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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

February 17, 1994

The Honorable Paul Clark, Mayor
East Carbon City
212 East Park Place
East Carbon City, Utah 84520

Dear Mayor Clark:

Re: Sunnyside Water Rights

Lowell Braxton, Associate Director of Mining for the Division, has forwarded to me your verbal inquiry concerning the status of the water rights held by the Division of Oil, Gas and Mining as collateral for the reclamation obligation of the Sunnyside Mine.

The Division is aware that Sunnyside Coal Company has reached an agreement with Sunnyside Cogeneration Associates for the sale of water right 91-231 for the appraised value of $600,000. The Division currently retains its security interest in the right, and will have a security interest in the proceeds when the sale is completed. The balance of the water rights owned by Sunnyside Coal remain unchanged.

The Division has only a security interest in the water rights owned by Sunnyside Coal Company, and does not have information or an opinion on the interrelationships of the rights, nor on the water rights or interests of other parties in the Sunnyside area.

I hope this information is helpful. The files of the Division concerning the bond for the Sunnyside Mine are public information, as are the State Engineer's

records concerning the water rights subject to the Deed of Trust. If I can do anything to facilitate your access to these files, or to speed your search for any particular information, please let me know.

Very truly yours,

James W. Carter
Director

lsj
cc: L. Braxton
JWC94001.LTR