

Department of Environmental Protection
400 Waterfront Drive
Pittsburgh, PA 15222-4745
September 23, 2009

Telephone: 412-442-4024
Facsimile: 412-442-4328

Oil and Gas Management

Certified Mail No. 7000 1670 0004 1445 8335

Range Resources-Appalachia, LLC
380 Southpointe Blvd
STE 300
Canonsburg, PA 15317

Re: Proposed Settlement of Civil Penalty Claim
Permit Nos. 37-125-23165-00
Townships, Hopewell
Counties, Washington

Dear Ms.Csuzskowski,

Enclosed please find three copies of a proposed Consent Assessment of Civil Penalty ("CACP") relating to violations of Pennsylvania environmental statutes at Range Resources Appalachia, LLC.'s ("Range") well site(s). The proposed penalty for the violation(s) is **\$23,500.00**.

The enclosed CACP represents the Department's offer to settle civil penalties related to violations that Range has addressed and corrected. If the settlement proposal is acceptable, please have all three copies of the CACP signed by two authorized company personnel and return them no later than **October 26, 2009** with Range's payment to my attention at the above address. I will obtain the remaining signatures, date the documents and return one to Range for your files.

If the settlement is not acceptable, or if you have questions about the matters addressed in the CACP, please contact Kirk Elkin, Environmental Compliance Specialist, at (412)-442-5811. If you wish to schedule a Section 501 conference to discuss this action you must do so by October 26, 2009. Bring any additional information related to the violations that you wish the Department to consider.

If I have heard nothing from you by October 26, 2009, the Department will prepare a complaint for civil penalties for filing with the Environmental Hearing Board. If Range and the Department are not able to reach an agreement at the conclusion of the Section 501 conference, then the Department will go forward with filing a complaint for civil penalties.

Sincerely,

Jack Crook
Compliance Chief
Oil and Gas Management

Enclosure

c (via email): Bryon Miller
Vince Yantko

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

IN THE MATTER OF:

Range Resources-Appalachia, LLC	:	Oil and Gas Act
380 Southpointe Boulevard, Suite 300	:	The Clean Streams Law
Canonsburg, PA 15317	:	Solid Waste Management Act

CONSENT ASSESSMENT OF CIVIL PENALTY

This Consent Assessment of Civil Penalty ("CACP") is entered into this 28 day of October 2009, by and between the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") and Range Resources-Appalachia, LLC ("Range").

The Department has found and determined the following:

A. The Department is the agency with the duty and authority to administer and enforce the Oil and Gas Act, Act of December 19, 1984, P.L. 1140, *as amended*, 58 P.S. §§ 601.101-601.605 ("Oil and Gas Act"); The Clean Streams Law, Act of June 22, 1937, P.L. 1987, *as amended*, 35 P. S. §§ 691.1-691.1001 ("Clean Streams Law"); the Solid Waste Management Act, Act of July 7, 1980, P.L. 380, *as amended*, 35 P.S. §§ 6018.101-6018.1003 ("Solid Waste Management Act"); and the rules and regulations ("Rules and Regulations") promulgated thereunder.

B. Range is a limited liability company that is engaged in various oil and gas exploration and production activities in Pennsylvania. Range's business address is 380 Southpointe Boulevard, Suite 300, Canonsburg, PA 15317.

C. Range is the "owner " and " operator" as those terms are defined in Section 103 of the Oil and Gas Act, 58 P.S. § 601.103, of the following gas well:

- Cross-Creek Well #14, Permit No. 37-125-23165-00, Hopewell Township, Washington County.

Cross-Creek Well #14 Violations

D. On or about May 27, 2009, the Department inspected the Cross-Creek #14 well site and observed that Range caused or allowed production fluids to be discharged from a brine pipeline to the ground in the vicinity of the Cross-Creek #14 well site.

E. Production fluids and brine are a "residual waste" as that term is defined in Section 103 of the Solid Waste Management Act, 35 P.S. § 6018.103.

F. On or about May 27, 2009, Range did not have a permit or approval from the Department to discharge residual waste to the ground in the vicinity of the Cross-Creek #14 well site.

G. Range's discharge of residual waste to the ground without first obtaining a permit or approval from the Department constitutes violations of 25 Pa. Code §§ 78.54 and 78.57, and unlawful conduct under Section 509 of the Oil and Gas Act, 58 P.S. § 601.509, and subjects Range to a claim for civil penalties under Section 506 of the Oil and Gas Act, 58 P.S. § 601.506.

H. Range's discharge of residual waste to the ground without first obtaining a permit or approval from the Department constitutes violations of Section 301 of the Solid Waste Management Act, 35 P.S. § 6018.301, and unlawful conduct and a public nuisance under Sections 302 and 601 of the Solid Waste Management Act, 35 P.S. §§ 6018.302 and 6018.601, and subjects Range to a claim for civil penalties under Section 605 of the Solid Waste Management Act, 35 P.S. § 6018.605.

I. On or about May 27, 2009, the Department inspected the Cross-Creek #14 well site and observed that Range caused or allowed production fluids to be discharged from a brine pipeline located on the Cross-Creek #14 well site into an unnamed tributary of Cross-Creek, a water of the Commonwealth.

J. Production fluids and brine are “industrial wastes” as that term is defined in Section 1 of the Clean Streams Law, 35 P.S. § 691.1.

K. On or about May 27, 2009, Range did not have a permit or approval from the Department to discharge industrial waste from the Cross-Creek #14 well site to the waters of the Commonwealth.

L. Range’s discharge of industrial waste to waters of the Commonwealth without first obtaining a permit or approval from the Department violates Sections 301 and 307 of the Clean Streams Law, 35 P.S. §§ 691.301 and 691.307, constitutes unlawful conduct under Section 611 of the Clean Streams Law, 35 P.S. § 691.611, and subjects Range to a claim for civil penalties under Section 605 of the Clean Streams Law, 35 P.S. § 691.605.

M. Range’s discharge of industrial waste to waters of the Commonwealth without first obtaining a permit or approval from the Department violates 25 Pa. Code §§ 78.54 and 78.60(a), constitutes unlawful conduct under Section 509 of the Oil and Gas Act, 58 P.S. § 601.509, and subjects Range to a claim for civil penalties under Section 506 of the Oil and Gas Act, 58 P.S. § 601.506.

After full and complete negotiation of all matters set forth in this CACP and upon mutual exchange of the covenants herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ASSESSED by the Department and AGREED to by Range as follows:

1. Assessment. In resolution of the Department's claim for civil penalties, which the

Department is authorized to pursue under Section 506 of the Oil and Gas Act, 58 P.S. § 601.506, Section 605 of the Clean Streams Law, 35 P.S. § 691.605 and, Section 605 of the Solid Waste Management Act, 35 P.S. § 6018.605, the Department hereby assesses a civil penalty of TWENTY THREE THOUSAND FIVE HUNDRED DOLLARS (\$23,500.00), which Range hereby agrees to pay.

2. Civil Penalty Settlement. Upon the signing of this CACP, Range shall pay the civil penalty assessment in Paragraph 1. This payment is in settlement of the Department's claim, for civil penalties for the violations set forth in Paragraphs G, H, L and M for the dates set forth in Paragraphs D, F, I, and K above. The payment shall be by corporate check or the like made payable to the "Commonwealth of Pennsylvania" and sent to the Department of Environmental Protection, Oil and Gas Management, 400 Waterfront Drive, Pittsburgh, PA 15222-4745.

3. Findings.

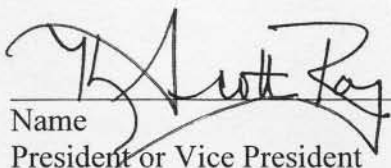
a. Range agrees that the findings in Paragraphs A through D, F, I, and K are true and correct and, in any matter or proceeding involving Range and the Department, Range shall not challenge the accuracy or validity of these findings.

b. The parties do not authorize any other persons to use the findings in this CACP in any matter or proceeding.


4. Reservation of Rights. The Department reserves all other rights with respect to any matter addressed by this CACP, including the right to require abatement of any conditions resulting from the events described in the Findings. Range reserves the right to challenge any action which the Department may take, but waives the right to challenge the content or validity of this CACP.

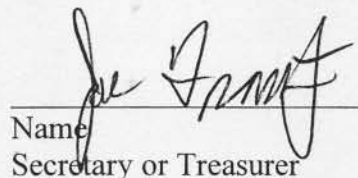
IN WITNESS WHEREOF, the parties have caused this CACP to be executed by their duly authorized representatives. The undersigned representatives of Range certify, under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this CACP on behalf of Range; that Range consents to the entry of this CACP as an ASSESSMENT of the Department; that Range hereby knowingly waives any right to a hearing under the statutes referenced in this CACP; and that Range knowingly waives its right to appeal this CACP, which rights may be available under Section 4 of the Environmental Hearing Board Act, the Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. § 103(a) and Chapters 5A and 7A; or any other provision of law. Signature by Range's attorney is not required and certifies only that the assessment has been signed after consulting with counsel.

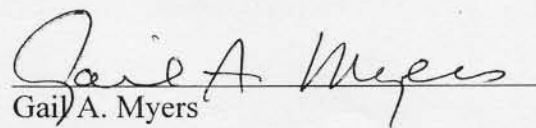
FOR RANGE RESOURCES-
APPALACHIA, LLC:

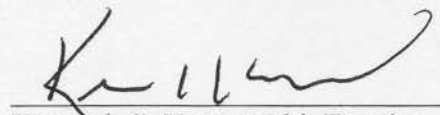

Name
President or Vice President

FOR THE COMMONWEALTH OF
PENNSYLVANIA, DEPARTMENT OF
ENVIRONMENTAL PROTECTION:


Alan J. Eichler
Manager
Bureau of Oil and Gas Management
Southwest Regional Office


Name
Secretary or Treasurer


Gail A. Myers
Assistant Counsel
Office of Chief Counsel
Southwest Regional Office


Kenneth S. Komoroski, Esquire
Attorney for Range Resources-Appalachia,
LLC

Violation / Closure Form

Specialist /
Inspector Bryon Miller

Operator Range Resources
Permit # 37-125-23165, 23182
Well Name- Cross Creek
OGO #- 60915

↑ This well was also connected by manifold to the same pipeline.

Violations

Description of Violation	Date of Violation	Follow up	Resolved Date
CSL - 301, 307, 402	5/27/09	CEI 6/17/09	6/17/09
PA 046 - 78.54, 78.57a, 78.60a, 78.66			
PA - 91.33a			

Date of NOV sent to Operator	Operator response
5/28/09	6/3/09

Date for Closure of NOV in e-facts 6/17/09

Enforcement Recommended

Conference _____ CACP Order _____ None _____ (justification below)

WQS / Inspector Bryon Miller Date- 6/18/09
Supervisor- [Signature] Date- 6/30/09
Compliance SP. [Signature] Date- 6/30/09
Comp. Chief- _____ Date- _____
Program Manager _____ Date _____

Violation Id's- 564164V
564165V
564166V

Enforcement Id- 246643V
All violations entered under
Permit # 125-23165. TRC

* other violation noted in report