



United States
Department of
Agriculture

Forest
Service

Allegheny National Forest
Bradford Ranger District

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File Code: 2830-2

Date: July 16, 2007

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

Dear Mr. Stewart,

After our two field meetings on June 21 and 29, 2007, I am writing this letter to summarize our discussions and agreements.

1. On April 3, 2007, the Forest Service wrote objection letters to the PA-DEP on 4 well sites in Lot 7, Warrant 5752. At our field meeting on June 21, 2007, we revisited Wells 7-21 and 7-22 and agreed on specific locations for the wells. In addition, we reviewed the road layout and discussed the importance of road layout and features for protecting wetlands, spring seeps, and other water resources in the area. We agreed that our objection letter on these two adjusted well sites would be rescinded, as long as you agree to incorporate road layout and features identified by the Forest Service to mitigate impacts. It is my expectation that our OGM Administrator, Sheldon Winters, will identify proper road layout and features to mitigate impacts, and that these will be followed when the area is developed. The layout and features will be identified in the Notice to Proceed and Erosion and Sedimentation Control Plan. I will submit a letter to the PA-DEP on this matter.
2. At our field meeting on June 29, 2007, we visited an area on Forest Road 148, where a tank battery site and other features have been developed. In this area, we discussed that road fill had been placed beyond the identified two-stripe boundary, trees had been covered by road fill, and slash was left on site. All of these are considered to be outside of the Operating Plan and Notice to Proceed.

You expressed that the reason for these violations was because you needed more room to operate in the area than what was given by the Forest Service. My response was that although this may be the case, you must work with our OGM Administrators to identify what is necessary for operation, and anything beyond what is identified is in violation of the Operating Plan and Notice to Proceed. I also told you that from this point on, such violations would be cited.

3. At our field meeting on June 29, 2007, we discussed your failure to pay a recent bill for \$6,212.72, which includes cost for commercial road use. You expressed that you were not willing to pay this bill because you allow the Forest Service to use your leased roads for timber sales and other activities without charge. You also mentioned that we have caused damaged to wells and OGM roads in the past that you have not charged us for.



I expressed that I would investigate this specific matter further. To be consistent with our process for road use permits and stone haul for all operators, I have decided that you must pay the bill in full. The bill must be paid in full on or before July 23, 2007, or you must cease to use these roads. If damage to your roads or other facilities has occurred as a result of Forest Service activity, please provide documentation of these damages as well as an estimate for compensation. The Forest Service will reimburse you for such damages. We will continue to charge for road use permits and stone haul, or possibly enter into cooperative road use agreements, as we do with all OGM operators.

4. On June 8, 2007, the Forest Service wrote an objection letter to the PA-DEP on 4 well sites in Lot 9, Warrant 2445. The PA-DEP has notified you and the Forest Service that Wells 26, 27, 29, and 12-2 would not be approved. In response, you agreed that all of these well sites would be dropped, but that you would like to work with the Forest Service to adjust the location of Well 29.

At our field meeting on June 29, 2007, we visited this well site location and agreed on a new location approximately 50' upslope from the previous location. It was agreed that the fill would be placed upslope and we agreed and identified a location below the well site that fill would not exceed. It is important that fill does not go past the location identified downslope to protect the stream below. This is something that I have directed our OGM Administrator, Sheldon Winters, to closely inspect when the site is developed. I will submit a letter to the PA-DEP on this matter.

5. At our field meeting on June 29, 2007, it was discussed that a pipeline was found and that no documentation for this pipeline could be identified. You expressed that Randy Durner and Nathan Welker from the Forest Supervisor's office approved the pipeline and two-stripped the area for removal of timber. After visiting with you, we went to the location of the pipeline and could not find any evidence of the area being marked for timber removal. We are currently working to find the documentation for this site and will get back to you if there are further concerns.
6. At our field meeting on June 29, 2007, you expressed the need for improved communication on Forest Service timber sales in areas where there is OGM development. You gave examples of giving advanced notice to OGM operators, pre-meetings to discuss cooperative use of the area, and coordination on placement of equipment in OGM locations. I will discuss this issue with our Timber Management Officer and have him work on improving our communication with OGM operators in areas where Forest Service timber sales overlap OGM development.

I want to thank you for taking the time to meet with us in the field to discuss these important matters. I believe that the meetings were productive and illustrate that we can work together to achieve beneficial results on the ground. I look forward to working with you in the future in a similar manner. Please remember that OGM procedures for the Bradford District are the same as those for the Marienville District.

If you have further questions or comments, please feel free to give me a call at (814) 362-4613 x 123, or send an email to ascardina@fs.fed.us.

Sincerely,

A handwritten signature in black ink, appearing to read "A. V. Scardina". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

ANTHONY V. SCARDINA
District Ranger