

DUHRING RESOURCE COMPANY

203 Center Street  
P.O. Box 726  
Sheffield, PA 16347

Phone (814) 968-3337

Fax (814) 968-3330

October 29, 2007

Mr. James Campbell  
Allegheny National Forest  
P.O. Box 847  
Warren, PA 16365

RE: OGM 245, Duhring 11-Well Timber Sale (Revised Contract No. 155093)

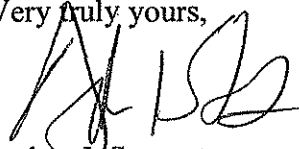
Dear Mr. Campbell:

On October 15, 2007, I returned the executed Timber Contract, for the captioned matter, to Mr. Durner, per your instruction. As of this date, I have not yet received back from the Forest Service a copy of the contract executed by the Forest Service. Therefore, I am unable to submit the timber purchase proceeds and am also unable to proceed with the timber removal.

Timing is critical because Duhring has a drilling obligation concerning this parcel. It is imperative that the signed Contract be returned to me as soon as possible so that Duhring can move forward with this project. In the meantime, my excavating contractor continues to work on a reduced basis because the Forest Service is delaying projects where I had planned for the contractor to do work.

I would appreciate your giving this your earliest possible attention.

Very truly yours,



Arthur J. Stewart

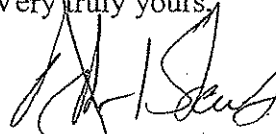
AJS/ame  
cc: Mr. Tony Scardina

What I disagreed with was your next statement, to the effect that you had no options and that your hands were tied. Obviously, you have the option to use the same short-form contract (with modifications) which you signed on September 10, 2007. I understand the reason the long form was sent to me in this case is because the amount of the timber sale is greater (\$48,000 as compared to \$17,000). However, that quantitative difference should make no difference as to the substance of the contract. Whether it is one tree or one thousand, Duhring's relationship with the ANF is the same.

Another alternative would be to utilize the contract which I prepared and sent to the Forest Service over a year ago. A final option would be to go without a contract. If you will review your records, you will see there is precedent for not utilizing a contract inasmuch as that occurred with Duhring within the past two years.

Kindly advise.

Very truly yours,

A handwritten signature in black ink, appearing to read 'AJS', written over a printed name.

Arthur J. Stewart

AJS/ame