobic digester. This site is located approximately five miles northeast of Lake Norden SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 8612-3 with qualifications because 1) unappropriated water is available, 2) existing domestic water uses and water rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest as it pertains to matters within the regulatory authority of the Water Management Board. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at

<https://danr.sd.gov/public> or contact Ron Duvall for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing this application or recommendation shall allege that the application, upon approval, will cause injury to the person that is unique from any injury suffered by the public in general. The injury must concern a matter either within the regulatory authority found in SDCL 46-2A-9 for approval or denial of the application, or other matter concerning the application within the regulatory authority of the board to act upon as defined by SDCL 46-2-9 and 46-2-11, or both. Any person meeting the petitioner requirements and wishing to be a party of record in a contested case hearing shall file a written petition to oppose the application with BOTH the applicant and Chief Engineer. A petition opposing the application shall be filed on a form provided by the Chief Engineer. The petition form is available online at <https://danr.sd.gov/public> or by contacting the Chief Engineer. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501" or call (605) 773-3352. The applicant's mailing address is given above. If contesting the Chief Engineer's recommendation, the applicant shall also file a petition. A petition filed by either an interested person

or the applicant must be filed by May 23, 2022.

The petition shall include a statement describing the unique injury upon approval of the application on the petitioner, the petitioner's reasons for opposing the application, and the name and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

Any interested person may file a comment on the application with the Chief Engineer. The comment shall be filed on a form provided by the Chief Engineer and is available online at

<https://danr.sd.gov/public> or by calling (605) 773-3352 or writing the Chief Engineer at the address provided above. Filing a comment does not make the commenter a party of record or a participant in any hearing that may be held. Any comment must be filed by May 23, 2022.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled, and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Published once at the total approximate cost of \$48.40.
May 11, 2022 #7245413

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MAY 13 2022

WATER RIGHTS
PROGRAM

PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
County of Hamlin) SSI, LeeAnne Dufek

certify that the attached printed Notice was taken

from the Hamlin County
Herald Enterpriseprinted and published in HaytiCounty of Hamlin and

state of South Dakota. The notice was published

in the newspaper on the following date:

May 11, 2022Cost of Printing \$ 43.06LeeAnne Dufek
(Signature)Owner
(Title)5-11-2022
(Date Signed)NOTICE OF APPLICATION
NO. 8612-3 TO
APPROPRIATE WATER

Notice is given that Drumgoon Digester Renewable Energy LLC, c/o Will Flanagan, 19051 US Hwy. 81, Lake Norden SD 57248 has filed an application for a water permit to appropriate 4.6 acre-feet of water annually at a maximum pump rate of 0.10 cubic feet of water per second from one well to be completed into the Prairie Coteau Aquifer (approximately 125 feet deep) located in the NE 1/4 NW 1/4 Section 6-T113N-R52W for industrial and commercial use to supply an anaerobic digester. This site is located approximately five miles northeast of Lake Norden SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 8612-3 with qualifications because 1) unappropriated water is available, 2) existing domestic water uses and water rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest as it pertains to matters within the regulatory authority of the Water Management Board. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <https://danr.sd.gov/public> or contact Ron Duvall for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing this application or recommendation shall allege that the application, upon approval, will cause injury to the person that is unique from any injury suffered by the public in general. The injury must concern a matter either within the regulatory authority found in SDCL 46-2A-9 for approval or denial of the application, or other matter concerning the application within the regulatory authority of the board to act upon as defined by SDCL 46-2-9 and 46-2-11, or both. Any person meeting the petitioner requirements and wishing to be a party of record in a contested case hearing shall file a written petition to oppose the appli-

cation with BOTH the applicant and Chief Engineer. A petition opposing the application shall be filed on a form provided by the Chief Engineer. The petition form is available online at <https://danr.sd.gov/public> or by contacting the Chief Engineer. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501" or call (605) 773-3352. The applicant's mailing address is given above. If contesting the Chief Engineer's recommendation, the applicant shall also file a petition. A petition filed by either an interested person or the applicant must be filed by May 23, 2022.

The petition shall include a statement describing the unique injury upon approval of the application on the petitioner, the petitioner's reasons for opposing the application, and the name and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

Any interested person may file a comment on the application with the Chief Engineer. The comment shall be filed on a form provided by the Chief Engineer and is available online at <https://danr.sd.gov/public> or by calling (605) 773-3352 or writing the Chief Engineer at the address provided above. Filing a comment does not make the commenter a party of record or a participant in any hearing that may be held. Any comment must be filed by May 23, 2022.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled, and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Published May 11, 2022, at total cost of \$40.36.

Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, May 2, 2022 9:12 AM
To: Watertown Public Opinon (legals@thepublicopinion.com)
Subject: FW: 8612-3, Drumgoon Digester Renewable Energy LLC
Attachments: 8612-3public.short_final.docx; FORM8.FRM.doc

Attached is a notice to be published on May 11, 2022.

Drumgoon Digester Renewable Energy LLC, c/o Andy Steffes, Project Coordinator, 19051 US Hwy 81, Lake Norden SD 57248 (920 579-5251) has been notified to contact you to authorize publication and arrange for payment.

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

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

Karen Schlaak

DANR - Water Rights Program
(605) 773-3352
Website: <https://danr.sd.gov>



Schlaak, Karen

From: Schlaak, Karen
Sent: Monday, May 2, 2022 9:07 AM
To: Hamlin County Publishing (hcp@itctel.com)
Subject: 8612-3, Drumgoon Digester Renewable Energy LLC
Attachments: 8612-3public.short_final.docx; FORM8.FRM.doc

Attached is a notice to be published on May 11, 2022 in the Hamlin County Herald Enterprise.

Drumgoon Digester Renewable Energy LLC, c/o Andy Steffes, Project Coordinator, 19051 US Hwy 81, Lake Norden SD 57248 (920 579-5251) has been notified to contact you to authorize publication and arrange for payment.

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

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

Karen Schlaak

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(605) 773-3352
Website: <https://danr.sd.gov>





**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

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

May 2, 2022

Andy Steffes, Project Coordinator
Drumgoon Digester Renewable Energy LLC
19051 US Hwy 81
Lake Norden SD 57248

Dear Mr. Steffes:

Water Permit Application No. 8612-3 for industrial and commercial use have been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice has been sent to the Hamlin Co Herald Enterprise printed at Hayti (Ph # 605 783-3636) and the Public Opinion printed at Watertown (Ph # 605 886-6901). You will need to contact the newspapers and authorize publication of this notice. For your information, a copy of the notice, the recommendation of the Chief Engineer and report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspapers to authorize publication of your Notice and to arrange for payment. Early contact with the papers can eliminate delays. Upon receiving authorization from you, the publishers have been instructed to publish your notice. The newspapers have also been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Karen Schlaak

Karen Schlaak
Water Rights Program
(605) 773-3352

enclosures

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

NOTICE OF APPLICATION NO. 8612-3 to Appropriate Water

Notice is given that Drumgoon Digester Renewable Energy LLC, c/o Will Flanagan, 19051 US Hwy 81, Lake Norden SD 57248 has filed an application for a water permit to appropriate 4.6 acre-feet of water annually at a maximum pump rate of 0.10 cubic feet of water per second from one well to be completed into the Prairie Coteau Aquifer (approximately 125 feet deep) located in the NE 1/4 NW 1/4 Section 6-T113N-R52W for industrial and commercial use to supply an anaerobic digester. This site is located approximately five miles northeast of Lake Norden SD.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 8612-3 with qualifications because 1) unappropriated water is available, 2) existing domestic water uses and water rights will not be unlawfully impaired, 3) it is a beneficial use of water, and 4) it is in the public interest as it pertains to matters within the regulatory authority of the Water Management Board. The Chief Engineer's recommendation with qualifications, the application, and staff report are available at <https://danr.sd.gov/public> or contact Ron Duvall for this information, or other information, at the Water Rights Program address provided below.

Any person interested in opposing this application or recommendation shall allege that the application, upon approval, will cause injury to the person that is unique from any injury suffered by the public in general. The injury must concern a matter either within the regulatory authority found in SDCL 46-2A-9 for approval or denial of the application, or other matter concerning the application within the regulatory authority of the board to act upon as defined by SDCL 46-2-9 and 46-2-11, or both. Any person meeting the petitioner requirements and wishing to be a party of record in a contested case hearing shall file a written petition to oppose the application with BOTH the applicant and Chief Engineer. A petition opposing the application shall be filed on a form provided by the Chief Engineer. The petition form is available online at <https://danr.sd.gov/public> or by contacting the Chief Engineer. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501" or call (605) 773-3352. The applicant's mailing address is given above. If contesting the Chief Engineer's recommendation, the applicant shall also file a petition. A petition filed by either an interested person or the applicant must be filed by May 23, 2022.

The petition shall include a statement describing the unique injury upon approval of the application on the petitioner, the petitioner's reasons for opposing the application, and the name and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

Any interested person may file a comment on the application with the Chief Engineer. The comment shall be filed on a form provided by the Chief Engineer and is available online at <https://danr.sd.gov/public> or by calling (605) 773-3352 or writing the Chief Engineer at the address provided above. Filing a comment does not make the commenter a party of record or a participant in any hearing that may be held. Any comment must be filed by May 23, 2022.

If the applicant does not contest the recommendation of the Chief Engineer and no petition to oppose the application is received, the Chief Engineer shall act on the application pursuant to the recommendation with no hearing held before the Water Management Board. If a petition opposing the application or contesting the recommendation is filed, then a hearing will be scheduled, and the Water Management Board will consider this application. Notice of the hearing will be given to the applicant and any person filing a petition.

Published once at the total approximate cost of _



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

JUN 01 2022

Drumgoon Digester Renewable Energy LLC
c/o Andy Steffes, Project Coordinator
19051 US Hwy 81
Lake Norden SD 57248

Dear Mr. Steffes:

Enclosed is Water Permit No. 8612-3 authorizing construction of the 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,

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

enclosures

Schlaak, Karen

From: Schlaak, Karen
Sent: Wednesday, June 1, 2022 8:18 AM
To: Andy Steffes
Subject: Water Permit No. 8612-3
Attachments: 3522.pdf

Attached is a copy of Water Permit No. 8612-3, Drumgoon Digester Energy LLC. Qualification No. 3 requires the permit holder to report annual water use. That letter will be sent to you come January.

Karen Schlaak

DANR - Water Rights Program
(605) 773-3352
Website: <https://danr.sd.gov>



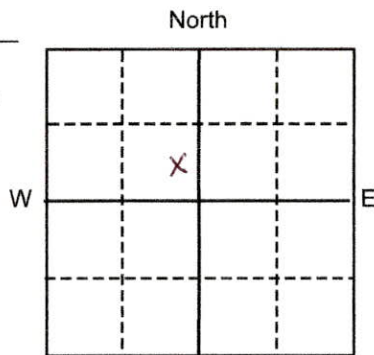
86 12-3

SOUTH DAKOTA WATER WELL COMPLETION REPORT

11-02

Location NE 1/4 NW 1/4 Sec 6 Twp T113N Rg 52WCounty Hamlin

Please mark well location with an "X"



Well Completion Date

7-22

1 Mile

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

200 ft. from lagoon (identify source)

PROPOSED USE:

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

METHOD OF DRILLING:

Direct Rotary

CASING DATA:

☐ Steel
☒ Plastic
☐ Other

If other describe

PIPEWEIGHT	DIAMETER	FROM	TO	HOLE DIAMETER
<u>50817</u> LB/FT	<u>5</u> IN	<u>12</u> FT	<u>115</u> FT	<u>8 3/4</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>Gravel</u>	<u>9</u>	<u>50</u> Lb/gal	<u>0</u> Ft	<u>113</u> Ft
<u>DF</u>		Lb/gal	Ft	Ft

Describe grouting procedure

Pressure Pull

SCREEN:

☐ Perforated pipe
☒ Manufactured
Diameter 5 Inches Length 10 FeetMaterial PVCSlot Size 60 Set From 115 Feet to 125 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?

☒ No, Why Not?

Lab to which water quality sample sent for analysis

no pumpWell Owner: MirionBusiness Name: Drumgoon Digestor Renewable EnergyAddress: 19051 US 81City, State, Zip: Lakeland SD 57248

WELL LOG:

FORMATION	DEPTH	
	FROM	TO
<u>Top Soil</u>	<u>0</u>	<u>1</u>
<u>Yellow Clay</u>	<u>1</u>	<u>6</u>
<u>Yellow gravel</u>	<u>6</u>	<u>10</u>
<u>Yellow Clay</u>	<u>10</u>	<u>96</u>
<u>Soft Yellow Clay</u>	<u>96</u>	<u>100</u>
<u>Yellow Clay</u>	<u>100</u>	<u>115</u>
<u>Yellow gravel</u>	<u>115</u>	<u>125</u>
<u>Blue Clay</u>		

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☐ Other56 GPM

Pumping Level Below Land Surface

Ft. After _____ Hrs. pumped _____ GPM

Ft. After _____ Hrs. pumped _____ GPM

If pump installed, pump rate: _____ GPM

REMARKS

This well was drilled under license # 1689 and this report is true and accurate.Drilling firm: Kaiser Well Drilling Inc

Signature of License Representative:

Signature of Well Owner or Equitable Property Holder:

RECEIVED

FEB 01 2023

Date:

OFFICE OF
WATER



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

January 11, 2024

8612-3

Droomgoon Digester Renewable Energy LLC
c/o William Flanagan
45449 190th St
Lake Norden SD 57248

Dear Mr. Flanagan:

I am writing to acknowledge receipt of the "Notice of Completion of Works" form that you sent in to let us know that Drumgoon Digester Renewable Energy LLC has completed their water use system.

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

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

Sincerely,

Amanda Dewell
Water Rights Program
(605) 773-3352
email: Amanda.Dewell@state.sd.us

**NOTICE OF COMPLETION OF WORKS AND
APPLICATION OF WATER TO BENEFICIAL USE**

Date 01/02/2024

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

FROM: Drumgoon Digester Renewable Energy LLC

(name)

45449 190th Street

(address)

Lake Norden, SD, 57248

(city, state, zip)

605-971-0991

(phone)

I have completed the construction of the water use system and I have put the water to beneficial use to the maximum extent it is going to be used.

Water Permit No. 8612-3 states that the water use system is to be constructed by

5/23/2027

(date)

, and water is to be put to beneficial use by

5/23/2031

(date)

The water use system was completed on 03/22/2023

(date)

Applying the water to beneficial use was completed on 03/22/2023

(date)

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

William J Flanagan

(signature)



Report of Examination of Works and/or Application of Water to Beneficial Use For Permit No. 8612-3

I have this day, August 9, 2024, made a thorough examination of the water use system constructed by Drumgoon Digester Renewable Energy LLC, 19051 US Hwy 81, Lake Norden, SD 57248 of Permit No. 8612-3, bearing the priority of March 10, 2022 authorizing the diversion of 0.10 cu. ft. per second of the waters of the Prairie Coteau Aquifer for industrial & commercial use purposes, in Hamlin County.

A. Works used to divert the water:

Well Information:

- 1) Well Drilling Firm: Kaiser Well Drilling
- 2) No. of Wells 1
- 3) Depth(s) 125 feet
- 4) Well log is available Y

Casing:

- 1) Diameter 5 inches
- 2) Length 115 feet
- 3) Type Plastic

Screen:

- 1) Type Plastic
- 2) Length 10 feet
- 3) Static water level 17 feet

Pump:

- 1) Make Submersible
- 2) Model Unknown
- 3) Size Unknown
- 4) Capacity 35 GPM

Motor:

- 1) Make Unknown
- 2) Model No. Unknown
- 3) Horsepower rating 3 hp

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

- 1) Type Buried PVC
- 2) Size 2 inches
- 3) Length 800 feet

D. Compliance with Permit Requirements:

- 1) Permit qualifications being abided by Y
- 2) Exceptions to compliance are: None

E. Condition and Location:

1. The system is in excellent condition with the point(s) of diversion located as follows: From the NW corner of Sec 6 T113N R52W 1645 ft S & 2410 ft E Lat 44.62517 Long -97.11894 (SE ¼ NW ¼).
2. The works are capable of diverting and conveying to the place of use 0.078 cu. ft. per second of water which is to be used for industrial & commercial use.

The license should be issued for 0.078 cfs.

3. All structures, wells and lands on map Y

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

FSA maps and the ArcGIS program were used to construct the attached well location map.

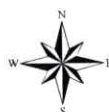
I talked with Mr. Brady Warne, Project Manager (605/971-0991) during the field visit.

The address and phone number in the permit application materials are current.



Darrell DeBoer
Water Rights Inspector
DENR, Water Rights Program

Date report completed: August 12, 2024



0 385 770 1,540 2,310 3,080 Feet

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

NAME: Drumgoon Digester Renewable Energy LLCCOUNTY: HamlinADDRESS: 45449 190th St DATE: September 3, 2024**GENERAL DESCRIPTION OF AUTHORIZED PROJECT:**

Water Permit No. 8612-3 authorizes diversion of 0.10 cfs from one well (PCO) located in the NE ¼ NW ¼ Section 6, T113N, R52W for commercial and industrial use. Permit No. 8612-3 authorizes a total annual diversion up to 4.6 ac-ft of water.

AUTHORITY:

Pursuant to SDCL 46-5-13.1, the location of a diversion point may be changed, or additional diversion points may be added, 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 authorizes under Permit No. 8612-3 was completed into the Prairie Coteau Aquifer, in the SE ¼ NW ¼ Section 6, T113N, R52W. The developed rate of diversion was 0.078 cfs, which is less than the originally permitted amount.

If irrigation, no new land is irrigated,

Water Permit No. 8612-3 does not authorize any irrigation.

Review of Existing Diversions

There are no other existing water permits/rights within over 3 miles of where the diversion point was developed, also authorizing diversion from the Prairie Coteau Aquifer. The nearest permit authorized for diversion from the PCO is approximately 3.75 miles southwest of the well in question (7163-3 held by Travis or Kimberly Hymans). The next nearest permit/right would be 8643-3, held by the City of Lake Norden, located approximately 4 miles southwest. It was determined that there was reasonable probability any interference due to pumping from the original well would not adversely or unlawfully impair existing rights. The same would be expected for the well constructed in the new location.

The closest domestic well (completed into the PCO) is approximately 1.75 miles to the northeast, located in the approximate center of the SW ¼ Section 29, T114N, R52W, on property owned by Dennis & Sandra Namken, according to Regrid. The location of the domestic wells in the well completion report database maintained by the Water Rights Program is based on the location listed by the driller on the well completion report.

RECOMMENDED ACTION

Based on the above criteria, it is recommended that the change in diversion point location be approved.



Amanda Dewell, Permitting Administrator
Water Rights Program

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

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



Eric Gronlund, Chief Engineer
Water Rights Program



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

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

SEP 04 2024

8612-3

Drumgoon Digester Renewable Energy LLC
c/o Andy Steffes
45449 190th St
Lake Norden SD 57248

Dear Mr. Steffes:

Enclosed is Water License No. 8612-3. 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 in the future, the owner of an existing well, 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.

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

Sincerely,

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

enclosures

STATE OF SOUTH DAKOTA
WATER LICENSE NO. 8612-3

(1) Drumgoon Digester Renewable Energy LLC, 45449 190th St, Lake Norden SD 57248, made Application No. 8612-3, March 10, 2022, for a water permit to appropriate 4.6 acre-feet of water annually with a maximum diversion rate of 0.10 cubic feet of water per second from groundwater, one well (Prairie Coteau Aquifer), Hamlin County, South Dakota for commercial and industrial purposes. Permit No. 8612-3, with a priority date of March 10, 2022, was approved May 23, 2022, and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before May 23, 2027, and for the application to beneficial use of water on or before May 23, 2031.

The permit holder submitted a Notice of Completion of Works and Application of Water to Beneficial Use form on January 1, 2024. The Notice stated the diversion system was completed and the water was placed to beneficial use on March 22, 2023.

An investigation conducted for licensing purposes found the diversion point developed outside of the permitted area. Pursuant to SDCL 46-5-13.1 and ARSD 74:02:01:14.01, the Chief Engineer made a finding that the change in the diversion point location did not increase the potential for adverse effects to existing diversions.

(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 0.078 cubic feet of water per second for beneficial use. The location of the diversion point is:

- 1,645 ft S & 2,410 ft E of the NW corner Section 6, T113N, R52W (SE ¼ NW ¼)
(Latitude 44.62517 & Longitude -97.11894)

(3) The water is to be used during the following described annual period: January 1 – December 31.

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

(5) Pursuant to South Dakota Water Law 46-5-30.1 Drumgoon Digester Renewable Energy LLC, the holder and/or owner of Water Right No. 8612-3 is issued a license to appropriate water, the right to appropriate 4.6 acre-feet of water annually with a maximum diversion rate of 0.078 cubic feet of water per second from groundwater, one well (Prairie Coteau Aquifer), with a priority date of March 10, 2022, from the location specified in (2) of this license for commercial and industrial purposes.

This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Right No. 8612-3 and subject to the following qualifications:

1. The well approved under Water Permit No. 8612-3 is located near domestic wells and other wells which may obtain water from the same aquifer. Water withdrawals under this permit shall be controlled so there is not a reduction of water supplies in adequate domestic wells.
2. The well authorized by Permit No. 8612-3 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. *(The well was drilled in 2022 by Kaiser Well Drilling. A copy of the Well completion report is on file with the Water Rights Program.)*

continued

3. The permit holder shall report to the Chief Engineer annually the amount of water withdrawn from the Prairie Coteau Aquifer.
4. Water Permit No. 8612-3 authorizes a total annual diversion of up to 4.6 acre-feet of water.

Eric Gronlund

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

SEP 04 2024

date

