

SURFACE OWNER NOTIFICATION

From: Duhring Resource Company
To: USDA Allegheny National Forest

This surface owner notification is being submitted in accordance with the law of the Commonwealth of Pennsylvania, and the decision of the United States District Court for the Western District of Pennsylvania in the matter of United States of America v. Minard Run Oil Company, Civil Action No. 80-129 Erie, as the same is referenced and incorporated in the Allegheny National Forest Handbook For Oil & Gas Administration.

Duhring Resource Company (hereinafter Duhring) is planning development activity of oil and gas property rights owned by Duhring. The development activity is planned to occur at locations where the U.S. Forest Service Allegheny National Forest (ANF) enjoys co-ownership of the property. Specifically, the ANF owns rights as to the surface; Duhring's planned activity will include disturbance of those ANF surface rights.

For business planning purposes and the commitment of both financial and physical resources Duhring's activity is scheduled to proceed no later than the 61st day following your receipt of this notification. For all purposes the date of receipt will be the date that a postal delivery service reports delivery of the notification at the ANF Office mailing address. Please be advised that your processing time for all purposes must be reasonable, expeditious, and as brief as possible.

In the event that you have concerns, questions, or objections as to any aspect of the attached plan of operations you are directed to contact either of Duhring's field representatives: Arthur J. Stewart or Steven E. Tachoir (814-968-3337). However, if in the posing of any objection, the ANF intends to proceed "as a sovereign in regulating the use of the surface for the purpose of the Allegheny National Forest" (as that quoted phrase is utilized in the Minard Run decision) then you are directed to contact only Arthur J Stewart. In all events, any such concerns, questions, or objections must be expeditiously communicated to Duhring so that the 60-day time period for commencing operations is satisfied.

In that regard, Duhring does not recognize ANF staffing inefficiencies, ANF's desire for archeological or similar studies, or other requirements or difficulties unique to the desires or limitations of ANF staff, as valid reasons to delay Duhring's access to its rights outlined above. Instead Duhring expects the ANF to act consistently with its obligations as the owner of the subservient tenement and in recognition of Duhring's right as owner of the dominant tenement. Consistent with that expectation will be the expectation that the ANF act within a reasonable time frame (which Duhring understands to be no longer than the 60 day period identified in the Minard Run decision and which has been adopted by the ANF as its "standard operating procedure"). Failure to complete processing of this notification reasonably or expeditiously, and in all cases after the passage of 60 days, will be considered an unlawful denial of and interference with Duhring's right to access and develop its property rights as outlined above.

Duhring does not recognize any authority in the ANF to regulate reserved mineral estates other than to the extent that such regulations are contained in the deeds from the owners who conveyed the surface estates (and then only to the extent they affect the estates of interests reserved by those owners). Duhring does not recognize any authority in the ANF to regulate outstanding mineral estates other than to the extent such regulatory rights are contained in the deeds of severance creating the outstanding mineral estates. Duhring's acquiescence in signing documents such as road use permits and timber contracts for the purpose of accessing or developing Duhring's estates, or the payment for items such as the cutting, skidding and decking of timber or unilaterally determined maintenance fees insisted upon by the ANF, is done under duress and protest. Such actions on the part of Duhring do not constitute a waiver of Duhring's property rights nor recognition that the ANF possesses regulatory or other rights different than as set forth in law.

003014



7005 1820 0005 0601 0036



0000



16239

U.S. POSTAGE
PAID
WARREN, PA
16365
MAY 10, 08
AMOUNT

\$7.13

00030178-14

FIRST CLASS

Mr. Lauren Miles
Marienville Ranger District
Star Route 2, Box 130
Marienville, PA 16239

**RETURN RECEIPT
REQUESTED**

Mike - Head
Dept for Technology
inside SRS,
LM

512



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

LANDOWNER NOTIFICATION OF WELL DRILLING OR ALTERATIONS WATER SUPPLY PROTECTION

The Oil and Gas Act, Act of December 19, 1984, No. 223, Section 208 provides certain protections to public or private water supplies. This notice is to provide you with a summary of your rights under Section 208.

1. The Oil and Gas Act states that an oil or gas well operator who pollutes or diminishes a public or private water supply shall restore or replace the water supply with an alternate source of water adequate in quantity or quality for the purposes served by the supply.
2. Any landowner or water purveyor whose water supply is polluted or diminished as a result of the drilling, alteration or operation of an oil or gas well may submit notice and request that the Department of Environmental Protection conduct an investigation. Within 45 days of the request, the Department will make a determination. If the Department finds that pollution or diminution was caused by the drilling, alteration or operation activities or if it presumes the well operator responsible for pollution, then it will issue such orders as are necessary to assure restoration or replacement of the water supply.

The following information is to be provided when filing notice and requesting an investigation:

- a) The name, address, and telephone number of the surface landowner or water purveyor requesting the investigation;
 - b) The type, location and use of the water supply;
 - c) Any available background quality and quantity data regarding the water supply;
 - d) Well depth, pump setting and water level, if known; and
 - e) Description of the pollution or diminution.
3. The Act establishes a legal presumption that a well operator is responsible for the pollution of a water supply that is within 1,000 feet of the oil or gas well if the pollution occurred within 6 months of completion of drilling or alteration of the well. The well operator may rebut or disprove this presumption by proving one of the following five defenses:
 - a) The pollution existed prior to the drilling or alteration activity as determined by a pre-drilling or pre-alteration survey.
 - b) The landowner or water purveyor refused to allow the operator access to conduct a pre-drilling or pre-alteration survey.
 - c) The water supply is not within 1,000 feet of the well.
 - d) The pollution occurred more than 6 months after completion of drilling or alteration activities.
 - e) The pollution occurred as a result of some cause other than the drilling or alteration activity.

Well operators electing to preserve their defenses under (a) and (b) above must retain the services of an independent certified laboratory to conduct the pre-drilling or pre-alteration survey of water supplies. If requested by the Department, copies of the results are to be given to the Department and the landowner or water purveyor. If the applicant for a well permit does not conduct a pre-drilling or pre-alteration survey, you may wish to have such a survey done in order to support any future claims you may have that your water supply has been diminished or polluted.

OBJECTION TO WELL PERMIT APPLICATION

When a well is located on a tract whose surface is owned by a person other than the well operator, the surface landowner has the right to file objections with the Department pursuant to Section 202 on the following bases:

- a) The information on the application is untrue in any material respect,
- b) The well location is within 200 feet measure horizontally from any existing building or existing water well and the owner thereof has not given his written consent and the operator has not been granted a variance,
- c) The well site is within 100 feet measured horizontally from a stream, spring or body of water as identified on the most current 7½ minute topographic quadrangle map and the operator does not have a waiver, or the well site is within 100 feet of any wetland greater than one acre in size and the operator does not have a waiver, or
- d) The well location violates Section 205 of The Oil and Gas Act.

Any objections and request for a conference must be filed within 15 days of receipt of the plat by the surface landowner and contain the following information:

- a) The name, address and telephone number of the person submitting the objection;
 - b) The name of the well operator, and the farm name and number of the proposed well; and
- A statement of the objection and a request for a conference, if a conference is being requested.

DEP Regional Offices
to contact:

Dept. of Environmental Protection
NW Regional Office - Oil & Gas Mgmt
230 Chestnut Street
Meadville, PA 16335-3481
Phone: 814-332-6860 Fax: 814-332-6121

Dept. of Environmental Protection
SW Regional Office - Oil & Gas Mgmt
400 Waterfront Drive
Pittsburgh, PA 15222-4745
Phone: 412-442-4024 Fax: 412-442-4328