

## EQT Says Landowners Not Entitled To Additional Royalties

By **Morgan Conley**

*Law360 (March 24, 2020, 9:53 PM EDT)* -- West Virginia landowners have no basis in their proposed class action for claims EQT Corp. shorted them on payments for natural gas royalties, the energy company told a West Virginia federal court on Monday.

Natural gas producer EQT urged the court to toss several claims brought by a group of landowners who say the company miscalculated their royalty payments for natural gas liquids under their leases. EQT said the lessors made only "vague, factually and legally unsupported" claims that they're entitled to benefit from a commodity that is manufactured downstream.

EQT said it pays the owners for the value of natural gas liquids based on the Btu content of the gas and it is not obligated to pay more just because it goes on to process the liquids and sell them as hydrocarbons.

The landowners sued the energy company in July, alleging it breached contracts and violated West Virginia law regarding timely royalty payments. In February, they added claims EQT breached its fiduciary duties and misrepresented to them that they were being fairly compensated. They also added a request for punitive damages.

EQT argued it doesn't have a fiduciary relationship with the residents because it is under no legal obligation to put their interests above its own under West Virginia law.

It also said that if there is no breach of contract, claims of royalty payment misrepresentation fail. And since the failure of those two claims would leave the proposed class without a valid tort claim, they can't go after punitive damages, it argued.

The company singled out one group of plaintiffs, the Glovers, who it said did not honor their obligation to bring possible contract violations to the company before filing a lawsuit, as required by their agreement. Skipping that step bars the Glovers from pursuing the suit, EQT said. The family's state law

claims also then fail because they cannot bring a claim for untimely royalty payments unless EQT defaulted on the lease, the company said.

EQT has not asked the court to throw out breach of contract claims from plaintiffs other than the Glovers. It also hasn't asked to dismiss claims from the other plaintiffs that it violated the West Virginia statute regarding timely royalty payments.

Representatives for the parties didn't immediately respond to requests for comment Tuesday.

The landowners are represented by Robert J. Fitzsimmons, Mark Colantonio and Donald M. Kresen of Fitzsimmons Law Firm PLLC, Eric M. Gordon of Berry Kessler Crutchfield Taylor & Gordon, Roger L. Cutright and Andrew R. Cutright of Cutright Law PLLC, Marvin W. Masters of The Masters Law Firm LC and Ethan Vessels of Fields Dehmlow & Vessels LLC.

EQT is represented by Timothy M. Miller, Katrina N. Bowers and Jennifer J. Hicks of Babst Calland Clements & Zomnir PC and Lauren W. Varnado and Jonathan H. Koppell of McKool Smith PC.

The suit is Glover et al. v. EQT Corp. et al., case number 5:19-cv-00223, in the U.S. District Court for the Northern District of West Virginia.

--Editing by Brian Baresch.