

**Testimony of Randall M. Albert, Chief Operating Officer - Gas
CONSOL Energy Inc.
U.S. Senate Committee on Commerce, Science and Transportation
“Shale Gas Development: Meeting the Transportation, Pipeline and Rail Needs to
Renew American Manufacturing”
Fairmont, West Virginia – April 11, 2012**

Thank you, Senator Rockefeller, for convening this very important hearing regarding shale gas development. Your leadership on this issue is essential as our nation and our state ponder this once-in-a-generation opportunity. Public policy matters – and we must make sound decisions with regard to every aspect of the shale revolution, from production to delivering product to market, in order to truly provide energy and economic security for our country.

I am Randy Albert, Chief Operating Officer – Gas Division for CONSOL Energy.

CONSOL is the largest producer of high-Btu bituminous coal in the United States. Named one of America’s most admired companies by Fortune magazine, we have evolved from a single-fuel mining company into a multi-energy producer of both high-Btu coal and natural gas – with 3.7 tcf (trillion cubic feet) of natural gas reserves we are also among the largest gas producers in the Appalachian basin. CONSOL currently employs over 9000 people with 4,303 employees here in West Virginia.

We are the only company that operates across all of the different horizons beneath our feet – from surface infrastructure and processing facilities, to the coal seams and deeper into the Marcellus and Utica Shales – it is a unique perspective and unique advantage to CONSOL Energy and the state of West Virginia.

West Virginia, once again, finds itself at the epicenter of the energy debate in America. Through the many challenges we face from external forces, we also find tremendous opportunity right at our doorstep. The shale gas plays in our region and across the country have literally been “game changing”. Technological advances in horizontal drilling and fracturing techniques have unleashed this vast, new economic opportunity. The Marcellus may be the second largest gas field in the world. Estimates show that there could be as much as 500 tcf underlying the Marcellus Shale. American’s use roughly 20-25 tcf annually – hence, the Marcellus Shale alone could represent a 25-year natural gas supply.

By 2020, the natural gas boom is expected to create over 200,000 additional jobs in the region, over \$18 billion in value added and over \$1.8 billion in state and local tax revenue.

How do we get to those numbers? Each well requires 415 workers from 150 different kinds of companies to release and harness the fuel. Approximately \$5 million is invested in the development of each Marcellus Shale well.

Each mile of Marcellus pipeline represents a nearly \$1 million investment into the state economy. Over the next 20 years, the industry will have to invest \$50 to \$100 billion in midstream infrastructure.

With great opportunity comes even greater responsibility. As I mentioned at the outset of my remarks, public policy matters and regulatory certainty creates an atmosphere where companies can and will invest and create jobs, with good economic and environmental return. Last December, Governor Tomblin and the legislature worked together to pass a comprehensive Marcellus Shale framework doing just that here in West Virginia – something that will pay dividends for the state for many years to come. CONSOL Energy's commitment to providing family-sustaining jobs, in a safe, compliant and environmentally-friendly manner, is as unwavering today as it ever was.

While our region has seen the benefits of the surge of natural gas production in recent years, we will only realize the full benefits of this critical domestic resource if we are able to effectively move this product and open up new markets for its usage, from the transportation sector to the manufacturing sector, we must closely align our policies to maximize the benefits of these shale plays. Last year, the U.S. produced an average of 63 bcf (billion cubic feet) of natural gas per day, a 24 percent increase from 2006 – but over that period consumption has grown half as fast.

The best hope for economic renewal, here in the United States and the rest of the world, is growth. We need a growth agenda predicated on creating an environment that allows the private sector to grow, to create jobs, to lift incomes, to generate more tax revenues and to regain our optimism about the future.

I'm here today to tell you the energy industry can help us do just that. At this critical moment for our economy, we can get everything else right, but still go nowhere unless we have affordable, reliable supplies of the energy needed to power the American economic engine. Today, we stand ready to be the industry that helps make recovery possible – a strong, lasting, global recovery, led by red, white and blue energy and red, white and blue manufacturing.

If we fail to get this right, the implications for our economy and, by extension, our foreign policy could be staggering in the years ahead.

Thank you for this opportunity and I look forward to answering your questions.