

UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF KENTUCKY

*Appalachian Land Company v. EQT Production Company f/k/a Equitable Production Company*  
Case No. Case No. 7:08-139-KKC

**LEASE HOLDERS OF CERTAIN OIL AND GAS LEASES WITH EQT PRODUCTION  
COMPANY MAY CLAIM SETTLEMENT BENEFITS**

This Class Action Settlement May Affect Your Rights

*A Court authorized this Notice. This is not a solicitation from a lawyer.*

- This Settlement resolves a lawsuit over EQT's deduction of severance taxes from the royalty payments owed to lease holders. The two sides disagree on whether EQT did anything wrong but have reached a settlement through compromise and negotiation.
- You are entitled to relief from the Class Action Settlement if, during the period of January 1, 1995, through July 31, 2016, you were a lessor on oil and gas leases with EQT, or its predecessors in title, covering lands in Kentucky, which obligate the lessee to pay royalties on gas produced from wells at a rate of one-eighth of the market price received at the wellhead and which leases do not authorize the deduction of the severance taxes and you have not accepted reimbursement for withheld severance taxes during the Class Period.
- **To receive compensation, you must submit a claim form no later than August 24, 2020.**
- To opt-out or object you must submit your request on or before **March 31, 2020**.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

<b>SUBMIT A CLAIM FORM BY AUGUST 24, 2020 TO BE ELIGIBLE FOR COMPENSATION</b>	To be eligible for compensation, you must submit a Claim Form which is included with this mailing. Once submitted, the Administrator will determine whether you are entitled to compensation and, if so, how much. Valid claimants will receive compensation within approximately sixty (60) days after the close of the Claims Period or after Final Judicial Approval, whichever occurs later.
<b>DO NOTHING AND BE BOUND BY THE SETTLEMENT</b>	By doing nothing, if the Court approves the Settlement you give up rights to separately bring a lawsuit on your own against the Defendant for the same claims in this lawsuit but will not be entitled to compensation unless you submit a valid Claim Form.

<b>REQUEST TO BE EXCLUDED BY MARCH 31, 2020</b>	You may exclude yourself from the Settlement by submitting a “Request for Exclusion” as detailed below, by March 31, 2020. If you exclude yourself, you will not participate in these proceedings, nor will you receive any relief from this Settlement. You will retain the right to assert any claims you may have against Defendant for the deduction of severance taxes from your royalty payments. Note that you have a right to opt out of the Settlement only if your royalties were reduced by severance taxes and you have not objected to the Settlement.
<b>FILE AN OBJECTION BY MARCH 31, 2020</b>	<i>If you do not</i> submit a timely and complete Request for Exclusion, you can object to the terms of the Settlement, the attorneys’ request for fees and expenses, and/or the Settlement Class Representative’s request for Incentive Award. Any objections to the Settlement must be submitted to the Settlement Administrator by March 31, 2020. More details on objecting are set forth in the answers to Questions 16 through 19 below. Note that if the Court approves the Settlement despite your or any other objections and you have not submitted a Claim Form, you will not receive any relief from the Settlement.

These rights and options – and the deadlines by which to exercise them – are explained in this Notice.

The Court that is supervising this case has granted preliminary approval of the Settlement, but still has to decide whether to grant final approval. The Final Approval Hearing will take place on May 21, 2020, at 9:30 a.m. Eastern time (see Question 17 below). Settlement benefits will be distributed only if and after the Court grants the Final Approval to the Settlement.

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## **BASIC INFORMATION**

### **1. Why was this Notice issued?**

The Court issued this Notice because you have a right to know about a proposed Settlement of a class action lawsuit that the Court has preliminarily approved. You also are entitled to know about all of your options. If the Court grants final approval and any appeals are resolved (this date will be referred to as “the Settlement Effective Date”), valuable benefits will be distributed to certain qualifying persons who submitted a Claim Form and did not opt out or object within the Claim Period.

### **2. What is this lawsuit about?**

The company who filed the class action is called the “Plaintiff” and EQT Production Company is the “Defendant.” A lawsuit was filed in Kentucky Federal court captioned *Appalachian Land Company v. EQT Production Company*, Case No. 7:08-139-KKC, which alleges that Defendant improperly deducted severance taxes from the royalty payments owed to lessors under certain oil and gas leases. Plaintiff asserted legal claims on behalf of itself and all members of the “Settlement Class,” defined below. Those claims include claims that Defendant breached its contract (lease) with lease holders. EQT denies these claims, as well as any wrongdoing in the payment of royalties and believes it has a defense. More information can be found by emailing [Claims@EQTOilAndGasRoyaltiesSettlement.com](mailto:Claims@EQTOilAndGasRoyaltiesSettlement.com), calling the toll free number (844) 931-1024, or visiting the website [www.EQTOilAndGasRoyaltiesSettlement.com](http://www.EQTOilAndGasRoyaltiesSettlement.com).

### **3. Why is this a class action?**

In a class action, one or more person(s) called “Class Representatives” sue on behalf of themselves and others with similar claims. All of these people together are called a “Class,” and individually, are called “Class Members.” The Court appointed Plaintiff as Class Representative for purposes of this Settlement. The “Settlement Class Members” are all people who had severance taxes deducted from their royalty payments whose leases did not allow for this deduction, who have not already accepted reimbursement, and who do not properly or timely exercise their rights to opt out of the Settlement.

### **4. Why is there a Settlement?**

The Court did not decide in favor of either Plaintiff or Defendant. Instead, both sides agreed to a Settlement. The Class Representative and the attorneys that have been appointed by the Court to represent the Class believe that the Settlement is in the best interests of all Settlement Class Members.

## **WHO IS IN THE SETTLEMENT?**

### **5. How do I know if I am part of the Settlement?**

You are believed to be entitled to Settlement benefits if you are receiving this Notice. You qualified for notice if you were a lease holder to an oil and gas lease with EQT (or its predecessors), you received royalty payments between January 1, 1995 through July 31, 2016, your royalties were reduced by the deduction of severance taxes where your lease did not provide for this deduction, and you have not already accepted compensation from EQT.

## **6. What oil and gas leases are included in the Settlement?**

Lease holders of leases executed with EQT (or its predecessors) who received royalty payments between January 1, 1995 through July 31, 2016, whose leases did not provide for the deduction of severance taxes, and who have not already accepted compensation from EQT are eligible for compensation under this Settlement.

## **7. Are there exceptions to being included in the Settlement?**

Excluded from the Settlement Class is the United States of America; any Judge or Magistrate presiding over this action and members of their families; Defendant, its affiliates, predecessors-in-interest, and its respective employees, officers and directors; and potential members of the class who have been paid and accepted reimbursement for withheld severance taxes during the class period.

## **8. What if I am not sure whether I am included in the Settlement?**

If you are receiving this Notice you are believed to be included in the Settlement. For more information call (844) 931-1024. If you are not sure whether you are a Settlement Class Member, or have any other questions about the Settlement Agreement, visit the Settlement website at [www.EQTOilAndGasRoyaltiesSettlement.com](http://www.EQTOilAndGasRoyaltiesSettlement.com), contact the Settlement Administration by email at [Claims@EQTOilAndGasRoyaltiesSettlement.com](mailto:Claims@EQTOilAndGasRoyaltiesSettlement.com) or call toll-free at (844) 931-1024. You may also send questions to the Settlement Administrator at:

Appalachian Land Company v. EQT Production Company  
Attn: Settlement Administrator  
1650 Arch Street, Suite 2210  
Philadelphia, PA 19103

## **THE SETTLEMENT BENEFITS: WHAT YOU GET AND HOW YOU GET IT**

### **9. What does the Settlement provide?**

Each Class Member who does not opt out or object to the Settlement will get a *pro rata* reimbursement of royalty payments from the Settlement by EQT of up to 100% of the principal originally withheld. Depending on the number of claims, Class Members are also eligible for interest in an amount up to 100% of the principal originally withheld. The exact amount you will receive will depend on the amount of royalty payments previously withheld for the payment of severance taxes and the number of claims submitted by Class Members.

### **10. How do I submit a claim?**

To be eligible for compensation, you must fully fill out the Claim Form included with this Notice and return it to the Settlement Administrator as described in the Claim Form or at [www.EQTOilAndGasRoyaltiesSettlement.com](http://www.EQTOilAndGasRoyaltiesSettlement.com). Claim Forms must be submitted by August 24, 2020. Once the claims deadline has passed, the Settlement Administrator will determine whether you qualify for compensation and, if so, how much. Compensation will be paid within approximately sixty (60) days after the close of the Claims Period or after Final Judicial Approval occurs, whichever is later.

## **11. What claims against EQT am I releasing?**

If you are a Settlement Class Member, when the Settlement becomes final if you have not opted out of the Settlement you will be releasing Defendant and their officers, directors, employees, and related corporate entities, from any liability for all claims which were or could have been asserted within this case, and you will be bound by the release included in the Settlement Agreement.

## **THE LAWYERS REPRESENTING PLAINTIFFS**

### **12. Do I have a lawyer in this case?**

Yes. John C. Whitfield of Whitfield Bryson & Mason at 19 N. Main St., Madisonville, KY 42431; Gary E. Mason of Whitfield Bryson & Mason, LLP, 5101 Wisconsin Ave. NW, Ste. 305, Washington, DC 20016; Caroline Ramsey Taylor of Whitfield Bryson & Mason, LLP at 518 Monroe St., Nashville, TN 37208; and George “Skip Stigger” of the Law Offices of George E. Stigger at 330 Osprey Circle, Saint Marys, GA 31558 have been appointed by the Court to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense.

### **13. How will the lawyers be paid?**

Plaintiff’s counsel will ask the Court to award attorneys’ fees and costs of no more than \$350,000.00 which will be deducted from the Settlement Amount. The Court may award a different amount. No Settlement Class Member will pay anything out of pocket.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

### **14. What do I do if I do not want to be included in the Settlement?**

You have a right to exclude yourself or “opt out” of the Settlement. To opt out, you must personally sign and mail a request for exclusion to the following address:

Class Action Opt Out  
c/o Appalachian Land Company v. EQT Production Company  
P.O. Box 58220

Philadelphia, PA 19102

You must personally sign the exclusion request. You must also clearly state that you wish to be excluded from the Settlement Class. Your request must: (i) clearly express your desire to be excluded or to “opt out” from the Settlement Class and (ii) include your name, address and telephone number, and, if represented by counsel, counsel’s name, address and telephone number.

**Your exclusion request must be mailed to the address set forth above and must be postmarked no later than March 31, 2020 or it will not be accepted. If you do not specifically request to be excluded by following these directions, you will automatically be a member of the Settlement Class.** If you opt out of the Settlement Class, you will not be eligible for any Settlement benefits, and will waive all rights to object to the Settlement. Similarly, if you file an objection to the Settlement with the Court (see Question 16 below), you will not be able to exclude yourself from the Settlement Class.

## **15. What happens if I don't opt out before March 31, 2020?**

If the proposed Settlement is approved and you are a Settlement Class Member who does not properly and timely exclude yourself from the Settlement Class, all claims that you may have now or in the future against Defendant with respect to the deduction of severance taxes from your royalty payments will be barred, and you will be prohibited from bringing any such claims in the future on your own behalf. You will be included in the Settlement Class but will not receive reimbursement for previously reduced royalty payments (unless you submit a valid claim form).

## **OBJECTING TO THE SETTLEMENT**

### **16. How do I tell the Court that I like or do not like the Settlement?**

If you are a Settlement Class Member, you can express your objection to the Settlement. The Court will consider your views. To object, you must send a letter to the Settlement Administrator at the address below saying that you object to the terms of the Settlement. Your objection must: (i) state in detail the legal and factual ground(s) for your objection; (ii) include your name, address and telephone number, and, if represented by counsel, counsel's name, address and telephone number; (iii) indicate whether you or your attorney intend to speak at the Fairness Hearing; and (iv) be signed by you. If you are represented by your own separate counsel, that attorney will also need to file his or her appearance with the Court by no later than March 31, 2020.

Please include the phrase “*Appalachian Land Co. v. EQT Production Co.*, Case No. 7:08-139-KKC,” below the Settlement Administrators address on the envelope containing your objection.

Your objection must be ***postmarked*** by no later than **March 21, 2020**.

Appalachian Land Company v. EQT Production Company  
Attn: Settlement Administrator  
1650 Arch Street, Suite 2210  
Philadelphia, PA 19103

If you send an objection to the Settlement Administrator, you will waive all rights to exclude yourself from the Settlement Class.

### **17. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Fairness Hearing before the Honorable Karen K. Caldwell at 9:30 a.m. Eastern time on May 21, 2020, in the United States District Court for the Eastern District of Kentucky, located at 110 Main Street, Pikeville, KY 41501. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court also may decide how much to pay Plaintiff's Counsel. After the hearing, the Court will decide whether to grant final approval of the Settlement. We do not know how long these decisions will take.

### **18. Do I have to attend the hearing?**

No. Plaintiff's Counsel will answer any questions that the Judge may have. However, you are welcome to come at your own expense. You also may pay your own lawyer to attend the Fairness Hearing on your behalf. If you file an objection, you do not have to come to Court to

discuss it. As long as your written objection is received before the deadline, and you have followed the directions contained in the Answer to Question 16 above, the Court will consider the information provided in your written objection.

**19. May I speak at the hearing?**

That will be up to the Judge. If you have submitted a timely written objection pursuant to Question 16 above and have indicated your intent to appear at the Fairness Hearing, you may ask the Court for permission to speak at the Fairness Hearing.

**20. What happens in the event of inclement weather?**

The Court will hold a Fairness Hearing before the Honorable Karen K. Caldwell at 9:30 a.m. Eastern time on May 21, 2020, in the United States District Court for the Eastern District of Kentucky, located at 110 Main Street, Pikeville, KY 41501. In the event of inclement weather, please contact the Clerk's office after 5:00 p.m. on May 20, 2020, at (606) 437-6160 for a recording about weather delays or Court closures.

**IF YOU DO NOTHING**

**21. What happens if I do nothing at all?**

If you do nothing, you will be a Member of the Settlement Class, but you will not get any Settlement benefits to which you are entitled. To receive compensation, you must submit a valid Claim Form. Moreover, any and all claims you have relating EQT's deduction of severance taxes from your royalty payments will be released if you do not act.

**22. How do I get more information?**

If you would like more information about the lawsuit on the terms of the proposed Settlement, you may review the pleadings, records and other papers on file in this lawsuit, including the Court's Order regarding the Preliminary Approval of Class Settlement and the proposed Settlement Agreement, which may be inspected on weekdays, during normal business hours, at the Clerk's Office, 110 Main Street, Pikeville, KY 41501. For information on any matters contained in this Notice, you may visit the Settlement Website at [www.EQTOilAndGasRoyaltiesSettlement.com](http://www.EQTOilAndGasRoyaltiesSettlement.com), or contact the Settlement Administrator by email at [Claims@EQTOilAndGasRoyaltiesSettlement.com](mailto:Claims@EQTOilAndGasRoyaltiesSettlement.com) or call toll-free at (844) 931-1024. You may also send questions to the Settlement Administrator at:

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**PLEASE DO NOT CONTACT THE COURT DIRECTLY WITH QUESTIONS ABOUT THE SETTLEMENT.**