UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 3 1 2012

Mr. Dan O. Dinges
Chairman, President and Chief Executive Officer
Cabot Oil & Gas
Three Memorial City Plaza
840 Gessner Road, Suite 1400
Houston, Texas 77210-4544

Dear Mr. Dinges:

Thank you for your January 26, 2012, letter to Administrator Jackson regarding our water quality investigation in Dimock, Pennsylvania. I welcome the opportunity to clarify the goals of our investigation and how it aligns with the Obama Administration's strong support of safe, responsible domestic natural gas development.

The involvement of the U.S. Environmental Protection Agency (EPA) in Dimock is in response to requests from community members concerned about potential risks to their health as a result of Cabot's decision to stop providing alternate water supplies. We did not take this step lightly but felt compelled to intervene when we became aware of monitoring data, developed largely by Cabot, indicating the presence of several hazardous substances in drinking water samples, including some at levels of health concern. Because the data available was incomplete and of uncertain quality, we determined that additional monitoring was prudent to investigate potential health concerns and develop a sound scientific basis for assessing the need for further action to protect public health. We took the limited step of providing alternate water to four homes where hazardous substances were present at levels above health-based thresholds to provide interim protection to residents while monitoring is underway. We asked Cabot to deliver water to these four homes and took action only after Cabot declined.

Our actions to date have been guided only by science. Data initially provided to EPA, which included information from both the Pennsylvania Department of Environmental Protection (PADEP) and Cabot, was reviewed by EPA in November 2011 and appeared to indicate that private well water posed no health concerns. However, on December 6, 2011, EPA received additional data from some residents, including the results of monitoring by Cabot that warranted a further evaluation of the situation. Review of these data, together with changes in some EPA screening levels for assessing risk, led us to the conclusion that there were health concerns that required action.

Our actions reflect our longstanding responsibility under federal environmental laws to address threats to public health. Since the signing of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) statute in 1980, EPA has responded to hundreds of sites across the country to provide alternate water and conduct sampling when the presence of hazardous substances posed a potential risk to drinking water.

Printed on Recycled Paper

DIM0183033

State and federal agencies have critical, complementary roles in ensuring that shale gas extraction occurs safely. States have important front-line responsibilities in permitting natural gas extraction, and we respect and support their efforts. But EPA likewise has important oversight responsibilities and acts as a critical backstop when public health or the environment may be at risk. We intend to exercise this authority prudently and sparingly. Again, we would consider action in any situation where we are presented with information showing potential health risks to citizens within the scope of the laws we administer, regardless of the context or background of the site.

EPA welcomes the new data that Cabot recently submitted in response to the Agency's request of January 12, 2012. Our technical experts are reviewing the data expeditiously and we will carefully consider it, along with the results of our own sampling, in determining next steps. I want to assure you we will be guided only by science in reviewing all relevant data, whatever the source.

As you know, the Agency also welcomes PADEP and Cabot's participation in our sampling and are pleased that the state and company are taking split samples. EPA is taking every precaution to ensure that our samples are collected and reviewed using the highest scientific standards. The residents in Dimock deserve answers based on the facts, and we look forward to working together to meet our responsibility to this community.

We look forward to continuing our cooperative relationship. If you have any questions, please do not hesitate to contact me or have your staff contact Ms. Humane Zia, Senior Assistant Regional Counsel, at 215-814-3454.

Sincerely,

Mathy Stanislaus
Assistant Administrator
Office of Solid Waste
and Emergency Response

Shawn M. Garvin
Regional Administrator
Region III