

**Duhring Resource Company
7 Branch Street
Warren, PA 16365
814-723-3741**

Plan of Operations for Warrant 3672, Forest County, for the plugging or operation of Wells 3, 10, 6, 8, 9, 1253 and 1247, and the development of roads and locations for Wells 3672-13, 3672-8, 3672-9, 3672-10, 3672-12, 3672-11, 3672-20, 2672-23, 3672-19 and 3672-25

June 4, 2007

Duhring Resource Company (Duhring) is planning to develop its property rights on Warrant 3672, Forest County, Pennsylvania, through the refurbishing of its existing oil and gas wells thereon, through the potential plugging of certain of those wells, and through the development of locations for wells to be drilled. The surface upon Warrant 3672 is owned by the Allegheny National Forest. The oil, gas and minerals situate on Warrant 3672 are Outstanding as that term is utilized in the Forest Service Manual, said oil, gas and minerals having been severed in the conveyance from Webb Horton et al. to Penn Tanning Company, dated April 22, 1893 and recorded at Forest County Deed Book 24 page 301, a copy of which is enclosed for your reference. (The United States of America subsequently obtained title to the surface by deed of Central Pennsylvania Lumber Co. dated April 8, 1924 and recorded at Forest County Deed Book 51 page 580, a copy of which is also enclosed.) Duhring obtained its property rights as to Warrant 3672 via conveyance from Randy Larkin, d/b/a/ Crudeaco, dated December 15, 2006 and recorded at Forest County on December 22, 2006, a copy of which is also enclosed for your reference.

In the context of the conveyance from Randy Larkin, Duhring entered into written agreement with the Pennsylvania Department of Environmental Protection concerning the operation of the existing wells located upon Warrant 3672. In particular Duhring agreed to plug or put to operation the nine (9) existing wells upon Warrant 3672 on or before December 19, 2007. The representative of the Pennsylvania Department of Environmental Protection familiar with the existing wells and the requirements concerning the same is John Thomas, who may be contacted at the office the Pennsylvania Department of Environmental Protection located in Knox, Pennsylvania.

Existing wells 11 and 7 are accessible from Duhring Road and have already been refurbished. Existing wells 3, 10, 6, 8 and 9 are not accessible to equipment. The roads which may have at one time served those five wells are now, for the most part, non-existent. Large trees now occupy former roadways. In many instances the location of the

former roads cannot be discerned. A portion of one former road is too steep to be utilized by heavy equipment. New roads must be constructed in order to provide access so that the equipment necessary to assess the condition of the wells can be brought to each well. Following that assessment the decision to plug or produce will be made. Based on preliminary assessment old wells 9 and 10 appear to be good condition and will likely be refurbished. The condition of the other three wells cannot be ascertained without a service rig.

The road to be built in order to service wells 3, 10, 6, 8 and 9 is as depicted on the enclosed map. A review of that map will show that the five wells are located over a relatively large area including points of both high and low elevation. Since the service road must necessarily be of considerable length, Duhring has elected to develop new well locations in conjunction with the work to be performed upon the old wells. The new well locations have been integrated into the road system for the old wells. The new wells are numbered 3672-13, 3672-8, 3672-9, 3672-10, 3672-12, 3672-11, 3672-20, 2672-23, 3672-19 and 3672-25, and are also depicted upon the attached map. Duhring intends to build those locations in conjunction with the planned road work. However, those locations will not immediately be drilled and instead the locations will be allowed to settle before drilling permits are sought.

In addition to the aforesaid wells there are two additional old wells numbered 1247 and 1253. Those wells are located upon a road which intersects Duhring road approximately 3/10 of a mile south of well 1247. These two wells have been refurbished. However, the existing road south of well 1247 is in extremely poor condition and wends its way between two immovable rocks which will not accommodate the length of certain of Duhring's equipment. With less disturbance than would be required to widen and stone the 3/10 mile road, wells 1247 and 1253 can, instead, be accessed by constructing a short connection between the road system for the other old wells and the existing portion of the road connecting wells 1247 and 1253. That connection is also depicted upon the attached map. The connection between the two road systems is also necessary for the connection of the new oil pipeline system discussed below.

Oil and gas from the existing wells is currently collected by steel oil and gas lines located upon the surface. The existing gas line may have sufficient integrity to be utilized. However, Duhring is not sufficiently confident of the integrity of the oil line to utilize the same, and accordingly Duhring will be placing new lines in the roadways to be constructed. The roadways are designed to move steadily downhill so that oil collection valleys are minimized. A new tank battery will be constructed southwest of well 3672-13. A routing for a gas pipeline exiting that tank battery and proceeding south, adjacent to Duhring Road, will have to be located. Duhring hopes to do this in conjunction with Forest Service personnel so that a route involving minimal tree removal can be located. However, there are numerous trees in that area; accordingly Duhring may lay a temporary line until such time as Duhring develops additional wells adjacent to Duhring Road (with the roadway for those wells serving as the permanent pipeline location) or alternatively Duhring would be willing to develop the road for those additional wells at this time. This can be determined after consultation with Forest Service personnel. The purpose of the

pipeline is to connect the flow of gas from the wells to the natural gas sales pipeline which traverses Warrant 3672.

The roads, locations, and support structures will be constructed according to the typical specifications for oil and gas development as provided by the Pennsylvania Department of Environmental Protection publication #550-0300-001, the Oil and Gas Operators Manual, and the Soil Erosion and Sediment Control Plan as prepared by Hampson Surveying, June, 2007. All operations will be performed to limit erosion and sedimentation, and impact upon the land.

Construction of the roads, tank battery and well locations will utilize a mineral pit to be developed upon the parcel. Based upon preliminary examination Duhring believes minerals necessary for the road and other construction may be located in the area between wells 3672-20 and 3672-23. As in the past Duhring will bring in heavy equipment to dig test pits and consult with Forest Service personnel as to the results found. Assuming appropriate stone is found at that location the mineral pit will be developed for Duhring's use.

The date of commencement of operations for the work referenced herein will be 60 days from the date of the ANF's receipt of this plan of operations. Concerning that date your attention is directed to the document entitled "SURFACE OWNER NOTIFICATION" also enclosed herein. The SURFACE OWNER NOTIFICATION sets forth Duhring's intentions and expectations concerning ANF response dates and related items. Additionally Duhring is ready to meet before the expiration of the 60 days in order to review the location for the gas pipeline discussed above and to conduct the test digging for minerals.

Enclosed are the following:

1. Proof of Ownership
2. Location Map
3. Site Map
4. Designated Field Representative
5. Erosion and Sediment Control Plan
6. Surface Owner Notification