

Lot 8

DUHRING RESOURCE COMPANY

203 Center Street
P.O. Box 726
Sheffield, PA 16347

Phone (814) 968-3337

Fax (814) 968-3330

February 8, 2008

SENT BY FAX & FIRST CLASS MAIL

Leanne Marten, Forest Supervisor
Allegheny National Forest
P.O. Box 847
Warren, PA 16365

RE: Timber Removal on Lot 8 and Warrant 3672

Dear Ms. Marten:

I wrote to you a little over a week ago regarding the captioned matter. I marked the facsimile as "URGENT" in hopes of communicating the need for prompt action. I have not yet received a response from you or either of the District Rangers.

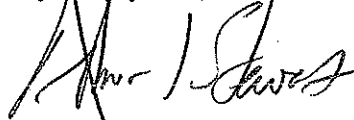
Duhring is now about to lose its excavation contractor due to the ANF delays. I have written to your predecessor about obligations Duhring made to its contractor. The ANF delays throughout 2007, and now into 2008, have made it very difficult for Duhring to keep the excavation contractor busy. The contractor has a few more days' work which we have asked him to postpone as long as possible. The contractor has been working slowly, but nevertheless reports that he will complete that work next week. If Duhring does not have any more projects for him he will be leaving to work for other oil and gas operators.

The projects that Duhring has available for the contractor are the Lot 8 and Warrant 3672 projects. These, of course, are the projects held up by the timber price problem.

I need to immediately give my contractor assurance that Duhring can provide the work it promised to the contractor. If not, the contractor will be leaving. Duhring has promised this work to that contractor, and so if the contractor leaves, Duhring will either have to wait for his return (some months from now) or try to locate another contractor and be in breach of its agreement with the original contractor. This dilemma cannot be solved without action by either you or the District Rangers.

I stress, again, that we do not have the luxury of time.

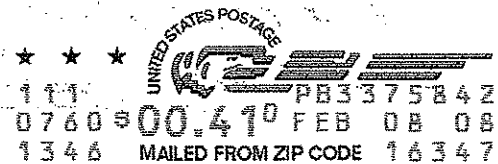
Very truly yours,


Arthur J. Stewart

AJS/ame

c: ✓ Mr. Anthony Scardina
Mr. Robert Fallon

Duhring Resource Company
P.O. Box 726
203 Center Street
Sheffield, PA 16347



Mr. Anthony Scardina
Allegheny National Forest
Bradford Ranger District
29 Forest Service Drive
Bradford, PA 16701

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