

AMERICAN PACIFIC CORPORATION



March 19, 2007

Utah Division of Water Rights
P.O. Box 146300
Salt Lake City, Utah 84114-6300

RECEIVED

MAR 22 2007

WATER RIGHTS
SALT LAKE

and

Division of Water Rights
Southwestern Regional Office
585 N. Main Street
P.O. Box 506
Cedar City, Utah 84721-0506

Re: Groundwater Management Plan – Beryl/Enterprise, Utah

To Whom It May Concern:

We recently attended the March 13, 2007, State Engineer's meeting in Enterprise, Utah. Being that it was a first of many future meetings to eventually adopt a groundwater management plan, we would like to forward a brief history and summary of our operations and future plans as they relate to Western Electrochemical Company (Wecco) and AmPac Development Company of Utah.

Since 1988, Wecco has operated its production facility about 15 miles west of Cedar City. The facility has been and still is an integral part of NASA's space shuttle program producing the oxidizer for the shuttle's two rocket boosters. In addition to the shuttle program, Wecco continues to be involved in the production of oxidizers for many of our country's missile defense programs. Wecco continues to employ approximately 200 people from the Cedar City area providing some of the best paying jobs in Southern Utah.

Wecco's production facilities operate on approximately 200 acres with an additional 4,700 acres planned for industrial/manufacturing development. Various water rights were also acquired when the property was purchased in 1988. These water rights are currently being used in the production facilities as well as in the operation of three pivots (approx. 390 acres). These water rights will be crucial as we have begun the implementation of an industrial development master plan which includes approval from the Union Pacific Rail Road (UPRR) and other local economic development departments and officials. We're



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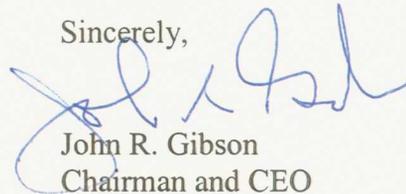
optimistic and excited about the prospects of the potential economic impact to the area providing excellent jobs and continued growth in the industrial/manufacturing sector.

Our water rights will serve an important role in developing this property as much of our property makes the transition from agricultural to industrial use. The overwhelming demand for rail-served industrial property is evident now in the Cedar City area. Such land is scarce in other neighboring areas such as Las Vegas and future rail-served industrial development appears to be favorable in the Iron County area.

Our company's experience for nearly 20 years in Utah has been most positive. We hope to continue our partnership with the State of Utah as we grow our business and others into the future.

We appreciate your efforts as we continually strive to make Utah the best place to live, work, and play.

Sincerely,



John R. Gibson
Chairman and CEO
American Pacific Corporation

/jrg