



United States  
Department of  
Agriculture

Forest  
Service

Allegheny National Forest  
Supervisor's Office

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File Code: 2820-2

Date: March 12, 2008

Arthur J. Stewart  
Duhring Resource Company  
P. O. Box 726  
Sheffield, PA 16347

Dear Mr. Stewart:

This responds to your March 5, 2008, letter regarding Lot 8 and Warrant 3672 timber removal and my letter dated February 22, 2008. Those letters relate to Duhring Resource Company's ("Duhring") assertion that the Forest Service's calculated purchase price on the timber, which would need to be removed for Duhring's oil and gas operations, is too high.

On the issue of the appropriateness of the purchase price, as stated in my February 22<sup>nd</sup> letter in response to your concerns, I have reviewed the calculated value of the timber and conclude that it is appropriate.

It is important to note, though, that on March 1, 2008, Duhring filed an Amended Complaint in its existing lawsuit against the Forest Service and various Forest Service employees as individuals. Among other changes, that Amended Complaint added allegations challenging the Forest Service's valuation of the timber with respect to Lot 8 and Warrant 3672. Since this is now a part of the ongoing litigation case, it is inappropriate for me to comment further or provide any other correspondence regarding the issue of the timber purchase price.

The main question of your March 5<sup>th</sup> letter is why the ANF does not market timber for Lot 8 and Warrant 3672 to a buyer other than Duhring. As outlined in FSM 2464, the Forest Service has determined that timber harvest and removal by commercial sale would not meet the required time limits you have established due to such things as the length of time to process a package, length of time needed to complete the bid process, and length of time for a purchaser to actually implement the activity on the ground. As a result, the Forest Service's timber settlement procedures, and not commercial sale procedures, will be followed.

Specific to Lot 8, as described in District Ranger Scardina's November 29, 2007, letter, the reason we did offer timber from Lot 8 to Highland Forest Products ("Highland") is because Highland currently has an existing commercial timber sale contract with the ANF for the sale area that Lot 8 is within. Highland declined to add the additional timber to its contract because it believed that the area would be difficult to log and its logging crews would be better utilized elsewhere in the existing sale area.




Duhring Resource Company

March 11, 2008

Due to the reasons above, as I stated in my February 22, 2008, letter, the remaining options for Duhring are as follows:

1. Pay the amount originally established on Lot 8 and Warrant 3672 to purchase the timber;  
or
2. Notify District Ranger Scardina and District Ranger Fallon that you have decided not to purchase the timber but will remove it from site by cutting and stacking the marked trees in a manner acceptable to the Forest Service. If you choose this second option, it is imperative that you notify the respective District Rangers prior to any activity occurring on the ground. They will ensure that we have personnel assigned to work with you as soon as possible to facilitate the process.

Sincerely,



LEANNE M. MARTEN  
Forest Supervisor