pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS MANAGEMENT

August 21, 2012

Philip L. Stalnaker, Vice President
Regional Manager - North Region
Cabot Oil & Gas Corporation
Five Penn Center West, Ste. 401
Pittsburgh, PA 15276-0120

Dear Mr. Stalnaker:

I am in receipt of your August 6, 2012, letter in which Cabot Oil & Gas Corporation (Cabot) requests permission from the Pennsylvania Department of Environmental Protection (DEP) to stimulate and complete wells that have already been drilled in the area covered by the December 2010 Consent Order and Agreement by and between Cabot and DEP.

Pursuant to section four of the Consent Order and Agreement (COA), Cabot may proceed with hydraulic fracturing activities on the seven listed wells if those wells are in compliance with all applicable environmental laws and the COA. By letter dated May 9, 2011, DEP informed Cabot that two of the drilled wells, the Ely 1H and Kelly 1H, required additional evaluation and information to demonstrate that the wells comply with the COA.

Subsequent to the May 9, 2011, letter, Cabot conducted three additional pressure tests on both wells. These tests demonstrate that any gas present in the annuli of the wells is below the applicable regulatory pressure limits and is contained within the wellbore. As a result, DEP has determined that all seven drilled wells listed in section four of the COA are in compliance with all applicable environmental laws and the Consent Order and Agreement. Cabot may proceed with hydraulic fracturing and completion activities on those wells on the condition that Cabot conduct a 72 hour pressure test on both the Ely 1H and Kelly 1H and provide the test results, including documentation of the continuous pressure recordings, within 60 days of completing these wells.

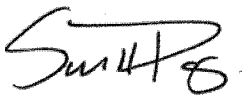
Any person aggrieved by this action may appeal, pursuant to Section 4 of the Environmental Hearing Board Act, 35 P.S. Section 7514, and the Administrative Agency Law, 2 Pa.C.S. Chapter 5A, to the Environmental Hearing Board, Second Floor, Rachel Carson State Office Building, 400 Market Street, P.O. Box 8457, Harrisburg, PA 17105-8457, 717-787-3483. TDD users may contact the Board through the Pennsylvania Relay Service, 800-654-5984. Appeals must be filed with the Environmental Hearing Board within 30 days of receipt of written notice of this action unless the appropriate statute provides a different time period. Copies of the appeal form and the Board's rules of practice and procedure may be obtained from the Board. The appeal form and the Board's rules of practice and procedure are also available in braille or on audiotape from the Secretary to the Board at 717-787-3483. This paragraph does not, in and of itself, create any right of appeal beyond that permitted by applicable statutes and decisional law.

IF YOU WANT TO CHALLENGE THIS ACTION, YOUR APPEAL MUST REACH THE BOARD WITHIN 30 DAYS. YOU DO NOT NEED A LAWYER TO FILE AN APPEAL WITH THE BOARD.

IMPORTANT LEGAL RIGHTS ARE AT STAKE, HOWEVER, SO YOU SHOULD SHOW THIS DOCUMENT TO A LAWYER AT ONCE. IF YOU CANNOT AFFORD A LAWYER, YOU MAY QUALIFY FOR FREE PRO BONO REPRESENTATION. CALL THE SECRETARY TO THE BOARD (717-787-3483) FOR MORE INFORMATION.

Thank you again for your letter. If you have any questions or concerns, please contact me by e-mail at scperry@pa.gov or by telephone at 717.783.9438.

Sincerely,



Scott R. Perry
Deputy Secretary for
Oil and Gas Management