

Attorneys for Va. coalfields property owners press 2 energy companies on natural gas royalties

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RICHMOND, Va. — Attorneys for property owners in Virginia’s coalfields region who say they were cheated out of untold millions in royalty payments for natural gas drilled on their land are asking a federal judge to order two energy companies to show how much they drilled and reaped from the resource.

The request is contained in briefs seeking summary judgment in class-action lawsuits involving thousands of landowners. They want to free up nearly \$30 million in disputed payments and what they say is much more in royalties they are owed because of overcharges and underpayments.

The lawsuits name EQT production Co. and CNX Gas Co., Pittsburgh-area companies that have drilled more than 7,000 wells in southwest Virginia to siphon methane gas from coal seams.

Asked to comment on the filing, EQT issued a statement: “At this time we intend to make our response to these filings in court.” CNX parent CONSOL Energy said it was reviewing the filings. Both companies have previously denied the claims in the lawsuits.

The plaintiffs’ attorneys contend the disputed royalties held in a state escrow account has subjected the landowners to an “involuntary lease” and established below-market royalty payments for methane gas royalties.

Don Barrett, lead attorney for the property owners, said the lawsuits are intended to determine how much EQT and CNX truly owe the property owners.

“We know that EQT and CNX have underpaid these folks, have overcharged them on expenses and have not reported all of the gas that they sold and have shorted these people by millions and millions of dollars,” Barrett said Thursday in a telephone interview from his office in Mississippi.

“They have to, under oath, come in and say here’s exactly what we took in and here’s what happened to it,” and that they deducted only expenses that were necessary and reasonable, he said. “The fact is, much more gas has been produced than has been paid for.”



The lawsuits, filed several years ago, were certified as class actions representing various claims earlier this month by U.S. District Judge James P. Jones. It was not immediately clear when he would rule on the request for summary judgment.

Attorneys for the landowners are also seeking punitive damages, which would be decided at trial.

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