

DUHRING RESOURCE COMPANY

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April 22, 2008

SENT VIA FACSIMILE AND FIRST CLASS MAIL

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

RE: Lot 8 and Warrant 3672

Dear Ms. Marten:

I have your letter of April 21, 2008. As to your first point, I still believe that a meeting with you is the proper course of action. At the April 3 meeting your District Rangers were prepared to discuss only two options, namely, the cut, skid and deck agreement prepared by the ANF, and the option of paying the price demanded by the ANF. Your District Rangers did not have the authority of the Forest Supervisor to discuss other possibilities for an equitable resolution; indeed, when I raised other options, the District Rangers stated they would need to speak to you.

However, if you will not meet, Duhring will execute the ANF's cut, skid and deck agreement with the revision to Paragraph 2 as stated in your April 21 letter. Duhring does not regard that agreement as an equitable solution. But Duhring needs to move these projects forward.


In order to execute the agreement, I believe Duhring and the ANF will need to specify the decking locations. At the April 3 meeting we tentatively identified four decking locations on Warrant 3672. We did not identify decking locations on Lot 8. I am available tomorrow (April 23, 2008) after 9 a.m. to meet with your staff to review maps in order to specify those decking locations and to execute the revised agreements. (Also raised as a discussion item was the tree length requirement. Mr. Cotterman acknowledged that the terrain in certain areas would not allow tree length skidding. I assume the agreement will reflect this, as necessary.)

The other points addressed in your letter underscore the value of a meeting with you. As to the clearing of the timber, I have obtained a copy of the complaint in the Minard Run case. At a meeting I wanted to discuss that document with you, as I believe the ANF's averments shed light upon the ANF's timber clearing obligations. The ANF's actions in 2002 were in accord with the Minard Run Complaint's averments and the Court Order resulting therefrom.

As to the threat of criminal prosecution, your letter of April 21 is unclear. Duhring has certainly received countless threats of criminal prosecution, from ANF staff, for exercising what Duhring believes are its correct property rights. (I believe the first instance under your authority occurred on February 8, 2008, when Duhring's contractors and employees were unequivocally told to leave Lot 7 in Sheffield Township or be prosecuted.) As to the current situations on Lot 8 and Warrant 3672, Duhring believes its property rights entitle Duhring to clear the timber, with reasonable care, from its proposed roadways and well sites. In your last paragraph are you now stating that Duhring will not be prosecuted for that clearing activity? If so, then Duhring will simply clear the timber, rendering moot your proposed agreement and the controversy over cutting, skidding and decking.

Given your past discourses, I don't think you are sanctioning Duhring to clear the timber free from criminal prosecution. However, the last paragraph of your April 21, 2008 letter is very difficult to understand. I would appreciate clarification, if not in the form of a meeting with you, then at least in the form of a follow-up letter.

Very truly yours,



Arthur J. Stewart

AJS/ame