

PENNSYLVANIA OFFICE OF ATTORNEY GENERAL

ATTORNEY GENERAL KATHLEEN G. KANE

Press Release

XTO Energy to pay \$400K, enter disposition program as part of settlement with Office of Attorney General

8/4/2016

HARRISBURG — Attorney General Kathleen G. Kane's office today announced it has reached a settlement agreement with a subsidiary of Exxon Mobil Corp. to resolve allegations the subsidiary illegally discharged toxic waste from a Marcellus Shale gas well site in Penn Township, Lycoming County.

The settlement calls for XTO Energy Inc. to enter the accelerated rehabilitative disposition program, which will require compliance with regulatory standards that far exceed current industry practices.

XTO also will be required to pay a \$300,000 civil penalty to the state Department of Environmental Protection and \$100,000 to the Susquehanna Greenway Partnership for the purpose of advancing environmental projects in the Lycoming County area, according to the settlement, which has received court approval.

"This settlement will result in additional oversight over a company that was allegedly responsible for discharging thousands of gallons of fracking wastewater into the environment," Attorney General Kane said. "This is an important step toward accountability, and we will continue to pursue prosecutions against companies and individuals who pollute the environment."

The settlement calls for XTO to maintain compliance with a federal consent decree that it reached in 2013 with the U.S Environmental Protection Agency and the U.S. Department of Justice. The consent decree called for several reforms, including the requirement that XTO spend an estimated \$20 million on a plan to reform its wastewater management practices.

Furthermore, XTO has already complied with a requirement of the settlement that the spill site undergo remediation efforts.

Attorney General Kane's Environmental Crimes Unit in September 2013 filed criminal charges against XTO for alleged violations of the Clean Streams Law and Solid Waste Management Act.

A statewide investigating grand jury reviewed evidence and testimony in the case. The grand jury found that between Nov. 12, 2010 and Nov. 16, 2010, more than 93,000 gallons of wastewater was transported to and stored at XTO's Marquardt site.

It was alleged that thousands of gallons of wastewater were unaccounted for. Further investigation showed the fracking wastewater flowed into and polluted a nearby tributary. As a result of the spill, the state DEP required more than 3,000 tons of contaminated soil to be excavated and removed from the Marquardt site. The grand jury found that XTO did not have a permit to discharge wastewater at the Marquardt site, and failed to report wastewater spills to DEP.

Attorney General Kane thanked the state Department of Environmental Protection and the state Fish and Boat Commission for their work on this investigation.

This case was handled on behalf of the Commonwealth by Deputy Attorney General Daniel J. Dye of the Office of Attorney General's Criminal Prosecutions Section with assistance from Deputy Attorney General Jennifer Peterson of the Attorney General's Appeals and Legal Services Section.

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