



United States
Department of
Agriculture

Forest
Service

Allegheny National Forest
Marienville Ranger District

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Marienville, PA 16239
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File Code: 2830

Date: November 9, 2007

Arthur Stewart
Duhring Resource Company
203 Center Street
PO Box 726
Sheffield, PA 16347

Dear Mr. Stewart,

I am writing in response to your request for a written statement of my determination on the availability of stone for your project on Warrant 3672 in Jenks Township of Forest County (OGM Case 595).

First, please note that, due to an injury that will limit his mobility for the next several months, Lauren Miles will not be able to continue as the Forest Service Representative for Case 595. Your new Forest Service Representative, effective immediately, is Mike Lewis, Oil and Gas Administrator on the Marienville Ranger District. Mike can be reached at 814-927-5738.

As you noted in your letter of November 1, 2007, Forest Supervisor Morse determined that the USDA-Forest Service will not, under any circumstances, pay for hauling costs to move stone from the FR 403 pit to your proposed development on Warrant 3672.

As previously discussed, we will make an area 0.8-acre in size available to you in the FR 403 pit for excavation and removal of stone. Development of this pit was approved in the Record of Decision for the Spring Creek Environmental Impact Statement. Prior to removal of any material, the FR 403 pit will require testing to determine the location and extent of usable stone surfacing material, and preparation of a pit development plan. Once you have notified me that you wish to utilize the FR 403 pit as a source of stone surfacing material, we can initiate the process. The amount of time will depend on when you can provide an excavator to test the pit.

To initiate the pit development process will require the following steps:

- 1) You will need to provide an excavator to test the FR 403 pit to determine the presence and extent of usable material within a 0.8-acre expansion. Notify Mike Lewis at your earliest convenience to arrange a date to do this testing. We will have an engineer available to work with you.
- 2) Once you and the Forest Service engineer have determined that suitable stone is available and how best to develop the 0.8-acre expansion, we will need 5 days to prepare a pit development plan. This plan will include the area and depth of excavation, estimated quantity, locations for placing stumps, slash, oversized material, topsoil and overburden, operating conditions, and a reclamation plan and timeline.



You also have the option of securing suitable stone surfacing material from a private or commercial source. This would be the most expeditious of the options available to you.

On November 2, 2007, you were mailed a Timber Sale Settlement Contract for your proposed development on Warrant 3672. Once you have signed and returned the contract, it has been signed and approved by the Contracting Officer, and we have received proof of payment; we can issue you a Payment Unit Release and Notice to Proceed for the timber sale portion of your operation. Following a pre-work meeting with Mike Lewis to review the contract requirements, you can commence with harvest of the timber.

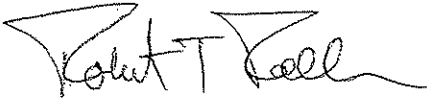
We will not be able to send you a Commercial Road Use Permit until we have confirmation of your stone source and haul route. Once this has been confirmed, we can send you the permit; and, upon receipt of payment, we can issue you a Notice to Proceed for the remainder of your proposed surface development. If the FR 403 pit is your source, the pit development plan would have to be completed prior to issuing a Notice to Proceed.

As stated in your 11/01 letter, you can only make a decision regarding your proposed development with permission/input from the DEP. I am aware of the December deadline you face for plugging wells within Warrant 3672. If I can be of any assistance in your communication with the DEP Meadville office; please let me know, and I will gladly provide information or explanation, either through you or directly to DEP, as you wish.

And one last note; thank you for your permission to remove the three tripods from Warrant 3672. The Forest Service intends to utilize these tripods in a proposed restoration of an old powerhouse that could serve as an interpretive display for the public.

If you have any questions or wish to speak with me directly, feel free to contact me at 814-927-5799 or 603-393-8769 (cell). Otherwise, you should work through Mike Lewis.

Sincerely,



ROBERT T. FALLON
District Ranger