

APPENDIX A SUPPLEMENTAL CORRESPONDENCE

This appendix contains copies of project-specific correspondence submitted to OEA after issuance of the DEIS. Specifically, it contains copies of RRLLC's October 5, 2010 correspondence which describes its planned development of a waste-to-ethanol facility and RJCP's November 17, 2010 correspondence informing OEA of its intention to provide outbound transport of that ethanol over the proposed rail line. This appendix also includes a project support letter from Williams Production Appalachia LLC (i.e., the entity that has succeeded Rex Energy Corporation in the planned natural gas drilling operations on the RRLLC property) and RRLLC's submittal of Snow Shoe Township's Conditional Use Approval of HRI, Inc.'s proposed quarry.



October 5, 2010

Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

Attention: Danielle Gosselin
Section of Environmental Analysis

RE: Environmental Filing FD 35116

Ms. Gosselin:

Per your request, the following information will update the proposed uses and overall direction for the Resource Recovery project located in Centre County, Pennsylvania.

Since the inception of our initial project planning in 2003, many changes have taken place due to major technological advances in the waste-to-energy field, most notably with the creation of the waste-to-ethanol process. Resource Recovery entered into agreement with a major bio-ethanol company to build and operate a production plant that will literally utilize municipal solid waste to manufacture fuel-grade ethanol.

Therefore, our approach for the project will be geared toward the transportation of waste, via rail, to the ethanol facility. Additionally, the rail will then transport ethanol by tanker car from the Resource Recovery project. Not only will the rail service allow us to keep large trucks off the highways, it will allow for a much more dependable delivery of the waste material.

Due to the major development of the waste-to-ethanol component, our need for a larger sized landfill has decreased. Once the waste has been processed through the ethanol facility, the volume of material will be reduced by 80 percent. Therefore, only 20 percent of the waste material received at the project site will ultimately enter the landfill, which allows for a smaller landfill operation than was originally planned.

The quarry component of the project continues to move forward with an adjustment of location arising from the development of a higher yield for aggregate on the project site. The quarry operator has changed to HRI, Inc. and they are eager to development this component of the project.

DANIELLE GOSSELIN
SURFACE TRANSPORTATION BOARD

RESOURCE RECOVERY LLC
OCTOBER 5, 2010

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Since the beginning of our project, there has been tremendous progress within the energy industry with the development of Marcellus Shale drilling and exploration. After our initial gas lease agreement with Rex Energy, we have now developed a relationship with Williams-Exploration and Production, as they move into the drilling phase of the gas field development on our property.

Recent conversations have prompted Williams to inquire about the transporting of their well drilling materials, pipeline materials, well fracturing sand and other materials associated with gas well development throughout the region. This certainly adds another component use to the rail reinstatement interest.

With the development of the Marcellus Shale region, gas drilling companies will have a need for the transport of raw water used in the well fracturing phase of the gas well process as well as processed water transport and treatment. The permitting and construction of a permanent water treatment facility previously listed under Rex Energy will now be handled and managed by Keystone Clearwater Solutions, who is currently serving gas companies throughout the Marcellus Shale region with their raw water transport and portable treatment. Keystone is also exploring what opportunities will be developed in raw water transport from the site and delivery of fracturing water to the permanent treatment facility on the project site by rail service.

As you can see our project has transformed over time. The development of additional rail uses have significantly increased and with the technological breakthroughs taking place we have enhanced the opportunities available for our project.

Should you have any questions or require any additional information, please contact me at (717) 285-2020.

Sincerely,

RESOURCE RECOVERY LLC

TROY ABEL
Vice President

CC: Kevin Slamer, Skelly and Loy, Inc.
Rush Township



BABST | CALLAND | CLEMENTS | ZOMNIR
A PROFESSIONAL CORPORATION

MATTHEW I. MOSES
Attorney at Law
T 412.394.5624
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November 9, 2010

VIA FEDERAL EXPRESS

Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Attention: Danielle Gosselin
Section of Environmental Analysis
Environmental Filing FD 35116

**RE: Reactivation of Beech Creek Railroad;
 Decision ID No. 40943; Docket No. FD 35116;
 R.J. Corman Railroad Company/Pennsylvania Lines Inc.;
 Construction and Operation Exemption;
 Clearfield and Centre Counties, Pennsylvania**

Dear Ms. Gosselin:

At the request of our client Williams Production Appalachia LLC ("Williams"), this letter is respectfully submitted to the Surface Transportation Board (the "Board") in the above-referenced docket to (i) inform the Board that Williams has succeeded Rex Energy I, LLC as operator on its Resource Recovery, LLC leasehold in Centre County, Pennsylvania, and (ii) provide comments on behalf of Williams with respect to the Draft Environmental Impact Statement (the "Draft EIS") issued by the Board's Section of Environmental Analysis on July 23, 2010 in that docket.

Williams is actively exploring for and producing natural gas from the Marcellus Shale in Central Pennsylvania and is currently conducting exploration activities on the Resource Recovery, LLC leasehold.

(B057296.1)

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Danielle Gosselin
Surface Transportation Board
November 9, 2010
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Williams' interest in the restoration of rail service to that area stems from its need for drilling equipment and bulk materials, such as pipe, to be transported into the area for its operations, and its view that rail would be a beneficial means of doing so.

Williams agrees with the view, expressed in the Draft EIS, that rail service would help reduce vehicle traffic and emissions for the operations discussed in the Draft EIS, including those of Williams. Specifically, Williams agrees that "[w]hen analyzing the potential for community disruption, both the Proposed Action and the Modified Proposed Action would be more preferable from an environmental justice perspective than the Local Road System Upgrade alternative and its associated increase in truck traffic on local roadways." Draft EIS, p. ES-17. See also Draft EIS, p.p. ES-26, 2-21 and 4-3, and Section 4.1.2. Williams also agrees that "the estimated annual emissions from the Local Road System Upgrade alternative would be significantly higher than that of the proposed rail line due to the lower fuel efficiency of trucks as compared to rail." Draft EIS, p.p. ES-14 and 4-23.

Williams anticipates having a long term presence in the area and appreciates this opportunity to address the benefits of rail service restoration to an area of its operations.

BABST, CALLAND, CLEMENTS
AND ZOMNIR, P.C.

Matthew I. Moses

MM/klr

cc: Dean Tinsley, E&P District Manager, Williams Production Appalachia LLC
 F. Scott Hodges, Director Land, Rex Energy I, LLC
 E.B. Abel, Jr., President, Resource Recovery, LLC
 Kevin Starnet, CEP, Skelly and Loy Inc.

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FLETCHER & SIPPEL LLC

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November 17, 2010

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FLETCHER & SIPPEL LLC

Danielle C. Gosselin, Esq.
November 17, 2010
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Danielle C. Gosselin, Esq.
Attorney-Advisor
Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: R.J. Corman Railroad/ Pennsylvania Lines, Inc. — Construction &
Operation Exemption—Clearfield and Centre Counties, PA
F.D. No 35116

Dear Ms. Gosselin:

I am writing in reference to the recent announcement by Resource Recoveries, LLC that it has changed the anticipated mode of operating one of the facilities that will be served by the reactivation of the Beech Creek branch line that is the subject of this proceeding.

We understand that Resource Recoveries, LLC now plans to use a biological process at the Gorton facility that will convert some of the waste hauled to the site into ethanol that will be shipped out by rail. Specifically, we understand that use of this new eco-friendly process could result in as much as 5 cars of ethanol per day when the facility is at maximum production.

This will confirm that R.J. Corman Railroad/Pennsylvania Lines, Inc. ("RJCP") can and will be pleased to handle such outbound shipments from the facility if this technology is implemented. RJCP already moves 20 to 30 carloads of ethanol per month over its line between an existing ethanol plant at Clearfield and the NS interchange at Keating, PA. Accordingly, RJCP already has a Hazardous Material Transportation Security Plan that includes all the employee background, training, emergency response and communication elements required by applicable regulations. Accordingly, transportation of additional ethanol can be easily accommodated by the railroad.

The RJCP plan for operating the Beech Creek branch line will not change by virtue of the addition of up to 5 ethanol cars on the single train daily service over the branch. FRA regulations require ethanol cars be placed more than 5 cars from the locomotive, so those cars would generally be placed at the end of each train.

If you have any other questions or concerns, please contact me.

Very truly yours,



Ronald A. Lane

RAL:dg



December 1, 2010

Surface Transportation Board
395 E. Street, SW
Washington, DC 20423

Attention: Danielle Gosselin
Section of Environmental Analysis
Environmental Filing FD 35116

RE: Conditional Use Approval for Quarry

Dear Ms. Gosselin:

Enclosed please find a copy of the "Conditional Use Approval" from the Snow Shoe Township Supervisors granting conditional use approval to HRI, Inc. for the construction of a quarry located on lands owned by Resource Recovery, LLC.

Should you have any questions please do not hesitate to contact me at the number below.

Sincerely,

RESOURCE RECOVERY, LLC


TROY E. ABEL
Vice President

CC: **Kevin Stamer**
Skelly and Loy
449 Eisenhower Boulevard
Suite 300
Harrisburg, PA 17111-2302

CONDITIONAL USE APPROVAL

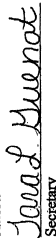
On November 1, 2010, following a public hearing, the Snow Shoe Township Supervisors voted to grant conditional use approval to HRI, Inc for the construction of a quarry located on lands owned by Resource Recovery, LLC, Tax Parcel No. 02-010-.001-.0000, West of Gorton Road.

The approval is granted subject to the following conditions:

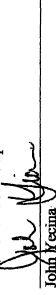
1. The applicant obtain all State and Federal permits.
2. The quarry area be limited to 44 acres as depicted on the application.
3. The applicant take reasonable steps to develop an alternate access route to avoid the use of Gorton Road inside the town of Moshannon, with this alternate route to be used within four years, if possible.

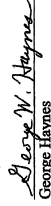
Conditional approval granted by the two supervisors present:

Attest:


Sarah Duenot
Secretary

Snow Shoe Township


John Kenna


George Haynes

Not Present
Rodney Preslovich

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