

PVR Midstream Operations

Prior to PVR's recent expansion into north central and northeast Pennsylvania, its operations comprised five general natural gas gathering and processing systems located in Oklahoma and Texas, with an additional equity investment in a natural gas gathering company in Wyoming. The company has approximately 140 full-time employees with numerous office locations in Texas, Oklahoma, and Pennsylvania.

PVR owns and operations the Panhandle System, located in the panhandle of Texas and western Oklahoma. This system includes approximately 1,700 miles of gathering pipelines and 260 MMcfd of gas processing capacity at three plants (100 MMcfd at Beaver, 100 MMcfd at Spearman and 60 MMcfd at Sweetwater), with gas supply from over 200 producers. During 2009, the average system throughput was approximately 220 MMcf/d.

PVR also owns and operates the Crossroads System, located in east Texas. This system consists of eight miles of gathering pipelines and an 80 MMcfd capacity gas processing plant. During 2009, average system throughput volume was approximately 47 MMcfd.

Additionally, PVR owns and operates The Crescent System, located in north central Oklahoma, which consists of approximately 1,700 miles of gathering pipelines and a 40 MMcfd gas processing plant, with gas supply from over 250 producers. During 2009, average system throughput volume was approximately 22 MMcfd.

PVR's smallest system by volume is the Hamlin System in West Central Texas. The system consists of approximately 516 miles of natural gas gathering pipelines, and the 20 MMcf/d Hamlin natural gas processing plant. During 2009, average system throughput was approximately 8 MMcfd.

PVR's most recent expansion prior to its Pennsylvania development was the purchase of the North Texas Gas Gathering (NTGG) System, located in the Fort Worth Basin of north Texas. This system consists of 134 miles of gathering pipelines and has approximately 240,000 acres dedicated by producers. During 2009, average system throughput volume was approximately 18 MMcfd.

Additionally, PVR owns a 25% equity interest in Thunder Creek Gas Services, a natural gas gatherer in Wyoming's Powder River Basin. This system consists of approximately 590 miles of gathering pipelines and 75,000 Hp of compression. During 2009, average system throughput was approximately 350 MMcfd.

In the first quarter of 2010, PVR Midstream announced that it had signed two agreements with Range Resources Corporation, and a private firm to construct and operate gas gathering pipeline and compression facilities in north central and northeast Pennsylvania. The agreements allow PVR Midstream to establish a new base of operations in the emerging Marcellus Shale play. Capital expenditures contemplated by the agreements would total approximately \$200 million by 2015, consisting of gathering

and compression facilities to be constructed primarily in Lycoming County for Range Resources and in Wyoming County for the private producer. PVR will utilize this capital and these assets to facilitate the development of the natural gas resources within these areas by quickly and efficiently gathering gas from area producers to transmission lines located in Pennsylvania. We will continue our longstanding record of service to our customers and stakeholders, with an ultimate goal of benefiting consumers, through the efficient and conscientious construction and operations of our midstream facilities.