

SITREP BRIEFING
DUHRING RESOURCES – CUT, SKID & DECK AGREEMENTS
24 July 2008

The following points are summarized from discussion with David Cotterman today, the assigned Sale Administrator, regarding the status of the Duhring Resource OGM developments on both the Bradford and Marienville Ranger Districts, those being Lot 8 and Lot 3672 respectively.

- **Lot 3672 Development – Marienville RD:** Forest Service has acquired one year license to access the decked timber across a private camp property driveway, facilitating the removal of the timber. May need to stone the drive as part of the timber property sale to mitigate tracking mud onto Township Road 327. Road segment in the License is 96 feet in length by 10 feet wide.
- According to Mr. Cotterman, no work has begun on the OGM access road yet in the Lot 3672 development; just the clearing of the R/W by under the Agreement. In addition, Duhring has apparently added a pipeline and 5 more wells to the original development. The District Resource Crew has marked the timber associated with this additional development. Mr. Stewart has told Cotterman that “they are our trees”, interpreted to mean that Duhring is not going to cut, skid, and deck them. In this case we might consider adding them to the Decked Timber Sale Contract, FS-2400-2 as “operational volume”, although it wasn’t indicated how much additional volume was involved.
- **Lot 8 Development – Bradford RD:** Cotterman anticipates that this decked timber may be a “nightmare” to remove due to the fact that Duhring Resources has developed their access road from “in place” material and has not placed any stone to improve surface trafficability. There is potential for damage to the road in Cotterman’s opinion from the removal of the decked timber and possibly associated cost with repair of any damages. At the very least, we’ll have to document the road condition with photographs prior to, during, and at the closure of the timber removal, and possibly utilize one of our Engineering Representatives to monitor for damage during the timber removal.