

THE PACIFIC LUMBER COMPANY
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January 23, 2007

Amanda Wheeland, Enforcement Attorney
Office of the General Counsel, SW Regional Office
United States Department of Commerce
National Oceanic & Atmospheric Administration
501 West Ocean Boulevard, Suite 4470
Long Beach, CA 90802-4213

RE: NOAA Case SW060036A
(Notice of Violation to The Pacific Lumber Company, Scotia, CA)

Dear Ms. Wheeland:

We last wrote in connection with the above on January 11, 2007, proposing the basis upon which the above entitled matter -- a claim of violation and an assessment of civil liability for alleged violation of the endangered species act -- may be negotiated or compromised.

Since that time, we have availed ourselves of the protection of Chapter 11 reorganization and herewith provide notice of the automatic stay which effectively prohibits commencement or continuation of any such proceedings.

A copy of the appropriate notice is attached hereto.

Notwithstanding the legal bar to formal civil administrative proceedings, we would still be interested in the informal consideration addressed in our last letter to you.

We look forward to hearing from you at your first convenience.

Very truly yours,



Frank Shaw Bacik
Vice President & General Counsel
The Pacific Lumber Company

FSB/tq
Enclosure

Before the Administrative Law Judge as Assigned

In Re Notice of Violation of Endangered
Species Act of 1973 (NOVA) Assessment
of Civil Liability

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NOAA Case No. SW060036A

NOTICE OF PENDING BANKRUPTCY CASE OF DEFENDANT PACIFIC LUMBER
COMPANY AND OF RELATED STAY PURSUANT TO 11 U.S.C. §362

Defendant in the above-captioned case (“Defendant” or “Debtor”), hereby
provides notice to the Court and parties herein as follows:

Debtor commenced a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the “Bankruptcy Court”), by the filing of a Voluntary Petition (true and correct copy attached hereto as Exhibit 1) on January 18, 2007 pursuant to Section 301 of the United States Bankruptcy Code (11 U.S.C. §301), which case was assigned Case No. 07-20028-C-11 (the “Bankruptcy Case”).

Pursuant to Section 362(a) of the Bankruptcy Code (11 U.S.C. § 362(a)), the filing of the Voluntary Petition on January 18, 2007 “operates as a stay, applicable to all entities, of . . .

(1) the commencement or continuation . . . of a judicial, administrative, or other action or proceedings against the [D]ebtor that was or could have been commenced before the commencement of the [Bankruptcy Case], or to recover a claim against the [D]ebtor that arose before the commencement of the [Bankruptcy Case]

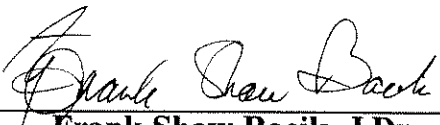
(3) any act to obtain possession of property of the [bankruptcy] estate or of property from the estate or to exercise control over property of the estate;

(4) any act to create, perfect, or enforce any lien against property of the [bankruptcy] estate;

(5) any act to create, perfect, or enforce against property of the [D]ebtor any lien to the extent that such lien secures a claim that arose before the commencement of the [Bankruptcy Case]

(6) any act to collect, assess, or recover a claim against the [D]ebtor that arose before the commencement of the [Bankruptcy Case]" (11 U.S.C. §§362(a)(1), (3) (4), (5) and (6))

DATED: January 22, 2007

By 
Frank Shaw Bacik, J.Dr.
Vice President and General Counsel
Attorneys for Defendant
