

DUHRING RESOURCE COMPANY

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November 1, 2007

SENT BY FACSIMILE & FIRST CLASS MAIL

Mr. Lauren Miles
United States Forest Service
HC-2, P.O. Box 130
Marienville, PA 16239

RE: Warrant 3672

Dear Lauren:

I write in follow up to your telephone call of last week. Among other things, you requested permission for the Forest Service to remove the three tripods which are in the path of the proposed work by Duhring. Please accept this letter as your written permission to remove those tripods.

Also during the telephone call, you indicated the Forest Service had arrived at the decision that it would not pay for transport of stone from the pit on F.R. 403 to Duhring's project on Warrant 3672. You did indicate, however, that 5,000 cubic yards of material is currently available at the F.R. 403 pit.

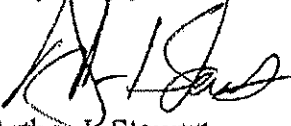
As you know, from the calculations made by you and Hunter, 5,000 cubic yards is not enough stone to complete Duhring's project. There is an adequate amount of stone on Warrant 3672. Concerning that stone on Warrant 3672, you indicated that Mr. Fallon had asked you to communicate to me, that if Duhring wanted to utilize the stone on Warrant 3672, it remained Mr. Fallon's position that the Forest Service would have to go through the NEPA process, that the NEPA process would take a minimum of 150 days, and that Mr. Fallon could not guarantee the outcome of that process.

Next you asked if I could give any indication as to what Duhring's intentions were with respect to stone (403 v. Warrant 3672). You also indicated that Mr. Fallon would be following up your telephone call with a letter to Duhring.

Please let this letter confirm our understanding that Mr. Fallon will be sending a letter to Duhring. As we discussed on the telephone, Duhring can only make a decision with permission/input from the DEP. I will need to know the details of Mr. Fallon's final position, in writing, so that I can forward that position to the DEP.

After your telephone call, I spoke to John Thomas at the DEP and told him that a Forest Service letter was forthcoming. He advised me that the DEP decision would have to be made at Meadville. I would appreciate Mr. Fallon's sending the letter at the earliest possible date since the discussions at Meadville will obviously take some additional time.

Very truly yours,



Arthur J. Stewart

AJS/ame

c: Mr. John Thomas

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FACSIMILE TRANSMISSION

TO: Lauren Miles

FROM: Arthur Stewart

DATE: November 9, 2007

TOTAL NUMBER OF PAGES, INCLUDING COVER SHEET: 3