

Elizabeth Wagar  
SDSM & T  
Department of Geology and Geological Engineering  
501 E. St. Joseph Street  
Rapid City, SD 57701

May 23, 2002

Mr. Dan Bjerke, P.E. L.S.  
Public Works Director  
City of Rapid City  
300 Sixth Street  
Rapid City, SD 57701

Re: City of Rapid City  
Water Well No. 12  
Project No. W02 -- 1156

Dear Mr. Bjerke:

This will confirm my conversation with Phil Nicols P.E. regarding geological consulting services for the referenced project:

The following is an estimate of Consultant's hours for the project:

- |    |                          |          |
|----|--------------------------|----------|
| 1. | On-site sample gathering | 14 hours |
| 2. | Laboratory analysis      | 28 hours |
| 3. | Project reports          | 18 hours |

Total estimated project time                      60 hours

Based on the Consultant's hourly rate of \$40, the total work will not exceed \$2,400.

Thank you for the opportunity with you and your staff on this project.

Sincerely,



Elizabeth Wagar  
Consulting Geologist