

DUHRING RESOURCE COMPANY

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August 20, 2008

SENT BY FAX & FIRST CLASS MAIL

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

RE: OGM Case 243

Dear Mr. Scardina:

I write in response to your letter of August 13, 2008. As to the stabilizing of the roads, we are nearly finished. As your staff has seen during site visits, Duhring has been seeding and mulching continuously as the road construction has unfolded. We have a very short section left to seed and mulch; provided the weather cooperates (it rained again yesterday morning), we will be finished with the seeding and mulching this week.

When the ANF removes its timber, it is our hope that none of the seeding is disturbed. If the seeding is disturbed, we will look to the ANF to make reparation. Similarly, I inquire as to how the ANF proposes to address maintenance of the road surface? Several weeks ago I pointed out to Mr. Cotterman that, when the timber is removed, stone will need to be placed over the culverts in order to protect them from collapse. Also, I am sure that rutting of the road surface and damage to the ditches will unfold.

In the past, Duhring has asked the ANF to pay, to Duhring, a maintenance fee when the ANF uses roads constructed or maintained by Duhring. You and I have discussed that topic as well, and I suppose there is no need to repeat Duhring's position here. Suffice it to say that Duhring will expect the ANF to maintain the road surface. Duhring is open to a variety of proposals as long as those are discussed with Duhring before hand and mutually agreed to. Toward that end, I would suggest a face-to-face meeting before the ANF removes its timber.

As to the timeframe for the drilling of the wells, Duhring is in the process of submitting drilling permit applications to the DEP. The DEP generally returns those within 30 days, and thus, we will be drilling late this year. In the meantime, we will be installing pipelines in the roadway. We hope to begin that project in about two weeks.

Very truly yours,



Arthur J. Stewart

ame

AJS/ame

(Dictated but not read)