

**DUHRING RESOURCE COMPANY**

203 Center Street  
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Sheffield, PA 16347

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**FACSIMILE TRANSMISSION**

TO: Anthony Scardina

FROM: Arthur Stewart

DATE: October 1, 2007

TOTAL NUMBER OF PAGES, INCLUDING COVER SHEET: 3

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October 1, 2007

SENT BY FACSIMILE & FIRST CLASS MAIL

Kathleen Morse, Forest Supervisor  
Allegheny National Forest  
222 Liberty Street  
P.O. Box 847  
Warren, PA 16365

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

RE: Stone pit FR 162.

Dear Ms. Morse and Mr. Scardina:

Duhring's drilling contractor is ready to move to the well locations that Duhring has constructed on Lot 7, Sheffield Township, Warren County. However, the rig can not move in because Duhring has not yet been able to stone those Lot 7 well locations. As you recall, Duhring requested that the stone for those locations come from the pit on FR 103. However, the Forest Service Notice to Proceed calls for the stone to come from the pit on FR 162. Until about five weeks ago, there was stone available for use at FR 162. However, since then, the Forest Service contractor, Mr. Dyne, used the uncovered stone, from FR 162, for a Forest Service project. (See my letter to Ms. Morse dated August 22, 2007.)

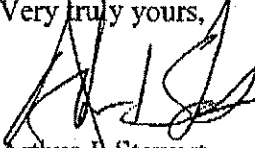
In order to remove stone from the FR 162 pit Duhring will need to remove overburden and trees located thereupon. I worked with Forest Service personnel on August 31, 2007 to see that said timber was properly delineated. The timber has been marked for several weeks. However, Duhring has not yet received a timber bill from the Forest Service. You will not permit Duhring to remove the timber until a timber bill is paid. Therefore, Duhring's drilling progress is held up until the Forest Service delivers, to Duhring, a bill for the FR 162 stone pit timber.

I thought that I had clearly communicated Duhring's urgent time constraints in my past correspondence. However, let me be absolutely clear. When the Forest Service directed Duhring to take the stone from FR 162, and when the Forest Service contractor removed all uncovered stone from FR 162, that left no stone remaining for Duhring without the

uncovering of more stone. Duhring needs a timber bill, from you, in order to uncover that additional stone. Duhring cannot drill or complete wells on any of lots 7, 8 or 9 without that stone. Duhring is under contractual obligations to complete wells by certain dates. Those timetables are in severe jeopardy. Also, Duhring is suffering financial loss because of the delay in well completion.

Please immediately issue, to Duhring, the timber bill for FR 162. I note that your timber bills are normally mailed. Please issue the FR 162 timber bill by hand delivery or fax.

Very truly yours,



Arthur J. Stewart

AJS/ame

