

DUHRING RESOURCE COMPANY

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October 29, 2008

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. Anthony Scardina
Allegheny National Forest
Bradford Ranger District
29 Forest Service Drive
Bradford, PA 16701

RE: Updates for Projects on Lots 8, 9 and 434

Dear Mr. Scardina:

I wonder if you could provide an update for the following projects:

1. Lot 9 - Wells D-35 through 42: Sheldon Winters and I viewed all of these well locations and roads on July 15, 2008. Sheldon felt that from his engineering perspective, these wells and locations were satisfactory. Thereafter on September 16, 2008, Sheldon, Jack McLaughlin and I two-striped these wells. Sheldon thought other ANF staff would be addressing the timber shortly. Since September 16, 2008, I have not heard anything further.

*- wells OK
- RUP*

2. Lot 8 - Wells 79, 86, 87, 88 and 89: Sheldon and I also walked these locations on July 15, 2008. As with the others, Sheldon felt these wells and locations were satisfactory. Before the September 16, 2008, meeting, however, Sheldon indicated that other ANF staff had concerns as to certain of the wells. On September 16, Sheldon, Jack and I walked the five wells and potential road locations. Sheldon expressed that the concern revolved around proximity to the North Country Trail. We looked at several adaptations including significant changes to road locations and well location layout. We then two-striped all of the wells except No. 86. With respect to Well 86, Sheldon was going to refer the suggestions back to you. Duhring has not heard anything further about this five-well package.

- LETTER

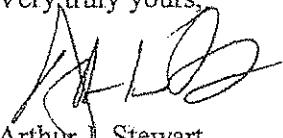
- RUP

207, 2010, 2011

-WELLS OK
-RUP

3. Lot 434 - Wells 7 through 11: I don't believe Sheldon has had time to get to this well package yet. Nevertheless, like the others, we would like to see this project underway. Your attention to this would be appreciated.

Very truly yours,



Arthur J. Stewart

AJS/ame