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HOUSTON, Oct. 26, 2011 /PRNewswire via COMTEX/ -- Cabot Oil & Gas Corporation (NYSE: COG) today announced continued drilling success in the Marcellus, Marmaton and Eagle Ford Shale Plays, along with new takeaway capacity expansion in the Marcellus. Additionally, the Rocky Mountain sale announced in July closed in early October as anticipated.

Marcellus

Since the conference call last quarter, Cabot has achieved a new 24-hour production record of 517 Mmcf per day in Susquehanna County from 94 horizontal wells, with cumulative production to date of approximately 175 Bcf. "Specifically we have seen one horizontal well produce 4.0 Bcf in 347 days and a different horizontal well reach 3.0 Bcf in 223 days," said Dan O. Dinges, Chairman, President and Chief Executive Officer. "All told, we have 30 wells with cumulative production of more than 2.0 Bcf each, and of note, our two extended lateral wells have cumulative production of more than 2.8 Bcf each in about 150 days." Cabot's position in this prolific area of the Marcellus, resulted in Cabot recording 16 of the top 20 production wells for the first six months of 2011, as reported by the Pennsylvania Department of Environmental Protection.

In addition to productivity gains, Cabot is improving operational efficiency. A recent horizontal well with a 3,500' lateral, reached total depth in just 12.5 days. In the third quarter, the Company turned-in-line 17 horizontal wells, all of which are producing at curtailed rates, pending new infrastructure commissioning.

Infrastructure

This week, Cabot commenced moving volumes to Millennium via the much anticipated Laser Pipeline. Cabot has four wells cleaning up and producing at this point. "We view this start-up of expanding takeaway capacity as another positive step in the process of developing our acreage," stated Dinges.

The Springville pipeline project, which will move Cabot gas to Transco, remains on track to provide the initial 300 Mmcf per day of capacity in mid-December, barring any unforeseen delays. "Even without any contribution from Springville this year our production will be within fourth quarter guidance," commented Dinges. "In addition to the imminent start-up of the Springville line, I am very pleased to announce that Cabot has recently secured 100% of the remaining capacity of the Springville Pipeline which will allow us to move up to 625 Mmcf per day (an incremental 325 Mmcf per day) to Transco around the middle of 2012." Dinges added, "This doubling of volumes on Transco will significantly aid pricing."

Pricing

With the delays in moving gas on Laser and Transco, we have been confined to the single 24" Tennessee Gas Pipeline for all of our Marcellus production. With no other outlets, and gas-on-gas competition from the surrounding area, recent pricing for northeast Marcellus producers has seen downward pressure. "As highlighted above, our pending takeaway projects will create options and diversify our production into multiple downstream markets on different interstate pipelines," said Dinges.

Eagle Ford

Cabot increased activity in the Buckhorn area of the Eagle Ford Shale during the third quarter with nine more wells completed plus two wells in the completion phase and one well waiting on completion. This brings the total producing wells to 21. The initial production rate for these wells is 628 Barrels of oil equivalent per day (Boepd) with a 30-day average of 500 Boepd. Two recent completions achieved 24-hour initial production rates of 938 and 791 Boepd.

The average lateral length for all wells at Buckhorn is approximately 5,000' with an average of 16 frac stages. Also, three additional non-operated wells were drilled and completed with very good results in the area where Cabot owns a 50 percent working interest. "With this successful activity our liquids volumes continue to grow as evidenced by the recorded levels for the quarter," commented Dinges.

Marmaton

Last quarter Cabot announced its initial success in the Marmaton Shale. Since then, Cabot has participated as a non-operator in seven Marmaton wells in Beaver County, Oklahoma. The Company's working interest varies from two to 37.5 percent in the non-operated wells. Thus far, the best performing wells have experienced peak 24-hour rates of 1,338, 792 and 589 Boepd respectively, with one of these most recent wells having a 10-day average of 1,056 Boepd. Overall the wells consistently were drilled and completed for less than $3 million per well. "Clearly, this productivity encourages us to allocate capital here for our 2012 plans," said Dinges. "Presently, we are moving an operated rig to the area in anticipation of having one rig there for 2012, in addition to one in the Eagle Ford." Cabot controls over 61,000 acres in the Marmaton area.

"With the positive news from our three operating areas, we are on track to deliver our shareholders an industry-leading growth story provided by internally generated funds," commented Dinges.

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 www.cabotog.com.

The statements regarding future financial performance and results and the other statements which are not historical facts contained in this release are

forward-looking statements that involve risks and uncertainties, including, but not limited to, market factors, the market price (including regional basis differentials) of natural gas and oil, results of future drilling and marketing activity, future production and costs, and other factors detailed in the Company's Securities and Exchange Commission filings.

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SOURCE Cabot Oil & Gas Corporation