

## DUHRING RESOURCE COMPANY

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June 3, 2008

SENT BY FACSIMILE & FIRST CLASS MAIL

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

RE: Cherry Run Timber Harvest

Dear Mr. Scardina:

As you are probably aware, the ANF is harvesting timber at Cherry Run, Sheffield Township, where Duhring co-owns property with the ANF. The ANF's timber harvester is Highland Forest Products. Last week, Highland's employee, Michael Hepinger, contacted me with the request that Highland be allowed to move equipment and wood products across roads maintained by Duhring, and deck logs at Duhring's well locations.

Mr. Hepinger told me that Highland had first made the above requests to the ANF; that the ANF advised Highland that the ANF could not give permission for Highland to use Duhring's roads; and that Highland would have to speak to Duhring directly.

Duhring is not adverse to the ANF's use of Duhring's roads, provided that road maintenance issues are properly addressed. Likewise, Duhring is not adverse to the use of its well locations for timber storage provided that appropriate provisions are discussed and in place concerning: 1) the safety of Duhring's employees; and 2) preservation of necessary access to wells for pumping and maintenance.

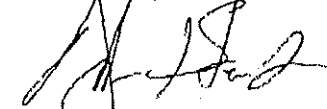
However, the current poor relationship between Duhring and the ANF is exacerbated when the ANF sends Highland to carry on these discussions with Duhring. The necessary discussions involve concerns between the co-owners Duhring and the ANF. Highland has no authority to address the corollary concerns of Duhring, which corollary concerns would necessarily be a part of the discussion.

I invite you to review the letter I sent you July 23, 2007, which letter addresses those concerns (and which included a copy of my June 23, 2006, letter to Kathleen Morse). After your receipt of that July 23, 2007 letter you and I had a follow up discussion about the impropriety of delegating these important discussions to our contractors. In that subsequent discussion you agreed that, if the ANF had a problem with Duhring road construction methods, you would want to speak to Duhring and not to Duhring's construction contractor. I trust you understand how the inverse is applicable here.

Duhring is willing to discuss the ANF's needs arising from the ANF's timber removal project. I envision that a number of reasonable accommodations can be made. However, the ANF is a necessary participant in those discussions.

Concerning timing, it would have been helpful if the discussions would have commenced before the timber harvest was underway. I have made that suggestion (that pre-harvest meetings be held between the ANF and the OGM owners) numerous times to Dan Salm, Jim Seyler, and Kathleen Morse. Each time Mr. Salm, Mr. Seyler and Ms. Morse agreed with the suggestion and stated that such meetings were the practice of the ANF. However, Duhring has never been invited to participate in such a meeting. Now, at the 11<sup>th</sup> hour I am leaving for a three week vacation, with my family; hence the window for discussion is very short. We leave June 6. Feel free to call me at the office or at home (723-3741) if you wish to address this before my departure.

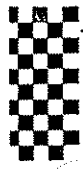
Very truly yours,



Arthur J. Stewart

AJS/ame

c: Leanne Marten (by facsimile)



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THANK YOU