



United States
Department of
Agriculture

Forest
Service

Allegheny National Forest
Supervisor's Office

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File Code: 2830

Date: August 31, 2007

Arthur Stewart
Duhring Resource Company
7 Branch Street
Warren, PA 16365

Dear Mr. Stewart,

The following is an update regarding the status of your proposals for oil and gas development on Lots 7, 8, and 9 in Sheffield Township, Warren County, Pennsylvania. As you are probably aware, completion of the layout, marking and timber appraisal processes have caused the issuance of your NTP letters to be delayed past the end of this week.

Lot 7

A Timber Settlement Contract was mailed to you on August 28, 2007 for your signature. Once we receive a signed copy from you we will issue the bill for payment. Upon receiving payment the Notice to Proceed (NTP) will be issued.

Lots 8 and 9

I understand that as I write this letter you are in the field with Sheldon Winters making final adjustments to your road layout on Lot 9. The District Ranger has arranged for the timber on these Lots to be marked and appraised for sale next week. The timber must then be offered to Highland Forest Resources because it falls within the Rock Run timber sale area which is under contract to them. Should Highland Forest Resources decline to purchase the timber, we will issue a Timber Settlement Contract for your signature. The process outlined above for Lot 7 will then need to be followed.

If you have any questions please feel free to contact me.

Sincerely,

/s/ Kathleen S. Morse
KATHLEEN S. MORSE
Forest Supervisor

