

DUHRING RESOURCE COMPANY

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October 16, 2007

Mr. Robert T. Fallon
Allegheny National Forest
Marienville Ranger District
HC 2, Box 1130
Marienville, PA 16239

RE: Warrant 3672

Dear Mr. Fallon:

I am writing this letter at the request of Mr. Lauren Miles. As you know, I met with you, Lauren, and several other members of your staff on Thursday, October 11, 2007, at Warrant 3672, for the purpose of digging test holes to locate stone. After you left the meeting, we dug 14 holes and were successful in locating stone at the last three. However, there was insufficient time left in the day to dig enough holes to establish the boundaries of the stone. Both of your employees, Lauren and Hunter, volunteered to change their schedules in order to come back the next day to finish the job while Duhring's excavator was still on site. In fact, I believe Lauren gave up some planned vacation time in order to accommodate Duhring. On behalf of Duhring, I want to express my appreciation to both Lauren and Hunter for their consideration.

Also, I want to thank Lauren for resolving one of the Forest Service issues that is, apparently, holding up this project. As you know, two of the staff members that you had in attendance on October 11 were the ANF's archeologist and wildlife biologist. At the beginning of the meeting on October 11, you asked me to meet with them to address any remaining concerns they had.

After you left, Lauren informed me that the archeologist and biologist had a concern regarding a particular road location and that we should meet, sometime during the day, to address that concern. However, during the course of the day, I was busy operating the excavator. At the end of the day, Lauren advised me that as I had been moving the excavator about the property, and digging holes, Mr. Miles had met with the biologist and archeologist at the area of their mutual concern. Mr. Miles advised that, in particular, they were

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concerned about making better use of "existing corridors" so as to not disturb surface areas unnecessarily. Lauren reported that after meeting with the biologist and archeologist, it was the agreement of the three of your staff that the existing corridor area the biologist and archeologist had hoped could be utilized would not, in fact, serve the development proposed by Duhring.

Accordingly, Lauren advised that, from the ANF's perspective, the concerns of the biologist and archeologist as to the "existing corridor" issue was resolved. Frankly, I did not know about that issue until that day. However, I appreciated the fact that Lauren was able to address and resolve the issue without interrupting the digging and stone examination I was performing with Hunter.

At the conclusion of the meetings on both October 11 and October 12, Lauren approached me about one remaining issue, namely, the archeologist's concerns about the tripods. Specifically, Lauren inquired about what plans Duhring had, if any, for the preservation of the tripods. Lauren expressed a hope that Duhring would preserve these items and that I would express that commitment to you.

At the end of the meeting on Friday, October 12, I gave Lauren my promise that I would send you a letter addressing the archeologist's concerns. I have revisited this issue with my partner. We still conclude that it is silly to worry about the tripods. Thousands of them are scattered around the countryside, and they can be replicated in five minutes by using old scrap tubing.

While we mean no disrespect to your archeologist's intentions, it seems grossly out of balance for this project to continue to be delayed by the ANF's concerns over these tripods. They are neither unique nor valuable. On the other side of the scale, the consequences of the delay are much more serious. The DEP has identified environmental concerns and as a remedy wants the old wells examined and cared for, either by plugging or being brought to production. And, every day of delay is another day where Duhring's investment into the property sees no economic return.

Duhring has already given permission to the Forest Service for the Forest Service to take whatever steps it desires to protect the tripods that would be impacted by Duhring's development. That is as far as Duhring is willing to go with respect to the tripods. Permit me to ask, rhetorically, what good would be served by Duhring's protecting the tripods since Duhring has no intention of ever refurbishing or using those tripods?

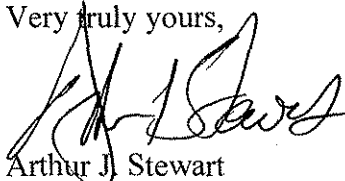
Again, with no disrespect intended to your archeologist, Duhring simply does not understand the sensibility of what is being requested of it. I know that I sound like a broken record, but I stress again, that the delay is causing economic loss to Duhring. We probably need eight weeks of good weather in order to remove the timber and build the roads into the old wells. Unfortunately, we are now entering the bad weather season, and my contractor is still working at a reduced capacity, in Warren County, because the Forest Service projects there

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are also delayed. I do not believe Duhring can now meet the December 19 DEP deadline; however, we need to make our best effort.

I respectfully ask you to reconsider your decision to delay this project. I do not believe there is any valid reason why the timber could not have been removed two months ago so that we could have had all of the dirt moved by this time. More delay just worsens the problem.

Very truly yours,



Arthur J. Stewart

AJS/ame
c: Mr. John Thomas, DEP

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