

LOLA Energy II Continues Investigation into Alleged Trespasses by EQT Corporation; Litigation Ramping Up

PITTSBURGH, APRIL 30, 2020 /BUSINESS WIRE/ -- LOLA Energy II, LLC (together with its affiliates, “LOLA Energy” or the “company”) today announced the company’s escalating concerns regarding, and resulting investigation into, EQT Corporation’s (NYSE: EQT) (together with its affiliates, “EQT”) alleged trespass and infringement activities in Greene County, Pennsylvania, which has severely impacted LOLA Energy and its lessors.

The results of LOLA Energy’s investigation, thus far, has revealed that:

- EQT has engaged in a pattern of trespass and infringement on numerous leased properties owned by LOLA Energy, and others.
- To date, 26 EQT permitted long lateral horizontal wells are actively infringing on, or would infringe upon if drilled in accordance with their respective permits, LOLA Energy’s leased mineral and property rights; with at least 11 wells currently producing natural gas that rightfully belongs to LOLA Energy and then sold by EQT every day that their activity continues.
- Unlike some other oil and gas producing states, the Pennsylvania regulatory and legal regime does not allow for forced pooling or compulsory unitization. As such, any of EQT’s drilling activities that infringe upon LOLA Energy’s mineral properties in Pennsylvania constitute unlawful trespassing, allowing LOLA Energy to pursue damages and potential other remedies at law.
- LOLA Energy advised EQT’s Board of Directors of this conduct, but EQT has not provided a meaningful or satisfactory response to date.

LOLA Energy has filed four separate lawsuits against EQT in Greene County, Pennsylvania, and at least three more are in the process of being filed.

- The lead lawsuit (*David C. Balint, Kayla D. Balint, Bruce E. Grandel, Stephanie Grandel, and LOLA Drilling II, LLC v. EQT Production Company* in the Court of Common Pleas of Greene County, Pennsylvania, Docket No. 527-2019, filed July 5, 2019) survived EQT’s substantive preliminary objections and will proceed when the Pennsylvania courts reopen. At the heart of this complaint are the following allegations:
 - EQT acknowledged in writing that EQT’s lease on the property had expired;
 - The landowners leased their oil and gas rights with LOLA Energy instead of EQT;
 - Nevertheless, EQT proceeded to trespass under these tracts by both drilling well bores and hydrofracturing to develop the same oil and gas rights that only LOLA Energy had the legal right to develop; and
 - EQT continues to unlawfully take natural gas from under these tracts.

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Moreover, LOLA Energy is concerned by EQT's recordkeeping related to the trespassed properties, as alleged in the *Balint* complaint: "Despite recording the William Lane 2 Declaration on December 27, 2018 and signing the William Lane 2 Declaration on December 19, 2018, EQT backdated the William Lane 2 Declaration with an effective date of July 1, 2018 in part to make it appear that it had commenced operations under the Range Resources Lease and held it prior to the primary term of the lease expiring on July 23, 2018."

- LOLA Energy has filed three other lawsuits in Greene County, Pennsylvania, which reflect a similar pattern of trespass and infringement on the part of EQT. The additional lawsuits filed by LOLA Energy are:
 - *LOLA Drilling II, LLC v. Rice Drilling B, LLC, EQT Production Company and Lightning Creek Holdings, LP* in the Court of Common Pleas of Greene County, Pennsylvania, Docket No. 1067-2019, filed December 31, 2019;
 - *LOLA Drilling II, LLC v. Rice Drilling B, LLC, EQT Production Company and Ridgetop Royalties, LLC* in the Court of Common Pleas of Greene County, Pennsylvania, Docket No. 80-2020, filed February 4, 2020; and
 - *LOLA Drilling II, LLC v. Rice Drilling B, LLC, EQT Production Company and Robert V. Kelley*, in the Court of Common Pleas of Greene County, Pennsylvania, Docket No. 209-2020, filed March 18, 2020.

LOLA Energy's Chief Executive Officer Jim Crockard stated, "We are profoundly disappointed that EQT management and its Board have not yet agreed to a workable business solution to EQT's ongoing trespass and infringement. We understand they have their hands full in this liquidity constrained environment, but we believe their exposure to our claims, both in terms of now at-risk investments and significant monetary damages, is substantial."

"We also cannot comprehend how EQT intends to execute Toby Rice's 'combo development' plans in Greene County without cooperative access to our other leased acreage that impedes those plans absent a continuation of this pattern of unlawful trespass," said Mr. Crockard. "A comprehensive settlement is what is needed for a 'win-win' for everyone involved. Unfortunately, EQT and its Board have not taken these matters seriously, so LOLA Energy may be forced to take additional steps to protect its own investments in Greene County."

LOLA Energy is represented in these matters by Blank Rome LLP out of their Pittsburgh, PA offices and White & Case LLP out of their New York, NY and Houston, TX offices.

About LOLA Energy II, LLC:

LOLA Energy II, LLC is an oil and gas operating company focused on horizontal development of Appalachian natural gas resources, currently focused in Southwestern Pennsylvania. Based in Canonsburg, Pennsylvania, LOLA Energy is led by a talented team of experienced oil and gas professionals who have successfully developed horizontal shale oil and gas drilling and completion programs before founding the company. More details about LOLA Energy II, LLC are available at www.lolaenergy.com.

Media Inquiries:

Julie Scott
Karma Creative, LLC
(412) 443-2444
Communications@LOLAEnergy.com