



## Cabot Oil & Gas Provides Operations Update, Lathrop Installation and Haynesville Joint Venture Proceeding

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HOUSTON, Feb. 22, 2011 /PRNewswire via COMTEX/ --

Cabot Oil & Gas Corporation (NYSE: COG) today provided information regarding the start-up of additional compression at Lathrop, the joint ventures on the Company's acreage in the Haynesville/Bossier shale play and continued drilling success in its two focus areas for 2011 - Marcellus and Eagle Ford.

### Drilling

In the Marcellus, the Company continues its active pace with excellent results. Three recent noteworthy completions yielded initial production rates from 12.1 to 23.8 Mmcf per day with the 30-day average production rates ranging from 10.3 to 19.0 Mmcf per day coming from laterals ranging between 2,600' and just over 3,700' utilizing 10 to 15 frac stages per well.

To highlight ongoing success in the Marcellus, a three-well pad site, which was turned in-line in late September 2010, has produced 5.9 Bcf collectively in 147 days and is currently producing 34 Mmcf per day. "These three wells were our first effort at using zipper fracs and simultaneous completion techniques," stated Dan O. Dinges, Chairman, President and Chief Executive Officer. "Additionally, another well has 3.0 Bcf of cumulative production in eight months and is currently producing 9.0 Mmcf per day. Both of these data points far exceed any forecast we had going into this play."

In terms of additional efficiencies, the Company has just finished drilling a well with a 6,176' usable lateral - a new high water mark for the Company in Pennsylvania. "We plan to complete this well with a 26-stage frac," added Dinges. Also, the Company has spud a well in the northern area of its acreage position in Susquehanna County to further delineate Cabot's overall Marcellus footprint. Volumes from this area would free flow gas initially through the Laser Pipeline.

In the South region, Cabot completed its fourth Eagle Ford oil shale well. This well came on line at 789 barrels of oil equivalent (654 barrels of oil, 239 Mcf per day, 95 barrels of NGLs per day) from a 6,000' lateral. Three additional Eagle Ford wells have been drilled and cased with lateral lengths of 6,300' to 6,775'. "We have reached an agreement for a dedicated frac crew for 2011, and completions on these wells began February 9, 2011," commented Dinges. "In addition to our operated area, we have also participated in a drilled and cased well on our 18,000-acre joint venture in the Eagle Ford with EOG Resources. This well was drilled with a 7,200' lateral and is presently on flow back after completion operations."

We are actively managing our 2011 drilling program and plan to operate within a \$600 million overall investment program originally disclosed publicly in October," said Dinges. "We plan to drill 70 to 80 net wells for the Company in 2011 with approximately 40 percent being oil wells."

### Joint Venture Update

Cabot is close to finalizing three separate agreements with regard to its Haynesville acreage. The agreements would consist of both a carried interest in certain wells and cash consideration for the sale of certain acreage and production. These agreements would allow Cabot to maintain approximately two-thirds (22,000 net acres) of its existing position in the play with held by production acreage or by extensions and/or renewals on a limited number of acres. An expenditure of approximately \$5 million in 2011 would perpetuate this acreage with proceeds generated from these transactions.

### Lathrop Compressor Station Update

Construction is continuing on the second phase of the Lathrop Compressor Station. Phase two consists of four additional compressor units each with 35-75 Mmcf per day of planned capacity. The first unit of Phase II (#4) is commissioning with units #5 and #6 anticipated to be placed in service by March 1 and unit #7 by April 1. "As part of our discussion with the Pennsylvania Department of Environmental Protection, we were able to expand our overall Lathrop station permit to include the previous contemplated seventh compressor," commented Dinges. "Once fully functional with additional dehydration units, this station will be capable of moving 450 Mmcf per day, subject to interstate takeaway."

We have increased our guidance to reflect this second quarter ramp," stated Dinges. "However, we remain conservative for the full year as we see a tremendous level of gas currently being delivered to Tennessee Gas Pipeline that totals 1.2 Bcf per day from Susquehanna, Bradford and Tioga counties. As we have represented, we have several projects in the works with mid to late summer completion dates that allow our gas to move to other interstate pipelines," Dinges added, "Until we know the absolute timing of these efforts, we will be cautious."

With this new guidance, combined with the updated hedge position that now covers approximately 36 percent of mid-point guidance, Cabot expects to narrow the gap between cash flow and the \$600 million investment program for 2011.

Cabot Oil & Gas Corporation, headquartered in Houston, Texas is a leading independent natural gas producer with its entire resource base located in the continental United States. For additional information, visit the Company's Internet homepage at <http://www.cabotog.com/>.

### **FOR MORE INFORMATION CONTACT**

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