Residents of Drilling Town Near Settlement

MICHAEL RUBINKAM,Associated Press

Residents of a northeastern Pennsylvania town who say their well water was poisoned by a gas driller are nearing a settlement of their long-running and highly contentious federal lawsuit.

Court documents filed this week indicate that residents in the tiny community of Dimock Township have agreed to a confidential settlement with Houston-based Cabot Oil & Gas Corp.

Dimock became a flashpoint in the national debate over gas drilling and a technique called hydraulic fracturing, or fracking, after residents claimed in 2009 that Cabot polluted their water supply with methane gas and toxic chemicals and made some of them violently ill.

Cabot denied responsibility. Federal environmental regulators tested the aquifer this year and found the water in Dimock is safe to drink, a conclusion disputed by residents who refuse to use their wells.

State environmental regulators previously determined that Cabot contaminated the aquifer underneath homes along Carter Road in Dimock with explosive levels of methane, although they later determined the company had met its obligations under a consent agreement and allowed Cabot to stop delivering bulk and bottled water last fall.

Cabot's lawyers approached the plaintiffs in May and June with offers to settle, according to a document filed Monday in federal court. The plaintiffs' attorneys said in the document they expect the settlement money to be distributed within 60 days.

The names of the settling plaintiffs were blacked out, and the overall amount of the settlement was not disclosed.

Cabot's chief executive, Dan O. Dinges, told investors on July 25 that the company had verbal agreements with 32 of 36 Dimock households and was continuing to negotiate with the others.

Attorney Tate Kunkle, representing the plaintiffs, declined to comment on Wednesday, as did a Cabot spokesman.

An area resident, Victoria Switzer, who has openly criticized Cabot, said she and her family were "relieved to put this behind us and hopeful that we will be able to live out our lives in the home we have invested so much of our time and resources in."

"I would advise anyone living in a gas field with concerns or disputes involving a gas

company to try to work with them," she said.

Cabot is one of the most successful drillers in the Marcellus Shale, a rock formation in Pennsylvania, New York, Ohio and West Virginia that contains the nation's largest reservoir of natural gas. To reach the gas, drillers frack the wells, injecting millions of gallons of water, along with sand and chemicals, to crack open the gas-bearing rock.

Scranton's The Times-Tribune newspaper was first to report details of the settlement.

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