

DEC 30 '19 AM 10:21
OHIO CO CIRCUIT COURT

**BEFORE THE CIRCUIT COURT OF OHIO COUNTY
BUSINESS COURT DIVISION**

SWN PRODUCTION COMPANY, LLC,
Petitioner,

v.

Circuit Court of Ohio County
Civil Action No. 17-C-319

Judge James H. Young, Jr.
Presiding Judge

THE HONORABLE DALE STEAGER,
West Virginia State Tax Commissioner,
THE HONORABLE TIFFANY HOFFMAN,
Assessor of Ohio County,
THE COUNTY COMMISSION OF OHIO COUNTY
Sitting as the 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 Ohio County Commission, by Counsel, Donald J. Tennant, Esquire; and The Honorable Dale W. Steager, State Tax Commissioner, and The Honorable Tiffany Hoffman, Assessor of Ohio County, 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 Ohio County, West Virginia. Originally, the WV State Tax Department valued SWN Production Company's producing Marcellus Shale oil and gas wells at \$395,621,927 for the 2017 tax year (TY). The Tax Department argued that its valuation was correct under the applicable law

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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 Ohio 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 \$393,838,084 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.

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 \$393,838,084 for the 2017 TY in Ohio 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 Tiffany Hoffman 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 18, '19

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

Prepared by:

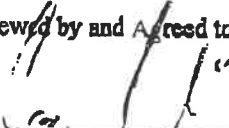
L. Wayne Williams
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Charleston, West Virginia 25305
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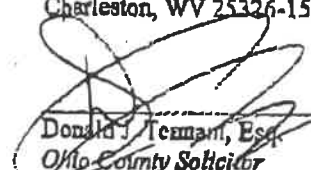
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Brenda X. Miller
Circuit Clerk

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Reviewed by and Agreed to:


CRAIG A. GRIFFITH, ESQ.
JOHN J. MEADOWS, ESQ.
Counsel for SWN Production Company, LLC.
Steptoe & Johnson
P.O. Box 1588
Charleston, WV 25326-1588


Donald J. Tennant, Esq.
Ohio County Solicitor
38 Fifteenth Street, Suite 100
Wheeling, WV 26003

Copy to:

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

The Honorable Tiffany Hoffman
Assessor of Ohio County
1500 Chapline Street
Wheeling, WV 26003

NRA	COUNTY	ACCOUNT	Well Name	2017	2018	2019					
350320130063	OHIO	02060010	ESTHER WEEKS 1H	\$ 5,284,793.00	\$5,284,793.00	\$0.00					
350320130064	OHIO	02060021	GLENN DIDRIKSEN 8H	\$ 7,343,286.00	\$7,343,286.00	\$0.00					
350320130066	OHIO	02060005	LARRY BALL 6H	\$ 4,538,717.00	\$4,538,717.00	\$0.00					
350320130067	OHIO	02060006	LARRY BALL OHI 5H	\$ 5,053,990.00	\$5,053,990.00	\$0.00					
350320130072	OHIO	02060007	SHAWN COUCH 1H	\$ 3,576,421.00	\$3,576,421.00	\$0.00					
350320130073	OHIO	02060008	CLARENCE FARMER 10H	\$ 2,180,932.00	\$2,183,666.00	\$17,268.00					
350320130075	OHIO	02060000	DALLAS HALL 6H	\$ 3,097,033.00	\$3,097,033.00	\$0.00					
350320130076	OHIO	02060009	DALLAS HALL 8H	\$ 3,467,108.00	\$3,467,108.00	\$0.00					
350320130078	OHIO	02060001	THELMA HAYS 3H	\$ 4,166,029.00	\$4,166,029.00	\$0.00					
350320130081	OHIO	02060002	GARY KESTNER 3H	\$ 5,938,164.00	\$5,938,164.00	\$0.00					
350320130084	OHIO	02060004	ROY RIGGLE 8H	\$ 3,877,474.00	\$3,877,474.00	\$0.00					
350320130086	OHIO	02060012	THELMA HAYS OHI 5H	\$ 4,134,734.00	\$4,134,734.00	\$0.00					
350320130087	OHIO	02060013	ALICE EDGE OHI 1H	\$ 1,834,112.00	\$1,758,264.00	\$75,848.00					
350320130088	OHIO	02060014	BENJAMIN HONECKER OHI 5H	\$ 5,013,564.00	\$5,013,564.00	\$0.00					
350320130089	OHIO	02060015	BENJAMIN HONECKER OHI 8H	\$ 2,882,057.00	\$2,879,057.00	\$9,000.00					
350320130093	OHIO	02050016	THELMA HAYS OHI 8H	\$ 6,476,166.00	\$6,476,166.00	\$0.00					
350320130094	OHIO	02050018	WILLIAM RODGERS OHI 3H	\$ 2,160,293.00	\$2,150,115.00	\$2,178.00					
350320130095	OHIO	02060019	WILLIAM RODGERS OHI 8H	\$ 2,791,487.00	\$2,781,437.00	\$0.00					
350320130102	OHIO	02060020	ALICE EDGE OHI 8H	\$ 2,475,949.00	\$2,475,949.00	\$0.00					
350320130104	OHIO	02060021	LARRY BALL OHI 3H	\$ 4,964,834.00	\$4,964,834.00	\$0.00					
350320130105	OHIO	02060026	SHAWN COUCH OHI 8H	\$ 1,301,779.00	\$1,886,654.00	\$59,125.00					
350320130123	OHIO	02060037	GLENN DIDRIKSEN OHI 1H	\$ 1,116,175.00	\$884,928.00	\$241,847.00					
350320150132	OHIO	02060038	MICHAEL RATCLIFFE OHI 8H	\$ 2,408,543.00	\$2,408,543.00	\$0.00					
350320150158	OHIO	02060039	LARRY BALL OHI 1H	\$ 2,839,322.00	\$2,839,322.00	\$0.00					
350320160164	OHIO	02059924	CLARENCE FARMER OHI 1H A	\$ 4,753,126.00	\$4,753,126.00	\$0.00					
350320160165	OHIO	02059925	CLARENCE FARMER OHI 3H A	\$ 3,900,675.00	\$3,900,675.00	\$0.00					
350320160168	OHIO	02060081	CLARENCE FARMER OHI 8H A	\$ 4,465,641.00	\$4,465,641.00	\$0.00					
350320160169	OHIO	02060084	CLARENCE FARMER OHI 6H A	\$ 5,165,642.00	\$5,165,642.00	\$0.00					
350320160170	OHIO	02060088	CLARENCE FARMER OHI 206H A	\$ 5,584,407.00	\$5,584,407.00	\$0.00					
350320160171	OHIO	02059928	CARL ROTTGER OHI 1H A	\$ 9,540,920.00	\$9,540,920.00	\$0.00					
350320160179	OHIO	02059929	ALICE EDGE OHI 5	\$ 4,459,837.00	\$4,459,837.00	\$0.00					

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NRA	COUNTY	Account	Well Name	2019	2018	2017					
350320170179	OHIO	02069970	ALICE EDGE OHI 205	\$ 4,832,782.00	\$4,832,782.00	\$0.00					
350320170180	OHIO	02060986	ALICE EDGE OHI 3	\$ 4,393,852.00	\$4,393,852.00	\$0.00					
350320170181	OHIO	02060984	ALICE EDGE OHI 201	\$ 3,953,710.00	\$3,953,710.00	\$0.00					
350320170182	OHIO	02060983	RAYLE COAL OHI 1	\$ 5,258,341.00	\$5,258,341.00	\$0.00					
350320170183	OHIO	02060993	ALICE EDGE OHI 301	\$ 4,702,389.00	\$4,702,389.00	\$0.00					
350320170184	OHIO	02060990	ALICE EDGE OHI 6	\$ 4,355,576.00	\$4,355,576.00	\$0.00					
350320170185	OHIO	02060998	ALICE EDGE OHI 208	\$ 5,581,969.00	\$5,581,969.00	\$0.00					
350320170186	OHIO	02060994	ALICE EDGE OHI 10	\$ 4,675,644.00	\$4,675,644.00	\$0.00					
350320170187	OHIO	02061001	ALICE EDGE OHI 210	\$ 3,988,567.00	\$3,988,567.00	\$0.00					
350320170188	OHIO	02061001	GLENN DIDRIKSEN OHI 8	\$ 2,181,023.00	\$2,181,023.00	\$8,226.00					
350320170189	OHIO	02061004	GLENN DIDRIKSEN OHI 205	\$ 2,861,338.00	\$2,861,338.00	\$0.00					
350320170190	OHIO	02061005	GLENN DIDRIKSEN OHI 210	\$ 2,578,756.00	\$2,578,756.00	\$0.00					
350320170191	OHIO	02061006	GLENN DIDRIKSEN OHI 10	\$ 1,982,868.00	\$1,915,982.00	\$66,876.00					
350420130058	OHIO	02060040	EDWARD NICHOLS SH	\$ 2,222,035.00	\$2,212,915.00	\$9,140.00					
350420130077	OHIO	02060041	EDWARD NICHOLS SH	\$ 3,256,348.00	\$3,256,348.00	\$0.00					
350420130091	OHIO	02060041	TIMMY MINCH OHI 1H	\$ 2,538,154.00	\$2,538,154.00	\$0.00					
350420130117	OHIO	02060043	RAYLE COAL OHI 6H	\$ 1,844,397.00	\$1,788,888.00	\$54,809.00					
350420130146	OHIO	02060043	EDWARD NICHOLS OHI 201H	\$ 2,757,176.00	\$2,757,176.00	\$0.00					
350420130156	OHIO	02060043	HOWARD SHACKELFORD OHI 1H A	\$ 4,100,747.00	\$4,100,747.00	\$0.00					
350620130061	OHIO	02060053	GEORGE GANTZER SH	\$ 4,667,459.00	\$4,667,459.00	\$0.00					
350620130062	OHIO	02060054	GEORGE GANTZER 10H	\$ 2,233,383.00	\$2,233,383.00	\$0.00					
350620130063	OHIO	02060055	GEORGE GANTZER 6H	\$ 2,187,254.00	\$2,187,254.00	\$0.00					
350620130069	OHIO	02060056	ROYFERRELL SH	\$ 3,341,687.00	\$3,341,687.00	\$0.00					
350620130072	OHIO	02060057	BRIAN DYKIO SH	\$ 2,100,314.00	\$2,100,314.00	\$0.00					
350620130079	OHIO	02060060	CHARLES FRYE 2H	\$ 3,195,677.00	\$3,195,677.00	\$0.00					
350620130080	OHIO	02060061	ROYFERRELL 3H	\$ 6,884,467.00	\$6,884,467.00	\$0.00					
350620130082	OHIO	02061783	MARK HICKMAN SH	\$ 8,261,865.00	\$8,261,865.00	\$0.00					
350620130083	OHIO	02060078	MASON COTTRELL OHI 8H	\$ 2,180,085.00	\$2,177,844.00	\$2,241.00					
350620130090	OHIO	02060133	CHARLES FRYE OHI 5H	\$ 4,420,377.00	\$4,420,377.00	\$0.00					
350620130091	OHIO	02060155	CHARLES FRYE OHI 10H	\$ 5,842,016.00	\$5,842,016.00	\$0.00					
350620130096	OHIO	02060168	OCCA OHI 9H	\$ 3,242,024.00	\$3,242,024.00	\$0.00					

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NRA	COUNTY	Account	Well Name	2019	2018	2017
350620130100	OHIO	02060396	DEBORAH CRAIG OHI 3H	\$ 3,541,692.00	\$3,541,692.00	\$0.00
350620130101	OHIO	02060442	GEORGE GANTZER OHI 3H	\$ 868,961.00	\$807,782.00	\$259,179.00
350620140070	OHIO	02060445	MELVIN KAHLE BH	\$ 5,151,879.00	\$6,151,879.00	\$0.00
350620140109	OHIO	02060535	MARK HICKMAN OHI BH	\$ 9,185,298.00	\$9,185,298.00	\$0.00
350620140124	OHIO	02060528	MELVIN KAHLE OHI 3H	\$ 5,998,809.00	\$5,998,809.00	\$0.00
350620150187	OHIO	02058888	CHAD GLAUSER OHI BH	\$ 4,666,132.00	\$4,666,132.00	\$0.00
350620150110	OHIO	02060546	CHAD GLAUSER OHI BH	\$ 8,274,049.00	\$8,274,049.00	\$0.00
350620150115	OHIO	02060639	BRIAN DYTKO OHI 3H	\$ 1,704,062.00	\$1,619,641.00	\$84,721.00
350620150118	OHIO	02060643	GEORGE GANTZER OHI 3H	\$ 1,590,856.00	\$1,399,387.00	\$181,415.00
350620150119	OHIO	02060664	GEORGE GANTZER OHI 3H	\$ 1,580,548.00	\$1,448,351.00	\$132,197.00
350620150126	OHIO	02060675	BRIAN DYTKO OHI 6H	\$ 8,004,572.00	\$8,004,572.00	\$0.00
350620150127	OHIO	02060692	BRIAN DYTKO OHI 30H	\$ 1,925,822.00	\$1,886,145.00	\$38,677.00
350620150131	OHIO	02060709	MASON COTTRELL OHI 1H	\$ 1,476,406.00	\$1,330,985.00	\$145,420.00
350620150136	OHIO	02060726	CHAD GLAUSER OHI 5H	\$ 1,016,563.00	\$707,592.00	\$308,771.00
350620150187	OHIO	02060789	OCC A OHI 10H	\$ 2,650,956.00	\$2,650,956.00	\$0.00
350620150138	OHIO	02060790	GEORGE GANTZER OHI 201H	\$ 1,606,908.00	\$1,480,569.00	\$126,317.00
350620150180	OHIO	02060791	CHAD GLAUSER OHI 3H	\$ 3,595,021.00	\$3,595,021.00	\$0.00
350620150167	OHIO	02060876	CHAD GLAUSER OHI 10H	\$ 8,046,234.00	\$8,046,234.00	\$0.00
350620160111	OHIO	02060803	ROY FERRELL OHI 1H A	\$ 10,756,877.00	\$10,756,877.00	\$0.00
350620160112	OHIO	02060808	ROY FERRELL OHI 5H A	\$ 7,063,100.00	\$7,063,100.00	\$0.00
350620160114	OHIO	02060812	ROY FERRELL OHI 10H A	\$ 7,529,707.00	\$7,529,707.00	\$0.00
350620160135	OHIO	02059934	TIMMY MINCH OHI 3H A	\$ 5,807,523.00	\$5,807,523.00	\$0.00
350620160157	OHIO	02060818	ROY FERRELL OHI 201H A	\$ 5,504,489.00	\$5,504,489.00	\$0.00
350620160139	OHIO	02061269	ROY FERRELL OHI 105H A	\$ 10,527,690.00	\$10,527,690.00	\$0.00
350620160166	OHIO	02059936	G W RENTALS LLC OHI 6H A	\$ 8,447,199.00	\$8,447,199.00	\$0.00
350620160172	OHIO	02059937	ROY FERRELL OHI 210H A	\$ 7,492,209.00	\$7,492,209.00	\$0.00
350620160179	OHIO	02060658	G W RENTALS LLC OHI 1H 5T3 A	\$ 7,120,709.00	\$7,120,709.00	\$0.00
350620160175	OHIO	02059939	ROY FERRELL OHI 106H A	\$ 9,465,715.00	\$9,465,715.00	\$0.00
350620160176	OHIO	02059940	ROY FERRELL OHI 6H A	\$ 8,587,071.00	\$8,587,071.00	\$0.00
350720170161	OHIO	02061491	CHARLES FRYE OHI 1	\$ 1,992,099.00	\$1,992,099.00	\$0.00
350720170162	OHIO	02061497	CHARLES FRYE OHI 6	\$ 8,546,974.00	\$8,546,974.00	\$0.00

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