DEP Reaches Agreement with Cabot to Prevent Gas Migration, Restore Water Supplies in Dimock

http://www.ahs2.dep.state.pa.us/newsreleases/default.asp?ID=5722

N E W S R E L E A S E COMMONWEALTH OF PENNSYLVANIA

COMMONWEALTH OF PENNSYLVANIA
Dept. of Environmental Protection
Northwest Regional Office
230 Chestnut St.
Meadville, PA 16335

FOR IMMEDIATE RELEASE
11/4/2009

CONTACT:
Freda Tarbell
Phone: (814) 332-6816

DEP Reaches Agreement with Cabot to Prevent Gas Migration, Restore Water Supplies in Dimock Township
Agreement Requires DEP Approval for Well Casing, Cementing

Meadville – The Department of Environmental Protection and Cabot Oil and Gas Corp. have executed a consent order and agreement that will provide a long-term solution for migrating gas that has affected 13 water supplies in Dimock Township, Susquehanna County.
The affected area covers nine square miles around Carter Road.
The consent order and agreement outlines a process that will give DEP more oversight of Cabot's new well construction work in the affected area. Prior to drilling and hydraulic fracturing, or hydro fracking, the company will submit well casing and cementing plans to DEP. Once DEP provides written approval, Cabot may proceed.
"The goal of the consent order and agreement is to ensure a long-term resolution to issues that have emerged in Dimock," said DEP Northwest Regional Director Kelly Burch. "The company will focus on the integrity of the wells in the affected area in an attempt to determine the source of the migrating gas."
This past week, Cabot has provided an interim solution for all of the homes where water supplies have been affected. Cabot must develop a plan by March 31 to restore or replace the affected water supplies permanently.
Under the consent order and agreement, Cabot must additionally submit to DEP:
• Information on all parties who have contacted the company about water quantity or quality issues; and
• A plan that specifically identifies how the company intends to prove the integrity of the casing and cementing on existing wells and fix defective casing and cementing by March 31.
If Cabot fails to fix the defective casing and cementing by the March deadline, the company must plug defective wells or implement another alternative as approved by DEP.
In addition, Cabot paid a $120,000 civil penalty for violations of the Oil and Gas Act, the Solid Waste Management Act and the Clean Streams Law.
The consent order and agreement caps a DEP investigation that began early this year when numerous Dimock area residents reported evidence of natural gas in their water supplies. DEP inspectors

 DIM0245211

discovered that the well casings on some of Cabot's natural gas wells were cemented improperly or insufficiently, allowing natural gas to migrate to groundwater.

On Sept. 25, following a series of wastewater spills, DEP ordered Cabot to cease hydro fracking natural gas wells throughout Susquehanna County. The prohibition was removed after the company completed a number of important engineering and safety tasks.

Cabot Oil and Gas Corp. is a Delaware-based company with a mailing address in Pittsburgh.

For more information on oil and gas wells, visit www.depweb@state.pa.usHREF="/redirector?varURL=http://www.depweb@state.pa.us">www.depweb @state.pa.us< A>>, keyword: Oil and gas.

# # #

2009