U.S. Judge Expresses Frustration in Va. Gas Case

DEBRA McCOWN, Associated Press

ABINGDON, Va. (AP) — A federal judge said Thursday he will rule promptly on whether natural gas royalty claims by southwest Virginia landowners will move forward as a series of class-action lawsuits.

U.S. District Judge James P. Jones heard arguments in the cases, saying he was frustrated by how long the claims have been tied up in court.

"I had hoped that over the three years this has been pending, there would be some attempt at settlement that would in some way solve this recognized problem, or that the Virginia legislature ... would have solved the issue, but nothing has happened," Jones said.

The landowners are seeking release of more than $27 million in royalties from state escrow and a full accounting from two Pittsburgh-area energy companies, EQT Production Co. and CNX Gas Co.

The plaintiffs have said the companies have cheated them out of their royalties. According to state law, they are entitled one-eighth of the value of methane extracted from the coal seams beneath their land.

Their lawyers argued that after more than 20 years of being shortchanged, class-action litigation is the only way to resolve the issue.

The energy companies, which operate thousands of gas wells in Virginia's southwestern coalfield counties, argue that they've followed the law and done nothing wrong. Their lawyers argued that the individual claims are too diverse and complicated to be handled as a class and that class-action litigation would not provide resolution for these individual cases.

Don Barrett, lead attorney for the plaintiffs, laid out a road map for how the cases would proceed following a class certification. Within a week of the court order, he said, the plaintiffs would file three motions for summary judgment.

The first would be to find that surface owners — not coal owners — own the gas, a determination many believe was made in a 2004 Virginia Supreme Court ruling. This would allow the Virginia Gas and Oil Board to release the money held in escrow because of the presumed ownership conflict. The second would be to stop coal owners from continuing to contest ownership of the gas.

The third motion would be for a full fiduciary accounting to every gas owner. Barrett said if the court were to order such an accounting, it might spur the companies to discuss a settlement.

David Stellings, another attorney for the landowners, said the amount owed to each landowner would be determined in an orderly process overseen by the court and similar to that used in other class-action cases.

Jonathan Blank said after the hearing that the plaintiffs are wrong in the claim that gas companies haven't been accountable.

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