Pam Andersen

From: Pam Andersen [pandersen@dnr.ne.gov]

Sent: Thursday, October 12, 2006 5:03 PM

To: 'ableed@dnr.ne.gov'

Cc: 'Mike Thompson (MikeThompson)'; 'Tracy Zayac'; 'Sue (Sue)'

Subject: Sauvage Gas Service Inc.

Ann,

Lee Rolfs just called to tell me that he hadn't had a chance to discuss the issues with his folks yet. He is leaving for a three day holiday and so won't get back to me for a week or so. He said, however, that Kansas is now trying to figure out a way to allow the feedlot to remain open! He was vague so maybe Mike should call Dave Barfield and get the latest thinking on this. Lee was quite clear at the RRCA that Kansas wouldn't allow this feedlot so something has changed.

After we spoke earlier, I had Pam Bonebright look up the well registration files for me. The wells were drilled in 1978 and 1987. The transfer permit was applied for in May of 2000. The wells were registered as "domestic stockwells" to Sauvage Feedlot in June of 2000. There is a notation on the registration form filled out by the well driller that says "change in use of well to one that requires a permit." Maybe they moved the livestock to Kansas from Nebraska then. I still haven't been able to find out why we continued to let them transfer the water without a permit all these years.

It seems to me that regardless of whether or not we are going to issue or deny the permit, we need to have a more thorough grasp of the facts. The "file" is actually an entire drawer of a lateral file. I will work with Tracy on going through the files to come up with a chronology and, hopefully, figure out what water was being use where when the Republican settlement occurred and when LB 962 was passed. At the very least the well registrations should be changed to commercial livestock or CAFO or whatever term we use. This is certainly more than a domestic use. There is also the question of whether or not Sauvage should have to get an Industrial Transfer Permit too. The law says "industrial purposes includes manufacturing, commercial, and power generation uses of water and commercial use includes, but is not limited to, maintenance of the turf of a golf course." According to Susan, livestock operations had not been considered a commercial use in the past but she believes that they should be. There probably aren't a lot of CAFOs that transfer the water "off the overlying land" and so they don't need a transfer permit.

If Kansas does decide to allow the use of the water in Kansas and we decide to issue the permit, we should make compliance with Kansas' requirements is a condition of the permit. Whatever Kansas decides to do, I will get something in writing from them for the file.

I will schedule a meeting to discuss this at a time far enough in the future so that I will have talked to Lee again and Tracy and I have gone through the files and gleaned the pertinent information from them.

Pam