



# pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

2 Public Square  
Wilkes-Barre, PA 18711-0790  
April 8, 2010

Northeast Regional Office

570-826-2300  
Fax 570-830-3016

## NOTICE OF VIOLATION

CERTIFIED MAIL NO.: 7009 1410 0000 2456 8111

Mr. Phillip Stalnaker  
Cabot Oil & Gas Corporation  
5 Penn Center West, Suite 401  
Pittsburgh, PA 15276-0120

Re: A & M Hibbard #2H & 4H Well Pad, No.  
115-20149 & 115-20179  
Dimock Twp, Susquehanna County

Dear Mr. Stalnaker:

On March, 21 2010 the Department received a phone report from Cabot Oil & Gas Corp regarding black fluid that was discovered in a ditch near the A & M Hibbard 2H & 4H well pad located in Dimock Township, Susquehanna County. Department personnel were on site March 22<sup>nd</sup>, 23<sup>rd</sup>, and 24<sup>th</sup> and documented the following violations of the Clean Streams Law of Pennsylvania, 35 P.S. §691.1 *et seq.*; the Oil and Gas Act, 58 P.S. §601.101 *et seq.*; the Solid Waste Management Act, 35 P.S. §6018.101, *et seq.*; and the rules and regulations promulgated under these statutes:

1. Pits or tanks for temporary containment

The investigation revealed that black fluid originating on the A&M Hibbard 2H & 4H drill pad was not properly contained in a pit or tank. This is a violation of section 78.56(a)(1) of the Department's regulations, 25 PA Code §78.56(a)(1), which provides:

"Except as provided in §§ 78.60(b) and 78.61(b) (relating to discharge requirements; and disposal of drill cuttings), the operator shall contain polluttional substances and wastes from the drilling, altering, completing, recompleting, servicing and plugging the well,

including brines, drill cuttings, drilling muds, oils, stimulation fluids, well treatment and servicing fluids, plugging and drilling fluids other than gases in a pit, tank or series of pits and tanks.”

2. Unpermitted discharge of polluting substances.

The investigation also revealed that the black fluid originating from the A&M Hibbard 2H & 4H location entered a hand dug well and a spring near the location, as well as a wetland downgradient of the spring. This is a violation of Section 401 of the Clean Streams Law, 35 P.S. §691.401, which provides:

“It shall be unlawful for any person or municipality to put or place into any of the waters of the Commonwealth, or allow or permit to be discharged from property owned or occupied by such person into any waters of the Commonwealth, any substance of any kind or character resulting in pollution as herein defined.”

A violation of the Clean Streams Law or the rules and regulations promulgated thereunder is contrary to Section 602 and 611 of that Act, for which the Department could institute administrative, civil, and/or criminal proceedings. The Act provides for up to \$10,000 per day in civil penalties and up to \$25,000 in criminal penalties for each violation. Each day of continued violation constitutes a separate offense.

A violation of the Solid Waste Management Act or the rules or regulations promulgated thereunder is contrary to Sections 601 and 610 of that Act, for which the Department could institute administrative, civil, and/or criminal proceedings. The Act provides for up to \$25,000 per day in civil penalties and up to \$25,000 in criminal penalties for each violation. Each day of continued violation constitutes a separate offense.

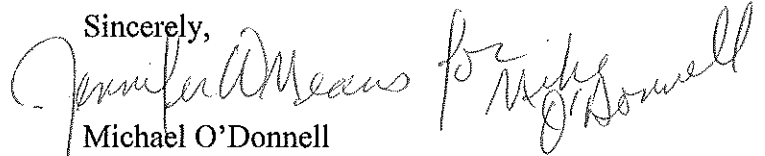
A violation of the Oil and Gas Act or the rules or regulations promulgated thereunder is contrary to Sections 505 and 509 of that Act, for which the Department could institute administrative, civil, and/or criminal proceedings. The Act provides for up to \$25,000 in civil penalties plus \$1,000 for each day of continued violation and up to \$5,000 in criminal penalties for each violation.

Please notify me in writing within 10 days of your receipt of this notice, as to the cause(s) of this incident, when the above listed violations were or will be corrected and what steps are being taken to prevent their recurrence. Please include any documentation to verify the efficacy of clean-up activities. Specifically, please investigate the condition of the drill pit and liner on the A & M Hibbard 2H and 4H well site. The Department strongly recommends that the liner and cuttings be removed from the pit and properly disposed of, prior to restoration of the site. Please notify me once all cuttings and fluid are removed from the pit so that we can examine the condition of the liner.

This Notice of Violation is neither an order nor any other final action of the Department of Environmental Protection. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions concerning the above, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Means for Mike O'Donnell". The signature is written in dark ink and is positioned to the right of the typed name.

Michael O'Donnell  
Water Quality Specialist  
Oil and Gas Management

cc: John Ryder  
Marc B. Cooley  
Eric Rooney  
NCRO File