

February 15, 2019

## NOTICE OF VIOLATION

### Certified Mail

CNX Gas Company LLC  
1000 CONSOL Energy Drive  
Canonsburg, PA 15317

Re: Notice of Violation (NOV's) No.

CNX Gas Company:

This is a Notice of Violation ("NOV") for events that occurred at the CNX Gas Company (CNX) Shaw Pad well site in Washington Township, Westmoreland County, Pennsylvania, in January 2019. CNX has drilled seven wells at this location. Three Marcellus wells have been completed and equipped for production, identified as the Shaw 1A (Permit No. 129-28821), the Shaw 1B (Permit No. 129-28822) and the Shaw 1C (Permit No. 129-28823). Four Utica Wells have been drilled to TD and were currently in the stimulation process, identified as the Shaw 1DHSU (Permit No. 129-29056), the Shaw 1JHSU (Permit No. 129-28976, the Shaw 1HHSU (Permit No. 129-28964) and the Shaw 1GHSU (Permit No. 129-28963). These wells are owned and operated by CNX.

On January 26, 2019, CNX experienced a catastrophic loss of pressure while fracking their Shaw 1GHSU Well (Permit No. 129-28963). Because of the pressure lost and casing integrity issues, gas was emitted uncontrollably into shallow geologic formations resulting in a communication incident with nearby conventional wells. Nearby wells were still being flared as a result of this incident as of February 12, 2019.

As a result of the above, and based on the Department's observations and investigation to-date, CNX is responsible for the following violations:

1. Failure to construct and operate a well to ensure that the well integrity is maintained, and health, safety, environment, and property are protected, a violation of 25 Pa. Code § 78a.73(a).
2. Failure to equip the well with casings of sufficient strength and other safety devices as are necessary, in a manner prescribed by regulation of the Department, and shall use every effort and endeavor effectively to prevent blowouts, a violation of 58 Pa. C.S. § 3219.

These violations constitute unlawful conduct under Section 3259 of the Oil and Gas Act, 58 Pa. C.S. § 3259.

All violations are subject to the enforcement and penalty provisions of the Oil and Gas Act 58 Pa. C.S. § 3256.

This event also constituted a well control emergency. The Department may pursue its costs in responding to these events under the Oil and Gas Act 58 Pa. C.S. §§ 3254.1, and 3256.

Please submit a written response to this Notice of Violation within 10 business days. Your response should include the following:

1. A detailed plan and schedule to conduct analysis / explanation of the root cause(s) of the failure(s) at the SHAW 1GHSU well/casing that resulted in the loss of control of the well.
2. A timeline and description of actions taken by CNX from first becoming aware of the situation until CNX regained control of the well and secured the well, as well as any measures taken to ensure public safety.
3. Summary of corrective actions and implementation scheduled that CNX has implemented or proposes to implement at all CNX well sites to prevent similar failures in the future.
4. A detailed explanation and plan that identifies resources, contractors and potential remedies to improve the response efficiency and effectiveness to similar events in the future.
5. The history for SHAW 1GHSU since spudding the well, including the activities and the parties performing the activities on the well (drilling history, casing and cementing plan, barrier policy, area of review survey, hydraulic fracturing logs, cement job logs including meta data and cement bond logs or any other logs ran, etc.).

The Department's investigation of these events is on-going. Your full cooperation with the investigation is required by law 58 Pa. C.S. §§ 3258, 3259(3). Additional violations may be identified. This NOV, therefore, does not constitute the Department's final evaluation of these events and may be expanded.

CNX plans to plug the SHAW 1GHSU Utica well. CNX submitted a plugging prognosis to the Department on February 12, 2019. If you intend to conduct any other work on the well in question, please provide the Department 3 days advanced notice. CNX may not resume work on the Shaw well site without Department approval.

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 in this matter, please contact me at 724-925-5429.

Sincerely,



Jason Branan  
Oil and Gas Inspector  
District Oil and Gas Operations

bcc: OG File

Daniel Counahan  
David McDermott  
Rick Watling  
Michael Heilman  
John Ryder  
Scott Sabocheck