

FILED

BEFORE THE CIRCUIT COURT OF MARSHALL COUNTY
BUSINESS COURT DIVISION

JOSEPH M. RUCKI

SWN PRODUCTION COMPANY, LLC,
Petitioner,

v.

Circuit Court of Marshall County
Civil Action No. 18-C-8
Honorable Judge Young
Presiding Judge

THE HONORABLE DALE STEAGER,
West Virginia State Tax Commissioner,
THE HONORABLE TERRY McDIFFITT,
Assessor of Marshall County,
THE COUNTY COMMISSION OF MARSHALL 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; and The Honorable Dale W. Steager, State Tax Commissioner, and The Honorable Terry McDiffitt, Assessor of Marshall 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 Marshall County, West Virginia. Originally, the WV State Tax Department valued SWN Production Company's producing Marcellus Shale oil and gas wells at \$147,122,041 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 Marshall 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 \$143,375,393 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 \$143,375,393 for the 2017 TY in Marshall 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.

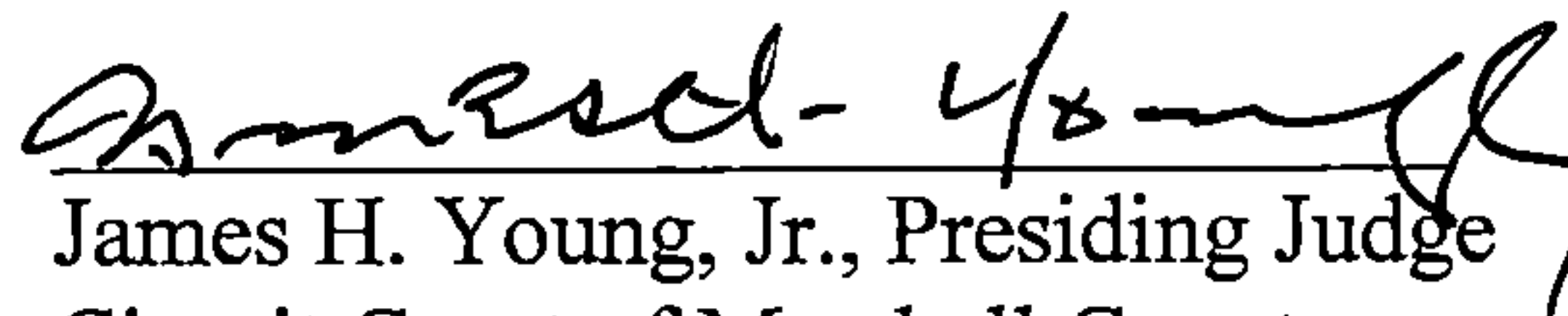
The Clerk of the Circuit Court is directed to transmit a true copy of this Agreed Final Order to the counsel of record and The Honorable Tiffany Hoffman at the addresses listed below.

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

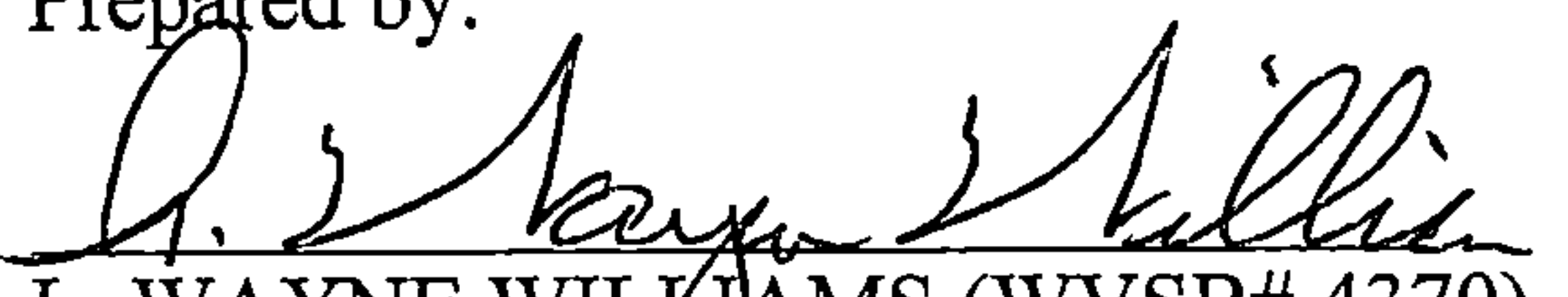
The matter is dismissed with prejudice.

It is so ORDERED.

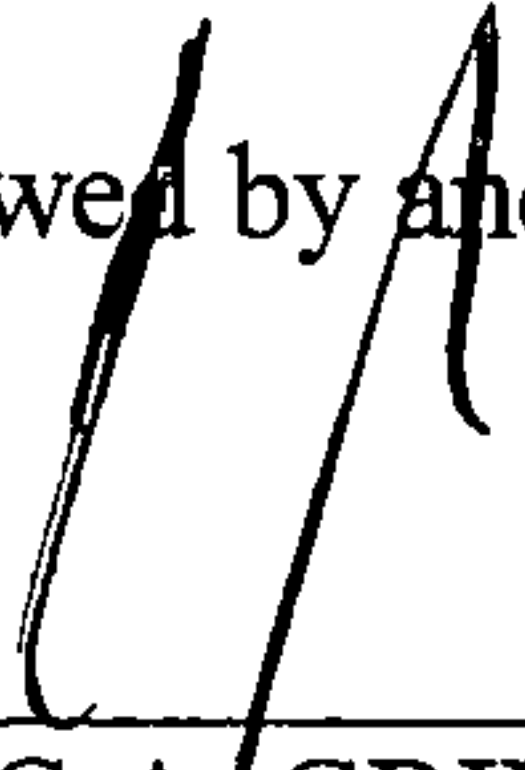
Entered: December 16, 19


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

Prepared by:


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Reviewed by and Agreed to:



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Martinsburg, WV 25401

The Honorable Rhonda Wade,
Marshall County Prosecuting Attorney
600 & 7th Street
Moundsville, WV 26041

The Honorable Terry McDiffitt
Assessor of Marshall County
600 & 7th Street
Moundsville, WV 26041

NRA	COUNTY	Account	Well Name	State/ Appraised TY2017	Value Consistent with WV Supreme Court Ruling	Amount of Reduction				
250320141447	MARSHALL	03002054	VAN ASTON MSH 1	\$ 1,242,273.00	\$1,025,838.00	\$216,435				
250320141457	MARSHALL	03002055	FORK RIDGE MSH 10	\$ 863,878.00	\$544,134.00	\$319,744				
250320141458	MARSHALL	03002056	FORK RIDGE MSH 5	\$ 1,081,654.00	\$814,658.00	\$266,996				
250320161580	MARSHALL	03002247	FORK RIDGE MSH 8	\$ 1,720,340.00	\$1,666,364.00	\$53,976				
250320161584	MARSHALL	03002208	FORK RIDGE MSH 6	\$ 1,695,545.00	\$1,630,709.00	\$64,836				
250320161606	MARSHALL	03002207	FORK RIDGE MSH 201	\$ 1,680,285.00	\$1,593,934.00	\$86,351				
250320161607	MARSHALL	03002206	FORK RIDGE MSH 3	\$ 1,677,234.00	\$1,596,934.00	\$80,300				
250320161608	MARSHALL	03002209	FORK RIDGE MSH 206	\$ 1,772,511.00	\$1,737,435.00	\$35,076				
250320161611	MARSHALL	03002210	FORK RIDGE MSH 1	\$ 1,106,942.00	\$851,582.00	\$255,360				
250320161631	MARSHALL	03002211	VAN ASTON MSH 5	\$ 1,944,264.00	\$1,938,959.00	\$5,305				
250320161689	MARSHALL	03002212	VAN ASTON MSH 206	\$ 1,910,229.00	\$1,910,229.00	\$0				
250320161690	MARSHALL	03002213	VAN ASTON MSH 10	\$ 2,533,850.00	\$2,533,850.00	\$0				
250718181038	MARSHALL	07000808	ALTMAN 1 ST 1	\$ 57,874.00	\$6,390.00	\$51,484				
250718181056	MARSHALL	07000909	MASON DIXON FARMS LLC 2H	\$ 372,384.00	\$19,077.00	\$353,307				
250720101091	MARSHALL	07000910	ALTON W STERN ETUX 1H	\$ 2,256,392.00	\$1,337,434.00	\$918,958	TWO WELLS LISTED ON THIS			
250720101091	MARSHALL	07000910	ALTON W STERN ETUX 3H	\$ 2,256,392.00	\$2,256,392.00	\$0	Copy of e			
250720101093	MARSHALL	07000911	COLUMBIA GAS TRANS CORP 1	\$ 63,328.00	\$12,169.00	\$51,159				
250720111160	MARSHALL	07000912	ALTON STERN ETUX 5H	\$ 1,702,132.00	\$1,661,874.00	\$40,258				
250720111161	MARSHALL	07000913	ALTON W STERN ETUX 6H	\$ 1,757,283.00	\$1,742,639.00	\$14,644				
250720111162	MARSHALL	07000914	ALTON STERN ETUX 4H	\$ 1,531,738.00	\$1,414,480.00	\$117,258				
250720111240	MARSHALL	07000915	ALTON STERN ETUX 3H	\$ 1,766,953.00	\$1,757,149.00	\$9,804				
250720121229	MARSHALL	07000916	COLUMBIA GAS TRANSMISSION 3H	\$ 5,155,243.00	\$5,134,243.00	\$21,000				
250720121272	MARSHALL	07000917	COLUMBIA GAS TRANSMISSION 5H	\$ 1,542,777.00	\$1,430,389.00	\$112,388				
250720121290	MARSHALL	07000918	HAMMERS 3H	\$ 3,670,933.00	\$3,650,933.00	\$20,000				
250720121292	MARSHALL	07000919	HAMMERS 9H	\$ 4,098,106.00	\$4,098,106.00	\$0				
250720131296	MARSHALL	07000920	SHAWN HARLAN 3H	\$ 5,840,127.00	\$5,840,127.00	\$0				
250720141291	MARSHALL	07001058	O E BURGE 8H	\$ 5,047,204.00	\$5,047,204.00	\$0				
250720141315	MARSHALL	07001054	O E BURGE 6H	\$ 6,259,840.00	\$6,259,840.00	\$0				
250720141323	MARSHALL	07001050	O E BURGE MSH 10H	\$ 7,433,810.00	\$7,433,810.00	\$0				
250720151586	MARSHALL	07001080	GLADYS BRIGGS MSH 8H	\$ 6,189,925.00	\$6,189,925.00	\$0				
250720161295	MARSHALL	07001108	RAY BAKER 8H A	\$ 5,139,514.00	\$5,139,514.00	\$0				
250720161328	MARSHALL	07001117	RAY BAKER 6H ST1 A	\$ 5,712,620.00	\$5,712,620.00	\$0				
250720161408	MARSHALL	07001107	RAY BAKER 1H ST1 A	\$ 4,583,599.00	\$4,583,599.00	\$0				
250920111178	MARSHALL	09000858	MASON DIXON FARMS LLC 6H	\$ 1,319,640.00	\$1,109,977.00	\$209,663				
250920111241	MARSHALL	09000920	RANDY MCDOWELL B 10H	\$ 2,233,452.00	\$2,233,452.00	\$0				
250920111276	MARSHALL	09000921	RANDY MCDOWELL B 6H	\$ 2,264,230.00	\$2,264,230.00	\$0				
250920121228	MARSHALL	09000923	RANDY L MCDOWELL ETAL A 3H	\$ 1,853,909.00	\$1,853,909.00	\$0				
250920121249	MARSHALL	09000924	RANDY L MCDOWELL ETAL A 6H	\$ 3,178,560.00	\$3,178,560.00	\$0				

[illegible]

SWN Production Company vs. The Honorable Dale Steager, West Virginia State Tax Commissioner, The Honorable Christopher J. Kessler, Assessor of Marshall County and The County Commission of Marshall County, Sitting as Board of Assessment Appeals., Business Court Case, Civil Action No. 18-C-8, Marshall County

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