

January 4, 2012

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

and

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

RECEIVED

JAN 06 2012 JH

**WATER RIGHTS
SALT LAKE**

Re: Groundwater Management Plan – Beryl/Enterprise, Utah

To Whom It May Concern:

We recently attended the November 9, 2011, State Engineer's meeting in Enterprise, Utah. It was a meeting which, in part, was to initiate a 60-day comment period up to January 9, 2012. It was another meeting in a series of other groundwater meetings to eventually adopt a groundwater management plan for the Beryl/Enterprise area.

In addition to the comments and concerns we submitted nearly five years ago, we again 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 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.

American Pacific Corporation

3883 Howard Hughes Parkway, Suite 700 • Las Vegas, Nevada 89169

Tel: +1 (702) 735-2200 • Fax: +1 (702) 735-4876

www.apfc.com

390 acres). These water rights are a critical part of the implementation of an industrial development master plan consisting 4,700 acres which includes approval from the Union Pacific Rail Road (UPRR) and other state and local economic development departments in Utah, including the Economic Development Corporation of Utah (EDC Utah) where the site is currently listed as a Select Utah Real Estate (SURE) site.

We are optimistic about the future and excited about 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 into a successful industrial use. We believe there is substantial demand for rail-served industrial property and entire rail corridor into Cedar City. These industrial properties are essential and need to be protected.

Finally, the boundaries have been drawn to include the Ampac property into the Beryl/Enterprise groundwater issue. We feel very strongly the groundwater issues near Wecco do not impact the bigger groundwater issue in the Beryl/Enterprise area. Any future reduction or loss of our water rights will greatly reduce our ability to market and develop the area into a legitimate industrial masterplan providing a positive impact to the local economy.

Our company's experience for nearly 24 years in Utah has been positive. We hope to continue this partnership with the State of Utah as we grow our businesses and others into the future.

We appreciate your efforts as well as the consideration of the important economic impact our industrial land will have in Iron County into the future.

Sincerely,



Ben Brown
Corporate Real Estate
American Pacific Corporation

/bb