

Aug. 30, 2010 8:19AM
L.G. HUNTLEY 1912--1970
J.R. WYLIE, JR. 1927-1974
R.S. STEWART 1948--1988
T. BARTHOLOMEW, II
1988--1994



No. 0613 P. 1/1
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HUNTLEY & HUNTLEY, INC.
GEOLOGISTS AND ENGINEERS
ESTABLISHED 1912

August 23, 2010

Mr. Daniel Anderson
Indiana Twp Manager
3710 Saxonburg Blvd.
Pittsburgh, PA 15238-1068

Dear Mr. Anderson,

I am writing to provide an update regarding the tragic event that occurred July 23, 2010 at one of our operating oil and gas wells in Indiana Township, Allegheny County, Pennsylvania. We are deeply saddened by the loss of the two employees of our subcontractor, Northeast Energy, and continue to keep their families in our thoughts and prayers.

Based on preliminary findings, it is clear this was an industrial welding accident which caused an oil storage tank to explode from its base. This explosion damaged an adjacent gas wellhead and its associated equipment, causing a small contained fire. Contrary to some media reports, this incident was *not* a gas well explosion. Even given the nature of the situation, the gas well remained under control throughout the entire response thanks to the cooperative efforts of the numerous fire companies, EMS and police. They are all to be commended.

We also want to assure you that all Huntley & Huntley wells in your municipality are maintained, visited and tended to by trained personnel several times per week. The wells are checked mechanically, for safety and environmental compliance. If you have any concerns, we extend an invitation to visit some of our wells along with someone from our office.

There are several independent investigations being conducted by various government agencies regarding this incident, including the Pennsylvania Department of Environmental Protection, the Allegheny County Fire Marshal and the U.S. Occupational Safety and Health Administration. We are continuing to cooperate in all aspects of these investigations and are committed to finding the exact cause of this accident.

Huntley & Huntley remains committed to the safe extraction, production and operation of oil and natural gas wells in southwestern Pennsylvania. We are extremely proud of our strong record of compliance and the reputation our company has earned over the last 100 years, just as we are proud to be able to create economic opportunities in your community.