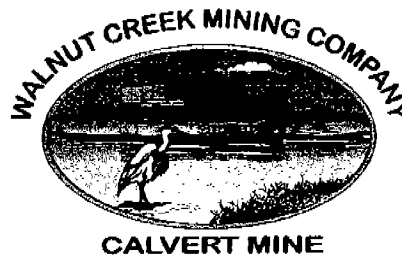


*"A Quality Product"*



*"By Quality People"*

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P.O. Box H Bremond, Texas 76629-0318

Phone:(254)746-7334 Fax:(254)746-7795

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June 21, 2004

Mr. Tony Jones  
Chairman, Brazos G Regional Water Planning Group  
c/o Aggield Builders  
3205 Rudder South  
College Station, TX 77845

Dear Mr. Jones,

Walnut Creek Mining Co. is located 4 miles south of Bremond in Robertson County. We currently pump approximately 8,100 acre-feet of ground water annually from the Simsboro Formation for mining purposes as addressed in our mine permit with the Railroad Commission of Texas. The water is discharged into Walnut Creek which flows into the Brazos River. We are permitted to pump up to 10,300 acre-feet annually. Walnut Creek Mining Co. has been pumping this volume of water for the past 10 years and expects to continue at this rate for the next 25 years or longer depending on mining contracts.

Walnut Creek Mining Co. asks your group to consider both a demand and a supply issue during the current strategy planning session.

First, it appears the current Robertson County usage does not properly reflect our pumping requirements of 8,100 to 10,300 acre-feet annually unless the water is reflected in the steam generation category. In either case, it appears an adjustment to the usage table should be made. Attached is a table listing our discharge volumes since 1995.

Secondly, we ask the planning group to consider making our water available as a potential source for future needs. This water could be both a source to the adjacent Twin Oaks Power plant as well as a source for users down stream on the Brazos River. The pumping of ground water is essential to de-pressurize the aquifer beneath the open pit to enable mining. Therefore, it is reasonable to assume the water will be available for next 25 years of mine life.

Finally, I would be happy to make a brief presentation concerning our water usage at your next planning meeting in August. Please let me know if that would be helpful.

Please don't hesitate to contact me should you have any questions.

Regards,

A handwritten signature in black ink that reads "Lynn Bell". The signature is written in a cursive, flowing style.

Lynn Bell PE

Mine Manager  
254-746-7334  
Lbell@KMG.Kiewit.com

Cc: Ms. Teresa Clark  
Brazos River Authority  
P.O. Box 7555  
Waco, TX 76714-7555

Mr. David Meesey  
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Mr. Jim Adams  
Chairman, Region H Water Planning Group  
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Mr. David Parkhill  
TCB  
5757 Woodway  
Houston, TX 77057

Mr. David Dunn  
HDR Engineering, Inc.  
2211 S. IH 35, Suite 300  
Austin, Texas 78741

**Historic depressurization volumes for Walnut Creek Mining Co.  
As reported to Railroad Commission of Texas**

2004	8,100 Ac-Ft*
2003	7,333 Ac-Ft
2002	7,302 Ac-Ft
2001	6,939 Ac-Ft
2000	7,905 Ac-Ft
1999	8,000 Ac-Ft**
1998	8,000 Ac-Ft**
1997	8,000 Ac-Ft**
1996	8,000 Ac-Ft**
1995	8,000 Ac-Ft**

\* 2004 estimate based on adding 2 depressurization wells

\*\*Prior to 2000 Walnut Creek Mining was not required to meter discharge, so volume was estimated using pump capacities.