

**IN THE CIRCUIT COURT OF WETZEL COUNTY, WEST VIRGINIA
BUSINESS COURT DIVISION**

SWN PRODUCTION COMPANY, LLC,

Petitioner,

vs.

**Presiding Judge: James H. Young, Jr.
Civil Action No. 18-C-21**

**THE HONORABLE DALE STEAGER
West Virginia State Tax Commissioner,
THE HONORABLE SCOTT LEMLEY,
Assessor of Wetzel County, and
THE COUNTY COMMISSION OF WETZEL COUNTY,
Sitting as a Board of Assessment Appeals,**

Respondents.

**AGREED FINAL ORDER
RE-VALUING MARCELLUS SHALE HORIZONTAL WELLS
FOR AD VALOREM TAX PURPOSES FOR 2017 TY AND
DISMISSING APPEAL OF
PETITIONER SWN PRODUCTION COMPANY, LLC.**

COME NOW SWN Production Company, LLC, by Counsel Craig Griffith, Esquire, and John Meadows, Esquire; The County Commission of Wetzel County sitting as a Board of Assessment Appeals, by Counsel Jonathan Nicol, Esquire, and Timothy Haught, Esquire; and The Honorable Dale W. Steager, State Tax Commissioner, by Counsel L. Wayne Williams, Assistant Attorney General, and pray the Business Court enter this Agreed Final Order.

SWN Production Company is the producer for numerous Marcellus Shale horizontal wells located in Wetzel County, West Virginia. Originally, the WV State Tax Department valued SWN Production Company's producing Marcellus Shale oil and gas wells at \$158,857,714 for the 2017 tax year (TY). The Tax Department argued that its valuation was correct under the applicable law

and legislative rules. The County Commission sitting as a Board of Assessment Appeals adopted the Tax Department's valuation.

SWN Production timely appealed the valuation for the 2017 TY to the Circuit Court of Wetzel County; subsequently, the case was transferred to the Business Court Division.

All parties agree that the decision in the SWN Production Company appeal must be determined according to the recent decision of the West Virginia Supreme Court of Appeals in *Steager v. CONSOL Energy, Inc.*, 242 W. Va. 209, 832 S.E. 2d 135 (2019).

On October 1, 2019, the Business Court conducted a status conference and directed the State Tax Department to re-value SWN Production's Marcellus Shale horizontal wells for the 2017 TY. Subsequently, SWN Production provided a list of wells for the 2017 TY and Cindi Hoover, Tax & Revenue Manager of the West Virginia Property Tax Division, Special Properties Section, re-valued the wells based on the decision in *Steager v. CONSOL Energy*.

At the status conference, the Business Court set December 2, 2019, as the deadline for the Parties to file motions for summary judgment. Subsequently, at the request of the Parties, the deadline was extended to December 16, 2019, to allow the parties additional time to review the revised valuations and to discuss a final resolution of this matter.

The Tax Department re-valued SWN Production's wells for a total value of \$155,872,404 for the 2017 TY. A spreadsheet is attached which identifies the value of each individual well.

SWN Production agrees with the revised valuation for the 2017 TY.

The County Commission of Wetzel County sitting as a Board of Assessment Appeals agrees with the revised valuation for the 2017 TY.

Furthermore, the Parties agree that the re-valuation has resolved all issues which were litigated before the Business Court.

The Business Court has reviewed the pleadings filed in this matter, the WV Supreme Court decision in *Steager v. CONSOL Energy*, cited *supra*, W. Va. Code § 11-6K-1, *et seq.*, and the applicable legislative rule.

The Business Court finds the Agreed Final Order to be proper in all respects.

The Court finds the true and actual value of SWN Production's Marcellus Shale horizontal wells is a total of \$155,872,404 for the 2017 TY in Wetzel County as specifically identified for every individual well on the attached spreadsheet.

Each party will be responsible for its own costs, expenses, and legal fees, in this matter.

The Clerk of the Circuit Court is directed to transmit a true copy of this Agreed Final Order to the counsel of record and The Honorable Scott Lemley at the addresses listed below.

The matter is to be stricken from the active docket of the Court.

The matter is dismissed with prejudice.

It is so ORDERED.

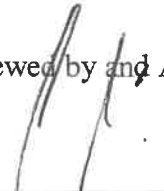
Entered: December 16 '19

James H. Young, Jr.
James H. Young, Jr., Presiding Judge
Circuit Court of Wetzel County
Business Court Division

Prepared by:

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Reviewed by and Agreed to:



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Business Court Division
West Virginia Supreme Court
Berkeley County Judicial Center
300 W. South Street, Suite 2100
Martinsburg, WV 25401

The Honorable Scott Lemley
Assessor of Wetzel County
200 Main Street
New Martinsville, WV 26125

NRA	COUNTY	Account	Well Name	State Appraised TV2017	Value Consistent with WV Supreme Court Ruling	Amount of Reduction				
520120102236	WETZEL	02236	MARTIN R WHITEMAN JR 1	\$ 26,952.00	\$500.00	\$26,452.00				
520120112331	WETZEL	02331	DANIEL DURIG 1H	\$ 1,373,989.00	\$1,187,451.00	\$186,538.00				
520120112366	WETZEL	02366	DAVID DURIG ETUX-LUCKY D 4H	\$ 2,029,925.00	\$2,029,925.00	\$0.00				
520120112371	WETZEL	02371	DAVID DURIG ETUX-LUCKY D 8H	\$ 1,244,320.00	\$1,003,964.00	\$240,356.00				
520120112375	WETZEL	02375	DANIEL DURIG 5H	\$ 1,676,159.00	\$1,624,798.00	\$51,361.00				
520120112376	WETZEL	02376	DANIEL DURIG 2H	\$ 1,013,283.00	\$686,203.00	\$327,080.00				
520120112427	WETZEL	02427	DAVID DURIG ETUX-LUCKY D 3H	\$ 1,804,795.00	\$1,804,795.00	\$0.00				
520120112428	WETZEL	02428	DAVID DURIG ETUX-LUCKY D 1H	\$ 1,953,498.00	\$1,953,498.00	\$0.00				
520120112440	WETZEL	02440	MARTIN R WHITEMAN 8H	\$ 3,311,275.00	\$3,311,275.00	\$0.00				
520120112449	WETZEL	02449	MARTIN R WHITEMAN JR 5H	\$ 2,372,029.00	\$1,468,402.00	\$903,627.00				
520120122469	WETZEL	02469	FLOYD JOHNSON 1H	\$ 2,531,092.00	\$2,531,092.00	\$0.00				
520120122470	WETZEL	02470	FLOYD JOHNSON 3H	\$ 2,422,555.00	\$2,422,555.00	\$0.00				
520120122480	WETZEL	02480	RINE 3H	\$ 3,027,331.00	\$3,027,331.00	\$0.00				
520120122481	WETZEL	02481	RINE 5H	\$ 2,862,369.00	\$2,862,369.00	\$0.00				
520120122536	WETZEL	02536	RINE 6H	\$ 4,108,579.00	\$4,108,579.00	\$0.00				
520320142714	WETZEL	02714	VERNON JOHNSON WIZ 10H	\$ 4,177,583.00	\$4,177,583.00	\$0.00				
521220112231	WETZEL	02231	ALBERT & MARY HOHMAN 1	\$ 105,266.00	\$67,694.00	\$37,572.00				
521220112364	WETZEL	02364	ELLSWORTH J DAVIS ESTATE 3H	\$ 1,679,193.00	\$1,646,714.00	\$32,479.00				
521220112403	WETZEL	02403	ELLSWORTH DAVIS ESTATE 2H	\$ 815,049.00	\$452,577.00	\$362,472.00				
521220112408	WETZEL	02408	MARGARET SUE KELLEY 10H	\$ 1,290,476.00	\$1,067,626.00	\$222,850.00				
521220112423	WETZEL	02423	JAMES MESSENGER ETUX 3H	\$ 1,502,318.00	\$1,369,499.00	\$132,819.00				
521220112424	WETZEL	02424	JAMES MESSENGER ETUX 5H	\$ 1,455,700.00	\$1,299,795.00	\$155,905.00				
521220122434	WETZEL	02434	CHESAPEAKE APPALACHIA 1H	\$ 4,422,520.00	\$4,422,520.00	\$0.00				
521220122435	WETZEL	02435	CHESAPEAKE APPALACHIA 3H	\$ 4,957,943.00	\$4,957,943.00	\$0.00				
521220122436	WETZEL	02436	CHESAPEAKE APPALACHIA 5H	\$ 4,339,866.00	\$4,339,866.00	\$0.00				
521220122437	WETZEL	02437	CHESAPEAKE APPALACHIA 6H	\$ 4,893,396.00	\$4,893,396.00	\$0.00				
521220122438	WETZEL	02438	CHESAPEAKE APPALACHIA 8H	\$ 3,922,672.00	\$3,922,672.00	\$0.00				
521220122439	WETZEL	02439	CHESAPEAKE APPALACHIA 10H	\$ 2,850,244.00	\$2,850,244.00	\$0.00				
521220122453	WETZEL	02453	BRETT BERISFORD 3H	\$ 2,915,829.00	\$2,915,829.00	\$0.00				
521220122454	WETZEL	02454	BRETT BERISFORD 5H	\$ 2,921,429.00	\$2,921,429.00	\$0.00				

CHANGED ORIGINAL TO CORRECT NUMBER

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NRA	COUNTY	Account	Well Name	State Appraised TY2017	Value Consistent with WV Supreme Court Ruling	Amount of Reduction					
521220122458	WETZEL	02458	HOHMAN HBP S 1H	\$ 2,295,878.00	\$2,295,878.00	\$0.00					
521220122459	WETZEL	02459	HOHMAN HBP S 3H	\$ 2,496,169.00	\$2,496,169.00	\$0.00					
521220122461	WETZEL	02461	BRETT BERISFORD 1H	\$ 2,727,099.00	\$2,727,099.00	\$0.00	CHANGED ORIGINAL TO CORRECT NUMBER				
521220132448	WETZEL	02448	GORDON STANSBERRY 10H	\$ 5,560,696.00	\$5,560,696.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132460	WETZEL	02460	HOHMAN HBP S 5H	\$ 3,562,721.00	\$3,562,721.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132484	WETZEL	02484	SABER 8H	\$ 5,831,189.00	\$5,831,189.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132485	WETZEL	02485	SABER 3H	\$ 4,676,679.00	\$4,676,679.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132511	WETZEL	02511	SABER 10H	\$ 5,051,454.00	\$5,051,454.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132527	WETZEL	02527	SABER 1H	\$ 4,336,630.00	\$4,336,630.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132528	WETZEL	02528	SABER 6H	\$ 4,065,628.00	\$4,065,628.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132533	WETZEL	02533	SABER 5H	\$ 4,825,330.00	\$4,825,330.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220132565	WETZEL	02565	HOHMAN HBP S 8H	\$ 3,979,112.00	\$3,979,112.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220152407	WETZEL	02407	MARGARET KELLEY WTZ 8H	\$ 3,272,305.00	\$3,272,305.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220152715	WETZEL	02715	MARGARET SUE KELLEY WTZ 14H	\$ 1,065,480.00	\$759,681.00	\$305,799.00	CHANGED WELL NAME TO CORRECT NAME				
521220152769	WETZEL	02769	BLATT WTZ 8H	\$ 3,102,512.00	\$3,102,512.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220162839	WETZEL	02839	ROBERT BAXTER WTZ 10H A	\$ 2,753,282.00	\$2,753,282.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220162840	WETZEL	02840	ROBERT BAXTER WTZ 8H A	\$ 2,699,049.00	\$2,699,049.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220162841	WETZEL	02841	ROBERT BAXTER WTZ 6H A	\$ 3,690,198.00	\$3,690,198.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220162842	WETZEL	02842	ROBERT BAXTER WTZ 210H A	\$ 2,951,413.00	\$2,951,413.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME ALSO CHANGED VALUE				
521220162877	WETZEL	02877	ROBERT BAXTER WTZ 205H A	\$ 2,154,269.00	\$2,154,269.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME ALSO CHANGED VALUE				
521220162973	WETZEL	02973	JAMES MESSENGER U WTZ 3H ST1 A	\$ 6,100,699.00	\$6,100,699.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220172903	WETZEL	02903	RIDGETOP LAND VENTURES WTZ 201	\$ 2,500,545.00	\$2,500,545.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220173096	WETZEL	03096	RIDGETOP LAND VENTURES WTZ 1	\$ 1,908,497.00	\$1,908,497.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
521220173097	WETZEL	03097	RIDGETOP LAND VENTURES WTZ 3	\$ 3,243,245.00	\$3,243,245.00	\$0.00	CHANGED WELL NAME TO CORRECT NAME				
				\$158,857,714.00	\$155,872,404.00	\$2,985,310.00					