



Dan O. Dinges  
*Chairman, President and Chief Executive Officer*

May 29, 2013

The Honorable Ron Wyden  
Chairman, Committee on Energy and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
Ranking Member, Committee on Energy and Natural Resources  
United States Senate  
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Murkowski:

As an operator in the Marcellus Shale and several other shale plays in the United States, Cabot Oil and Gas Corporation (Cabot) is encouraged by the dialogue your Committee fostered in the three natural gas forums held this month. Collaboration across all stakeholders is needed to develop sound policy, avoid duplicative regulatory initiatives, and in the end, create the certainty industry needs to continue developing domestic oil and gas resources that have not only created a boon for the economy but are also putting the United States on the path to increased energy security and lower greenhouse gas emissions.

As the Committee recognized in its forum on May 23, 2013, reviewing actual, accurate data is crucial to establishing credibility, crafting sound policy, and allaying the fears expressed by some of the public, which are often stoked by misinformation. We support robust dialogue with all interested parties; however, we also agree with the Committee that it is critical to focus on actual facts versus unfounded allegations and misrepresentations. To that end, at the May 23<sup>rd</sup> forum, Sen. Mary Landrieu challenged the panel with a very direct question, inquiring whether anyone at the forum could identify a single incidence of contamination of a water supply from hydraulic fracturing. The panelist representing the Sierra Club suggested that operations in Dimock, PA would be responsive, which industry representatives promptly rejected. At that time, you emphasized the importance of getting accurate factual information for the Committee's record and consideration and you offered to leave the record open for one week for all stakeholders to assist in that regard. Accordingly, we would like to bring the actual facts surrounding these allegations to the Committee's attention.

Cabot sits in a unique position in that we have operated in the town of Dimock, Pennsylvania for over five years. Despite the fact that there have been no documented incidents of groundwater contamination caused by the process of hydraulic fracturing in the town, Dimock has been a lightning rod for misleading headlines grounded more in sensationalism than science.

Both federal and state regulators have conducted investigations in the Dimock area and concluded that drinking water standards are being met and that no further investigation is needed. The water quality issues that exist at isolated households in Dimock are believed to be associated with poorly constructed water wells that have, over time, allowed naturally occurring contaminants, such as methane, barium and manganese to leach into drinking water. The constituents identified in these wells are not linked to the development of natural gas in the region.

Cabot first began drilling for natural gas in Dimock, Pennsylvania back in 2006. In 2009, the Pennsylvania Department of Environmental Protection (PADEP) began investigating purported evidence of methane contamination in drinking water wells in and around Dimock and Springfield townships. When drinking water concerns were raised, Cabot devoted extraordinary resources, expertise and money to investigate and determine whether Cabot's activities played any role in bringing them about. Cabot's investigation determined that the Company's development activities were not the source of the methane gas reported to be in groundwater and water wells in and around Dimock and Springville townships.

Through our investigation, Cabot concluded that methane gas existed in groundwater and water wells in the Dimock and Springville townships long before Cabot began drilling in the area. Cabot obtained sworn affidavits from residents who stated that they had methane in their water for over 30 years, sworn affidavits from water well drillers that they personally encountered natural gas while drilling several water wells in the area, and reports detailing numerous water wells in and around the Dimock area that tested positive for methane prior to Cabot's activities in the area. Official data from the U.S. Geological Survey also provided evidence that methane gas was present in the Dimock area's groundwater decades before Cabot began operating there. Cabot shared all of this information with PADEP. In December 2011, PADEP concluded after numerous rounds of water sampling that there was no need for Cabot to provide drinking water for Dimock residents.

Despite objections from the state that no further action was necessary, EPA announced in January 2012 that it would be undertaking additional sampling of drinking water supplies in the Dimock area. After several rounds of sampling, EPA announced on July 25, 2012 that it had "determined that there [were] not levels of contaminants present that would require additional action by the Agency" and that no further testing would be conducted. EPA concluded that the drinking water it sampled in Dimock met all regulatory standards. While EPA did identify some hazardous substances in drinking water during its 2012 sampling in Dimock, the Agency did not indicate that those contaminants bore any relationship to natural gas development in the Dimock area. EPA indicated that the substances detected were naturally occurring and that the Agency had no further plans to conduct additional drinking water sampling.

While both Cabot and the Commonwealth of Pennsylvania originally regarded EPA's work in Dimock as unnecessary, we were pleased that EPA reached the same conclusion as Cabot and state and local authorities -- that water in Dimock met all regulatory standards and contaminants found did not possess a threat to human health and the environment.

Cabot is steadfastly committed to environmental stewardship, collaboration with state regulators, and compliance with all applicable federal, state and local laws. Cabot was one of the first developers in the Marcellus Shale and we recognize the importance of this exceptional resource for our Nation's future. We are also committed to the communities in which we operate, and have invested over \$2.2 billion in the Susquehanna County area, including the establishment of scholarships, pledges to local hospitals, and continued investment in roads and infrastructure. Cabot will continue, to work closely with federal, state and local officials in using the best and most accurate science to address public concerns. We appreciate your continuing efforts to explore the different aspects of the shale gas revolution and we look forward to working constructively with the Committee as the dialogue moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "David Angelo". The signature is written in a cursive style with a large initial "D".

Chairman, President and Chief Executive Officer

Cc: Senator Landrieu