

Testimony of Nicholas DeIullis

Good morning.

I am Nick DeIuliis, EVP & COO for CONSOL Energy, and I appreciate the opportunity to address this hearing on emergency response in the Marcellus Shale region. Special thanks to Sen. Bob Casey for inviting CONSOL Energy to participate.

As the COO of one of the nation's leading gas and coal producers, I witness, firsthand, the importance our company places on the safe and environmentally sound operation of all of our business units.

Those operations include 11 bituminous coal mining complexes in six states with coal reserves of 4.5 billion tons. We are also the leading Appalachian gas producer, with proved reserves of 2.9 trillion cubic feet.

At CONSOL Energy, I can say, with confidence, that our primary and significant emphasis remains the health and safety of each of our more than 8,500 employees, nationwide.

And our employees are responding. Throughout all of CONSOL, and across all business units and job duties, our corporate commitment to encourage employees to work safely on the job and off is paying dividends in very important ways.

Not only are we maintaining safe operations, but we are also being productive. Our value system leads to the belief that a safe operation is also a productive one.

That if you perform adequate risk analysis while designing and constructing the operations, add to it the proper equipment and training, then follow that up with attention to the

human element by empowering employees and instilling into them that safety is a personal value, then our goal of eliminating all accidents and maintaining an Absolute ZERO mentality will be achieved and maintained

We don't run away from our responsibility to operate our energy operations safely and in compliance with the regulations, we embrace it.

We continually reinforce to our employees, on a daily basis, of the need to be safe, both on the job and at home.

At CONSOL Energy, we earnestly believe that eliminating every injury or accident in the workplace is achievable. In fact, many of our operations have proven it, consistently.

Of special interest to this forum, our gas operations recently earned more than four million hours without a lost-time accident. They are also on target to achieving our company standard of Absolute ZERO, the elimination of all accidents and injuries on a consistent basis.

Closely behind safety and equally important is the issue of compliance with the regulations that monitor and govern our industries, whether on the gas side, or the coal side, or any of the non-extractive units within CONSOL.

This overall framework of adherence to safety and compliance animates everything that CONSOL Energy does at its gas and mining operations.

This broad-based and total commitment to safety and compliance means that CONSOL Energy would never jeopardize our employees or contractors by exposing them unnecessarily and carelessly to equipment or operations that are unsafe or harmful to their well being.

And among our employee population, you will find highly skilled engineers and specialists, alongside certified and trained EMTs, experts in safety and training, and

knowledgeable and effective managers all collaborating to ensure the safe and efficient operation of our gas and coal sites.

Second, we provide extensive and on-going training for our employees to ensure they are performing their job duties safely and with strict adherence to best practices and applicable operational and environmental regulations.

This training helps to ensure that our employees will react swiftly and effectively to any incident that may occur at our gas drilling sites or any of our other operations, whether it be fire-fighting or blow-out prevention.

As a part of this effort, we instruct our operations managers and employees that the best remedy to any emergency situation is prevention. That with adequate and effective prevention planning, we can increase our chances of avoiding any emergency situation at our operations.

We also require that our contract drillers complete BOP, or Blow-Out Prevention Training before they are allow to perform work at our gas sites.

In addition, CONSOL Energy maintains a centralized communications center that monitors all company operations and acts as an emergency response outlet to quickly alert corporate and local responders to any incident involving our active sites.

Such emergency prevention and preparedness has been a part of our corporate culture for decades, and is applied across all of our business units.

Finally, we expect the same dedication to safety and compliance from our vendors and contractors that we use to assist with everything from Marcellus Shale well drilling to longwall coal mining to purchasing office supplies. If they do not adhere to the same standards for safety and compliance as our own employees do, they don't do work for CONSOL Energy.

Before any such outside contractor begins any activity on any CONSOL property, they must adhere to our standards and are required to complete a rigorous training and performance program.

It is understandable that given recent incidents at nearby Marcellus drilling sites, and against the backdrop of the BP oil spill in the Gulf, that greater attention has been focused on our industry and its operations.

However, we strongly believe that through the use of advanced drilling technologies and preventative and fail-safe systems currently being employed by CONSOL Energy will ensure that this valuable resource and the associated job growth and positive economic impact can continue to move forward safely and without harm to humans or the environment.

Thank you.