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DRILLERS FORM SHALE COALITION

By David M. DeSalle and Lou Crocco January 6, 2010 Duane Morris LLP

Range Resources, Chief Oil & Gas, Chesapeake Energy and other companies drilling in the Marcellus Shale have agreed to formally establish the Marcellus Shale Coalition (MSC) as an independent nonprofit organization. MSC joins the Pennsylvania Oil & Gas Association (POGAM) and the Independent Oil & Gas Producers of Pennsylvania (IOGA) as the third statewide association in Pennsylvania. The Marcellus Shale is a sedimentary rock formation that contains largely untapped natural gas reserves.

A spokesman for MSC said the other groups helped the companies get started in the Shale, and they would be part of the new organization. "We felt that the Shale is such a new and large development in the industry, it warranted another group," said Ben McCue, a government affairs specialist with Chief Oil & Gas.

McCue said that MSC plans to hire a president and a full-time support staff by the end of January 2010. "It will be based either in Pittsburgh or Harrisburg," McCue said. "But whatever its location, it will be a statewide group."

The vice president of Appalachia Shale for Range Resources Corp., Ray Walker, Jr., said that MSC represents over 90 percent of the companies that have applied for permits to drill Marcellus Shale wells.

"The MSC has established itself as the leading voice for the companies exploring the Marcellus Shale, and continues to improve our stakeholders' understanding of how we safely extract natural gas and provide a needed boost to the economy of the commonwealth. The coming year will present new challenges and opportunities to tell the story of Pennsylvania's most important energy and economic development initiative in the past several decades, and the MSC is positioned to tell that story," Walker said.

The following MSC members were elected to serve on the coalition's executive committee:

- Ray Walker, Jr., chairman (Range Resources)
- David Spigelmyer, first vice chair (Chesapeake Energy Corporation)
- Rich Weber, second vice chair (Atlas Energy, Inc.)

- William Fustos, secretary (East Resources)
- Kristi Gittins, treasurer (Chief Oil & Gas)

<u>David M. DeSalle</u> is a partner of Duane Morris LLP, practicing in the area of <u>energy</u> law. Mr. DeSalle advises clients on a variety of transactional and regulatory issues and also represents clients before state and federal courts and regulatory agencies.

Lou Crocco is a director of Duane Morris Government Affairs LLC. He was formerly the executive director to the Majority Policy Committee of the Pennsylvania House of Representatives, responsible for developing numerous legislative initiatives.