



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

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 We agreed that our objection letter on these two adjusted well sites would be rescinded, as long as you agree to incorporate road layout and features identified by the Forest Service to mitigate impacts.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.

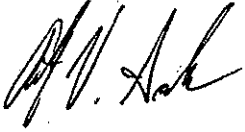
You expressed that the reason for these violations was because you needed more room to operate in the area than what was given by the Forest Service. My response was that although this may be the case, you must work with our OGM Administrators to identify what is necessary for operation, and anything 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.



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 written in a cursive style with a large initial "A" and "S".

ANTHONY V. SCARDINA
District Ranger