



United States  
Department of  
Agriculture

Forest  
Service

Allegheny National Forest  
Bradford Ranger District

29 Forest Service Dr.  
Bradford, PA 16701  
(814) 362-4613  
FAX (814) 362-2761

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File Code: 2830-2

Date: May 5, 2008

Arthur Stewart  
Duhring Resource Company  
203 Center Street  
PO Box 726  
Sheffield, PA 16347

Dear Mr. Stewart:

We have completed our project analysis of oil, gas, and minerals (OGM) Case 243 for your proposed drilling of five oil and gas wells numbered 8-43, 8-45, 8-55, 8-66, 8-72, and associated pipelines, tank batteries, and roads in Warrant 2752, Lots 8 and 13, Sheffield Township, Warren County, Pennsylvania (see attached map).

This is your Notice to Proceed. We have received your signed Commercial Road Use Permit and proof of payment, as well as your signed agreement to cut, skid, and deck the timber. Executed copies of the Commercial Road Use Permit and Timber Agreement have been mailed to you for your records.

Please contact Sheldon Winters, Oil and Gas Administrator on the Bradford Ranger District, at (814) 363-6032 as soon as you receive this letter to arrange a pre-work meeting with the Forest Service that includes your timber harvest contractor, road construction contractor, and field representative, prior to beginning the harvesting and road building operations.

If an alternative method of drilling is requested from the PA-DEP for dusting of drill cuttings, it is recommended that an unlined pit be utilized to capture all drill cuttings or a deflector shield used to pile the cuttings in one location. If the pit is used, it can then be dewatered, lined, and utilized for the containment of stimulation material. This shall be within the provisions of Title 25, Chapter 78, of the Pennsylvania Code.

Please note that there may be heritage resources in the area. Heritage resources on Federal land are subject to the prohibitions of the Antiquities Act of 1906, and compliance by the mineral owner is mandatory. For additional information, please see the attached Section G.

You were previously authorized to use the Forest Service stone pit off Forest Road 162 as your source of road building and well pad material. The amount of material authorized for your operations were identified in the pit plan (see attachment) enclosed with the Notice to Proceeds and Operating Plans issued on September 11, 2007 (Lot 7) and November 9, 2007 (Lots 9 & 12). This pit was approved for approximately one acre of expansion (6,400 cubic yards) by the Record of Decision for the Martin Run EIS (May 2005). If you need additional pit material for Lot 8 or other activities that extends beyond the amount previously authorized, the procedures for disposing of mineral materials owned by the United States as outlined in 36 CFR 228,



Subpart C and Forest Service Manual (FSM) 2850 must be followed, as expressed in the letter dated March 28, 2008, from Forest Supervisor, Leanne Marten, to all oil and gas operators.

All operations within your lease on Forest Service surface are subject to Allegheny National Forest restrictions on ATV use. If you intend to use ATVs at any time during the life of your lease, you must comply with the attached Section J.

There are five threatened or endangered species known to occur on or near the Allegheny National Forest. These include the small whorled pogonia, Indiana bat, Northeastern bullrush, and the clubshell and northern riffleshell mussels. Outstanding and reserved mineral rights owners have certain responsibilities under the Endangered Species Act to protect threatened or endangered species and their habitats. To determine what your responsibilities are, you should contact the U.S. Fish and Wildlife Service district office in State College, Pennsylvania.

If you have any questions regarding the attached Operating Plan, please contact Sheldon Winters, OGM Administrator on the Bradford Ranger District, at (814) 363-6032.

Sincerely,

*/s/ Anthony V. Scardina*  
ANTHONY V. SCARDINA  
District Ranger

Enclosures

## OPERATING PLAN

### A. Wildlife

1. Retain snags with bark or den trees adjacent to the flagged well sites and road right-of-way. Bark provides hibernation habitat for a wide variety of bats. If the snags pose a safety hazard, then it is recommended that they be removed.
2. All work should stop immediately if any federally proposed or listed species are found or observed on the project site during implementation. The operator will contact the District so that a wildlife biologist can conduct an assessment or recommend mitigation measures. In addition, the operator should contact the District if any stick nests are found near or adjacent to any work location prior to development.
3. Complete all proposed work in a timely fashion to reduce disturbance of and displacement to fish and wildlife species.
4. Follow all terms and conditions in regulatory permits and other official project authorizations to eliminate or reduce the adverse impacts to endangered, threatened, or sensitive species or their habitats.
5. Please note that although the bald eagle is no longer federally listed as endangered or threatened, there are still responsibilities for protection of this species under the Bald and Golden Eagle Protection Act of 1940.

### B. Soil and Water

1. The operator will follow the standards and guidelines of their submitted Soil Erosion and Sedimentation Control Plan and Spill Prevention Plan. Disturbed areas must be stabilized within 30 days following construction and successfully revegetated within 60 days following construction or within 60 days of the beginning of the first growing season following construction that occurs in late fall or winter. Revegetation is achieved when there is 70 percent coverage of perennial vegetation as measured by transect.
2. It is the operator's responsibility to place culverts where they are needed in access roads to drain road surface runoff, and where seeps, springs, streams and other drainages will intersect the proposed roads. Cross culverts to drain ditch water should be at least 18 inch diameter corrugated metal pipes (CMPs) or 15 inch diameter casings and installed diagonally with outlet downhill and a 6 inch drop per 10 feet of running width. The following table outlines recommended spacing of cross culverts to drain ditch water based on percentage slope:

Slope	Spacing of Culverts
2 to 5 percent	300 to 500 feet
6 to 10 percent	200 to 300 feet
11 to 15 percent	100 to 200 feet

Where streams, springs, seeps, and other drainages intersect the road, the operator should install properly sized culverts or properly select, size, and construct other drainage structures, in accordance with the PA-DEP recommended oil and gas management practices.

3. Do not sidecast excavated road materials and avoid accumulating or spreading these materials in upland draws, depressions, streams, and/or spring seeps.
4. Produced fluids must be handled and disposed of according to Commonwealth of Pennsylvania Oil and Gas Law in accordance with the Clean Streams Act.
5. Road ditch water and runoff from well locations shall not be discharged directly into watercourses. This water will be either discharged onto undisturbed ground or passed through a sedimentation basin.
6. Construction will not take place during the spring thaw or during times of prolonged rainfall when saturated conditions exist.
7. Temporary and permanent seed mixtures should be in accordance with the Pennsylvania Oil and Gas Operators Manual (Chapter 4). However, to avoid introducing non-native invasive plant species to the Allegheny National Forest, operators should use the following seed mixtures:
  - a) Temporary cover or nurse crops: all mixtures and cover rates can be used but, for the late spring and summer seeding mixtures, do not use Japanese or foxtail millet or sudangrass.
  - b) Permanent seed mixtures:
    - (i) Cool season grasses: preferred mixture is Number 3 using smooth brome grass and birdsfoot trefoil. Mixture 1 using fine fescue, perennial ryegrass and birdsfoot trefoil may be used if Number 3 is not available, but it is our preference that fescue mixes not be used.
    - (ii) Warm season grasses: preferred mixtures are Number 5 and 6.

- c) Mulch: straw is preferred in all cases. If hay is used, the source location and supplier shall be provided and every attempt should be made to obtain hay free of non-native invasive species.

#### C. Transportation Systems and Equipment

1. Road locations will be approved by the District prior to marking timber for removal.
2. Rock surfacing on roads will be commensurate with use and season of the year. At least 6 inches of stone will be applied to all roads intended for permanent access. If the operator proposes to utilize commercially graded surfacing material at a depth less than 6 inches, the operator must obtain written approval from the OGM Administrator to place this material at a specified depth in designated locations. Roads should be constructed and maintained in a manner to prevent rutting and to maintain the road crown.
3. Road grades are recommended to be between 2 and 8 percent, with grades up to 15 percent acceptable for short pitches up to 200 feet when sufficient stabilization is provided.
4. It is strongly recommended that a gate be installed at the entrance of OGM roads to ensure that the Forest Service resources are not damaged by non-OGM development users.
5. Equipment must be stored, serviced, and fueled in upland areas away from transport pathways and all aquatic habitats. No long term equipment storage, such as unused storage tanks, vehicles, machinery, pipeline, or other staging materials, is allowed. Litter or trash shall be promptly removed.

#### D. Timber

1. All merchantable timber will be marked by the Forest Service and sold by contract. Timber will be paid for prior to harvesting.
2. Timber will not be skidded across watercourses, springs, or seeps, except at crossings designated by the Forest Service.
3. Slash will be lopped and scattered to lie within 3 feet of the ground. Slash will be kept out of springs, seeps, and streams.

#### E. Public Safety

1. Pipelines and electric lines will be buried a minimum of 36 inches deep, where they are identified on the attached map. Utility lines should follow road rights-of-way, as identified on the attached map, to minimize conflict with surface management activities and to protect the utility lines.

2. Automatic jacks will have warning signs. Storage tanks should have warning signs to restrict flames near flammable materials.

#### F. Recreation and Aesthetics

1. The developer is encouraged to use earth tone colors such as *grey brown* or *forest green* when painting well jacks and tanks. Well pads and storage tank installations should be designed to minimize visual impacts.
2. Slash shall be pulled back 25' from the edge of open roads and will be loped and scattered to a 3' depth for an additional 75' feet along the North Country National Scenic Trail.
3. Design layout of new roads to minimize visual impacts to the NCNST (no straight line road clearances and no views of wells and tank batteries). Plantings and/or vegetative cuttings may be needed at the entrance to the roadways to help feather the visual effects (gravel road appearance) from hikers using the NCNST.
4. If needed, plant vegetation to screen activities from the NCNST. Trees and/or shrubs shall be planted in groups of 3, 5 or 7 and should include native species such as hemlock and/or white pine.
5. Minimize the use of security lights when possible. If lights are necessary, they should be placed so they are not visible from the NCNST.
6. No OGM ATV activity will be permitted on the NCNST.

#### G. Heritage Resources

1. Private mineral owners are subject to the prohibitions of the Antiquities Act of 1906. The Archaeological Resource Protection Act (ARPA) of 1979 provides clarification and forbids the removal of archaeological resources from Federal land without a proper permit. Section 6 of ARPA states that "no person may excavate, remove, damage, or otherwise alter or deface or attempt to excavate, remove, damage, or otherwise alter or deface any archaeological resource located on public lands or Indian lands unless such activity is pursuant to a permit issued under section 4 of this Act..."
2. A limited assessment of the potential for cultural resource damage has been completed. Although this work has revealed no known cultural resource sites near the proposed development, care should be taken to ensure that project activities are limited to those areas marked on the ground, i.e. well pads and access roads. Before operations occur beyond the marked project boundaries, you should contact the District Ranger. Your cooperation will help you avoid civil or criminal actions under the Antiquities Act of 1906 and the Archaeological Resources Protection Act of 1979, which protect cultural resources from unauthorized disturbance, removal, and transport.

3. Any significant change or modification to the reviewed proposal area/work plan for this site **MUST** be reviewed again by the Forest Service District Archeologist to ensure no further mitigations are required.

#### H. Monitoring

1. Forest Service personnel will inspect this development periodically while clearing, road building, and drilling occur.
2. The Forest Service will work closely with PA-DEP personnel to ensure that Soil Erosion and Sedimentation Control and Spill Prevention Plans are implemented.

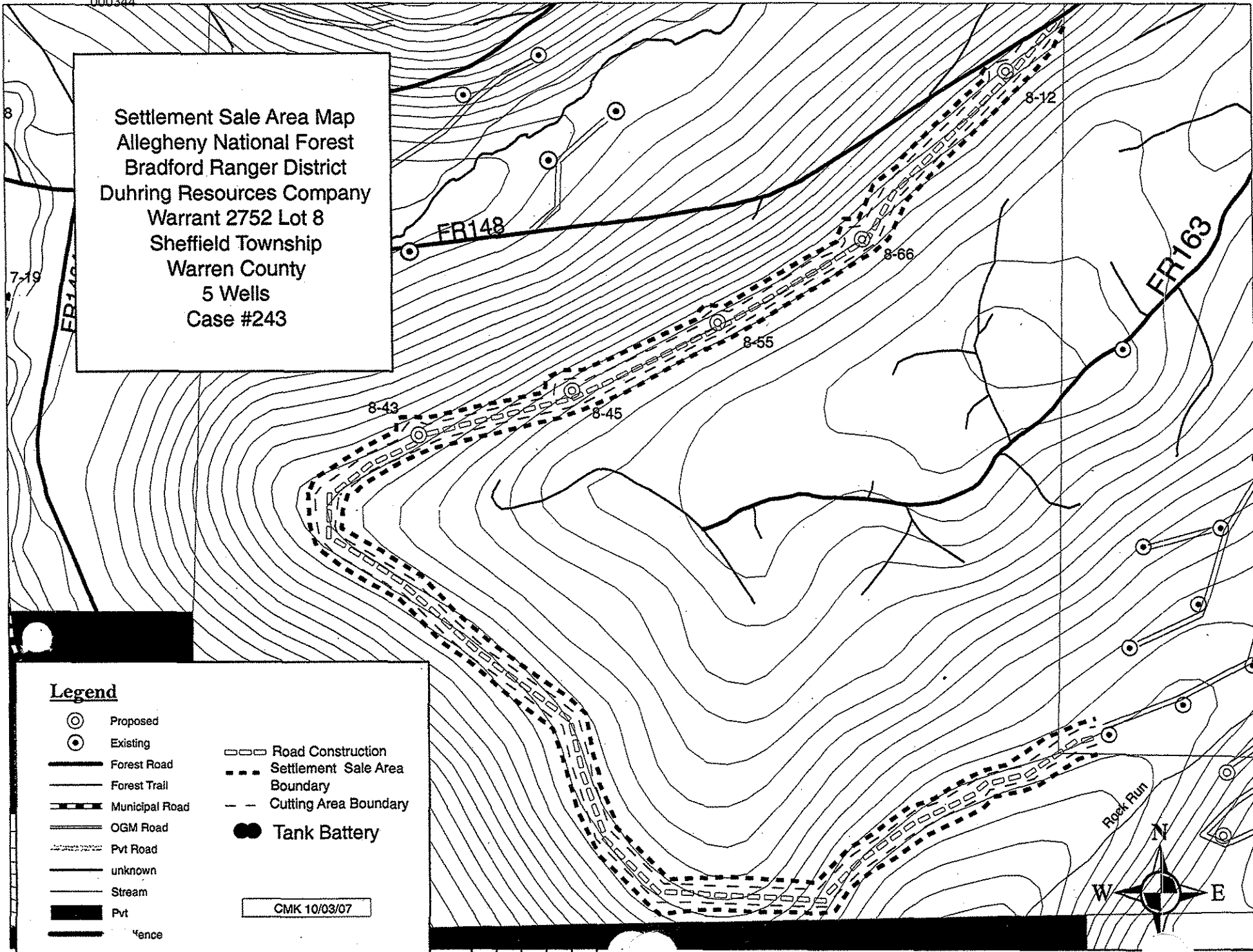
#### I. Permits

1. Commercial Road Use Permits or Commercial Road Maintenance Agreements are required for commercial use of any National Forest System road.

#### J. ATV use on the lease:

1. Public use of ATVs is prohibited on the Allegheny National Forest, with the exception of designated trails. You or your employees will be allowed to use ATVs only as part of the business operations associated with operating your lease. You may operate ATVs on roads and pipelines you have constructed within your lease or on those NFS roads within your lease that are designated for ATV use and only while the lease is under production or operation.
2. Operating ATVs off of these roads and pipelines within your lease is strictly prohibited. Individuals observed operating ATVs off of these roads and pipelines are subject to citation and fine. Evidence that ATVs are being used on your lease off of these roads and pipelines will jeopardize your exception to use ATVs on this and other leases.
3. ATVs are to be utilized in a safe manner. Operators will use basic safety equipment and maintain safe speeds.

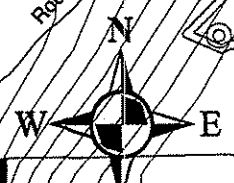
Settlement Sale Area Map  
 Allegheny National Forest  
 Bradford Ranger District  
 Duhring Resources Company  
 Warrant 2752 Lot 8  
 Sheffield Township  
 Warren County  
 5 Wells  
 Case #243



**Legend**

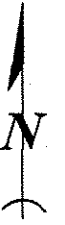
- ⊙ Proposed
- ⊖ Existing
- Forest Road
- Forest Trail
- Municipal Road
- OGM Road
- Pvt Road
- unknown
- Stream
- Pvt
- fence
- Road Construction
- - - Settlement Sale Area Boundary
- . - Cutting Area Boundary
- Tank Battery

CMK 10/03/07



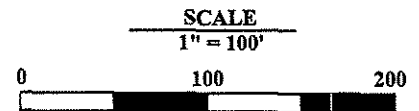
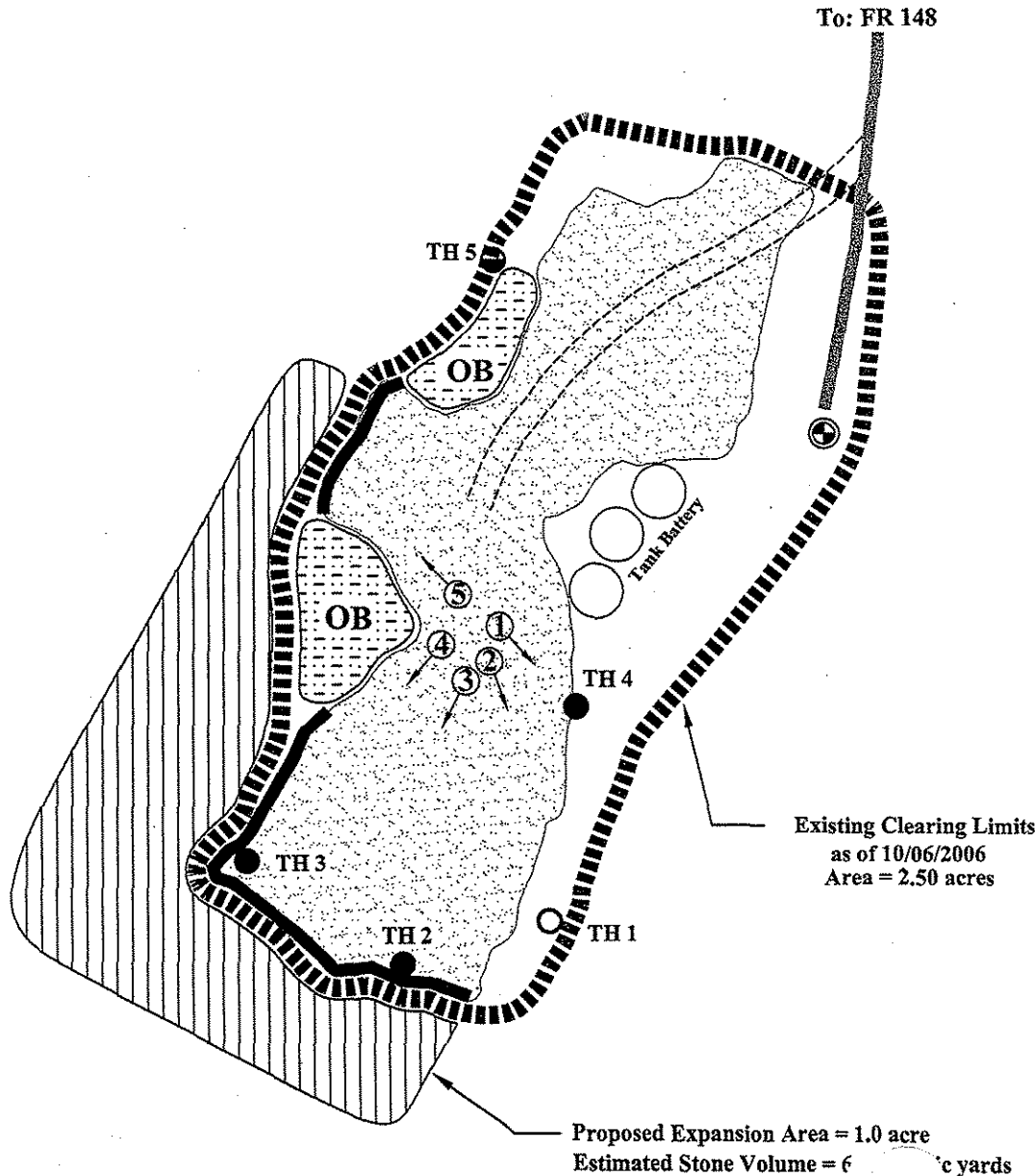
# Pit Development Plan - FR162 PIT

Case # 243, 244, 245 - Duhring Resources - Warrant 2445  
Bradford Ranger District, Sheffield Township, Warren County  
Management Area 3.0



## LEGEND

- Clearing Limits
  - Open Face 4'±
  - Pit Floor
  - Overburden
  - Proposed Expansion
  - OGM Road
  - Pit Access Road
  
  - Good
  - Fair
  - Poor
- Test Hole**
- Existing Well
  - Photo Locations



Date: 08/24/2007

U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE



R9

ALLEGHENY NATIONAL FOREST

08/24/2007

**Pit Location:**

Forest Road 162  
Bradford Ranger District  
Sheffield Township, Warren County  
Warrant# 2445 - Management Area 3.0

**Pit Development Plan for:**

Case # 243, 244, & 245 – Duhring Resources, Inc.

**Pit Overview:**

Current pit size: 2.5 acres.

This pit is currently active. There is approximately 370 lineal feet of open face available for excavation along the southern and western sides of the pit. The face height is approximately 4 to 5 feet. Test holes and GPS mapping was performed on 10/04 and 10/06 of 2004.

**A. Pit Development Plan**

1. The proposed expansion area is identified on the accompanying pit plan map.
2. A test hole data sheet is included in this report.
3. Pit expansion will be implemented by Duhring Resources, Inc.

**B. Initial Development**

1. Pit expansion for this case will be limited to **1.0 acre**.
2. The estimated volume to be extracted is **6,400 cubic yards**.
3. The proposed expansion area is depicted on the attached plan map.
4. All excavation shall be performed within the expansion area limits.

**C. Pit Management Requirements and Constraints**

1. Overburden shall be temporarily stockpiled in zones identified by the Forest Service administrator assigned to this case.
2. Logs, Stumps, and oversized material shall also be stockpiled at the zones designated by the Forest Service administrator. The logs, stumps, and material shall be stockpiled in order to provide adequate access for later utilization or for pit reclamation.
3. Overburden is **not** to be stockpiled **along or beyond the margins of the clearing limits nor at the base of standing timber**.
4. **Only one pit face** is allowed to be opened and worked at any given time in the operation.
5. Subsequent changes in this pit plan due to efficiency, logistics, or unforeseen circumstances *may be permitted only* with the *written approval* of a designated forest service representative.

**D. Timber and Resource Utilization**

1. **Slash** will be scattered outside the clearing limits. **Stumps** will be stockpiled as noted in **D.2.**, above, and set upright for use in subsequent reclamation work.
2. No timber shall be cut or pushed over unless it is marked and tallied by the Forest Service.
3. The roots of boundary trees shall not be undermined through excavation.
4. Excavation will extend no closer than **10 feet** from the marked boundary.

5. **No overburden material shall be stockpiled at the base of standing trees.**
6. **Large boulders** generated through stone processing may be utilized at the lease owners discretion or stockpiled in suitable areas designated by the Forest Service administrator.

**E. Short term pit reclamation**

1. As each open face is depleted or closed, that area will be reclaimed promptly to a slope of **1.5 : 1** or flatter, *using the designated overburden stock piles.*
2. The sloped/reclaimed area will then be promptly seeded, fertilized, and mulched using a non-exotic seed mixture designated by the Forest Service.

**F. Forest Road and Trail Access**

1. You will monitor the condition of any Forest Service roads or trails used for stone haul and *cease* all hauling operations at the first indication that hauling is causing damage to the road (i.e. rutting or potholes deeper than 3" or crushing or blocking of culverts). You will notify the Forest Service Representative assigned to this OGM Case or the Forest District Ranger for assessment of damage and necessary repairs needed.
2. As wells and ancillary facilities are developed off the Forest Service snowmobile trail system, the lease owner will be required to restore it to the previous condition and observe any seasonal traffic and surface requirements imposed during the active use period.

**G. Refer to Test Hole Data Summary Sheet**

# PHOTO LOCATIONS

## FR 162 PIT



VIEW #1



VIEW #2

# PHOTO LOCATIONS

## FR 162 PIT



**VIEW #3**



**VIEW #4**

**PHOTO LOCATIONS**  
**FR 162 PIT**



**VIEW #5**

FR162  
Jeff/Gary 10/04/06

- #1 Overburden
- #2 0-2' Overburden (can rip pit floor)  
2-5' Good stone; size is good **Rating 8.0**
- #3 Same as T.H. #2 – good stone, hit had pan at 3', but can be ripped to a depth of 6'-7'
- #4 Same as #3
- #5 0-1' Overburden  
1'-4' small stone, easy to fracture, will not hold up. **Rating 6.0**

This pit is good for stone; quantity is good with 3 faces open now. With one face having approximately 933 c.y. of stone and 2 more with same amount of stone.

Need to set aside for road work, OGM is all through this area so we need to be looking for oil and gas lines when removing overburden

FR162

Jeff/Gary

10/04/06

- #1 Overburden
- #2 0-2' Overburden (can rip pit floor)  
2-5' Good stone; size is good **Rating 8.0**
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