



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

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

August 9, 2018

Mr. Talbot Wieczorek, Counsel for Mineral Mountain Resources, LTD
Gunderson Palmer Nelson Ashmore, LLP
P.O. Box 8045
Rapid City, SD 57709

RE: Mineral Mountain Resources SD

Dear Mr. Wieczorek:

I am in receipt of your letter dated July 24, 2018, wherein you informed me that you intend to utilize water under a September 1, 1898, deed concerning the Standby Mill. Accordingly, I began an investigation of the claimed water right to determine whether use of this water is in compliance with the laws and regulations of the state. As a result, it has been determined that the claimed water right has not been filed. As there is no record of a water right on file with the SD Department of Environment & Natural Resources, Water Rights Program and you are asserting the existence of a vested water right, I am directing you to file a claim in accordance with SDCL § 46-5-49. Please be mindful that § 46-5-49 requires the claim be filed within 90 days. The application form is available online at <http://denr.sd.gov/des/wr/app/D1584LDV5-VRCNON.pdf>. For your convenience, an application is enclosed.

Please be advised, using the limited information which has been provided thus far, it has been determined that the Standby Mill claim is junior to several other appropriations. Consequently, even if validated by the Water Management Board, the claim would be subject to shutoff at times during a majority of the years based on available stream flow records.

There is reason to believe this claim has been abandoned or forfeited by not being in use for several decades. Therefore, to protect senior water rights, and until such time as your ownership is determined, and the claim is found valid by the Water Management Board, you are directed to not put water from Rapid Creek to use.

If you have any questions, please work through our legal counsel, Ann Mines Bailey. The phone contact is (605) 773-3215.

Sincerely,

Jeanne Goodman, Chief Engineer
SD DENR, Water Rights Program

enclosure

c: Secretary Steven M. Pirner, P.E., DENR
Ann Mines Bailey, Assistant Attorney General