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LOLA Energy Files 2nd Lawsuit Against EQT for Trespass in SWPA

January 3, 2020 | Energy Companies, EQT Corp, Greene County (PA), Industrywide Issues, Lease & Royalty Payments, Litigation, LOLA Energy, Pennsylvania, Rice Energy



Last July MDN broke [+ Bookmark](#) the news that LOLA Energy had filed a lawsuit in Greene County, PA against EQT for allegedly drilling shale wells under property EQT formerly leased, but property for which the leases had lapsed and were

subsequently scooped up by LOLA Energy II (see LOLA Energy Sues EQT for Trespass, Drilling Wells Under LOLA Land). LOLA said they are the owners of those leases now and that EQT has drilled under some of their properties. In another MDN exclusive, LOLA has just filed a second lawsuit in Greene County against EQT for the same thing: trespassing on LOLA-leased property.

LOLA tried to broker a deal for compensation but talks broke down and hence two lawsuits have been filed.

As we pointed out in a post from last June, EQT management (before the Rice boys took over) had bungled some of their leases, letting them expire (see LOLA Energy is Back! Scoops Up Rice Acreage EQT Let Expire). Some of those leases used to belong to the original LOLA Energy, founded in 2015 by former EQT executives including LOLA CEO Jim Crockard. LOLA Energy sold itself to Rice Energy, and of course Rice later sold itself to EQT. So what were originally LOLA leases ended up at EQT.

Crockard discovered that EQT had let some of the original acreage he had leased for LOLA slip out of lease. Following a non-compete period, Crockard formed LOLA Energy II and subsequently re-leased some of the acreage now expired, acreage he had previously leased with the original LOLA.

Even though Toby and Derek Rice have taken over leadership at EQT (in fact all of the top managers at EQT are now different), the matter of compensating LOLA Energy II for trespassing on property that they claim now belongs to them is not resolved. Hence the lawsuit from last July, and now a second lawsuit filed on Dec. 31. But that may not be the end. According to Crockard, who sent the following statement to MDN, some 26 EQT/Rice wells “infringe” on LOLA II’s leases.

Crockard’s statement about the lawsuit just filed and the ongoing, unresolved situation:

“Following the filing earlier in 2019 of our first complaint against EQT alleging trespass (that has recently been assigned to Judge Solomon to begin proceedings in Greene County later this month) we have performed extensive diligence around our other lease holdings in Greene County. As a result of that ongoing diligence we have discovered 26 EQT/Rice wells in various stages of development that we believe to be infringing on our lease portfolio. To date, the parties have been unable to resolve these issues on their own. We filed on December 31st our second

complaint against EQT alleging trespass on one of our oil and gas leases in Greene County and look forward to expeditiously moving the judicial process forward to obtain relief. We are also working diligently with counsel to draft and review several additional complaints necessary to obtain relief related to our other impacted oil and gas lease investments in Greene County.”

Copy of the LOLA Energy II lawsuit filed on Dec. 31 against EQT:

IN THE COURT OF COMMON PLEAS OF GREENE COUNTY, PENNSYLVANIA

LOLA DRILLING II, LLC,

Plaintiff,

v.

**RICE DRILLING B, LLC and
EQT PRODUCTION COMPANY,**

Defendants,

and

LIGHTNING CREEK HOLDINGS, LP,

Nominal defendant.

A.D.

1067-2019

COMPLAINT

Filed on Behalf of Plaintiff:

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