

EUREKA ENERGY COMPANYA SUBSIDIARY OF **PACIFIC GAS AND ELECTRIC COMPANY**

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November 21, 1979

Mr. Larry J. Wilson
 Supervisor, Southeastern Region
 Division of Wildlife Resources
 455 West Railroad Avenue, Box 840
 Price, Utah 84501

Re: Eureka Energy Company
 Sage Point-Dugout Canyon Coal Project

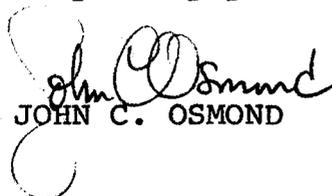
Dear Mr. Wilson:

Thank you for your letter of October 17, 1979 advising us that the Division of Wildlife Resources intends to conduct a long term research project for the purpose of studying responses of wildlife to coal mining operations. Since the first year's study would be conducted in the Sage Point-Dugout Canyon Project area, you requested that Eureka Energy Company contribute \$10,375 (42%) of the funding for this study. We are pleased to advise you that we will provide the requested financial support, and will arrange a mutually satisfactory schedule of payments to DWR up to the amount of \$10,375.

We apologize for the delay in our response to your invitation. As you know, the Utah Division of Oil, Gas and Mining, the State Regulatory Authority for the Coal Management Program and the state agency which must approve Eureka's mining plan and permit application, had questioned the propriety of our financial participation in the DWR study. However, as set forth in the November 16, 1979 letter from special Assistant Attorney General Denise Dragoo to DWR Director Douglas Day, this concern has been satisfactorily resolved.

Paul Anderson and Bob Goudge will coordinate with your staff on behalf of Eureka. Thank you for your outstanding courtesy and cooperation.

Very truly yours,


 JOHN C. OSMOND

PBB:kbb

cc: RDaniels, DOG&M ✓
 PAnderson
 RFGoudge