



Issue 10, 2019

● [West Virginia Supreme Court Hears Oral Arguments in EQT Doddridge County Trespassing Case](#)

"The state Supreme Court will decide if a lower court judge got it right when he ruled natural gas production company EQT trespassed on property in Doddridge County where it owned the mineral rights."

Why this is important: The *Crowder v. EQT* case concerns a legal concept fundamental to the oil and gas industry: the right of a mineral interest owner to use the surface in a reasonable manner to develop the mineral estate. Plaintiff Crowder argues the right to use the surface is limited to developing minerals beneath the surface tract and, without an express agreement with the surface owner, a mineral interest owner cannot use the surface to develop minerals under adjacent tracts. Defendant EQT argues a mineral interest owner may use a surface tract to develop minerals under adjacent tracts provided such surface use is reasonably necessary. The lower court granted summary judgment in favor of plaintiff Crowder, so the issue is limited to a legal determination: does a mineral interest owner's implied right to reasonably use the surface include the right to develop minerals under adjacent tracts? A decision limiting the mineral interest owner's implied right to use the surface could have a significant impact on the oil and gas industry because producers frequently use a single well pad on the surface to develop mineral interests underneath dozens of adjacent tracts, a practice known as unitization. The matter was argued before the West Virginia Supreme Court of Appeals on March 12, 2019, and a decision is expected in the next few months. --- [Matthew P. Heiskell](#)

● [Wyoming Moves to Save Coal Plants](#)

"A Wyoming bill designed to keep coal-fired power plants operating in the state was signed into law by the state's governor, one of several developments worldwide that impacted the power generation landscape in early March."

Why this is important: On March 8, Wyoming's governor signed into law a bill to protect coal-fired power generation in Wyoming. The law requires a utility that wants to close a plant to attempt to find a buyer for the plant, and if sold, agrees to buy back power from the new owner even when cheaper power is available. The law is meant to stem the closings of coal-fired electric generation in the state that produces the most coal. Also, in December, PacifiCorp, which owns Wyoming utility Rocky Mountain Power, announced 60 percent of its coal-fired generation plants nationwide are uneconomical in the current power market. --- [Mark E. Heath](#)

● [It Sounds Crazy, but Fukushima, Chernobyl, and Three Mile Island Show Why Nuclear is Inherently Safe](#)

"Radiation from Chernobyl will kill, at most, 200 people, while the radiation from Fukushima and Three Mile Island will kill zero people."

Why this is important: Lost in the talk of the Green New Deal is the only proven source of constant and continuous energy outside of fossil fuels - nuclear energy. Environmental advocates that protested the potential of nuclear war in the 1970s and

1980s lumped the threats associated with nuclear energy together with the threats of nuclear war. Time has proven nuclear energy is not as dangerous as once believed and more focus should be placed on it as a viable alternative to fossil fuels. ---

[Nicholas S. Preservati](#)

● [Is Climate Change Really Scaring Investors Away from Big Oil?](#)

"This week, several CEOs of oil majors are expected to name climate change and technology as the two most important factors scaring investors away."

Why this is important: Large oil companies seem to be blaming a recent revival of climate change politics for their depressed stock prices. However, other factors such as cheap oil, or failure to spend on capital projects, may be the real culprit. Nonetheless, blaming climate change could become a self-fulfilling prophecy for oil companies by throwing their weight around climate change solutions. --- [Bryan S. Neft](#)

● [Coal Mining Jobs are Holding Steady Under Trump's Watch - that Could Become Harder This Year](#)

"Since Trump took office, coal miners have kept employment steady at about 51,000 to 53,000 positions. Over the next two years, it could become harder for the industry to hold the line, as a surge in U.S. coal exports is expected to lose steam."

Why this is important: The U.S. coal industry has experienced steady employment numbers the last two years due to a strong metallurgical coal market and strong exports. Nationally, coal mine employment has remained at between 51,000 and 53,000. However, that could change as the Energy Information Agency is projecting a drop in exports of about 21 percent the next two years. That decline could cause a 10 percent drop in U.S. coal production. --- [Mark E. Heath](#)

● [Entergy VP: We have to Fundamentally 'Reshape the Grid'](#)

"Delivering electricity to 2.9 million customers in Louisiana, Mississippi, Arkansas and Texas, Entergy is implementing advanced data analytics and internet-of-things technology across all its divisions."

Why this is important: The U.S. is facing an energy infrastructure crisis. The aging electrical grid is outdated, inefficient, and vulnerable to failure and cyberattack. Entergy recognizes fundamental upgrades must be made to the electrical grid to provide reliable energy. --- [Nicholas S. Preservati](#)

● [America's Emergence as an Energy Powerhouse Gives It a Key Lever in Global Trade Talks](#)

"The rise of the United States as the world's top oil and gas producer and now growing exporter puts energy at the center of U.S. trade negotiations - as a lever and a potential source of friction."

Why this is important: The United States is expected to surpass Russia and Saudi Arabia in the next five years as the world's top oil producer. Washington is using energy sales (including oil and gas) as a significant part of trade negotiations. The United States is expected to use this leverage to persuade European countries to bypass Russian natural gas in favor of U.S. natural gas. In addition, the United States has been able to impose sanctions against various countries, while increasing its own output to make up for any shortfalls. Thus, the U.S. is able to use its leverage to increase its own exports of energy and to shape global policy. --- [Bryan S. Neft](#)

● [Big Money: Coal Development Projects in Line for Major Grants](#)

"The Virginia Department of Mines, Minerals and Energy has recommended 10 coalfield-region projects for millions of dollars in federal abandoned mine land reclamation funds."

Why this is important: The Virginia Department of Mines, Minerals and Energy has announced 10 grants of federal Abandoned Mine Lands ("AML") fees. The AML fees are proposed to be used for an industrial park in Norton, Virginia, and other sites in Virginia, including a \$1.6 million grant for the creation of an Appalachian Homestead. Using a Land Bank, the program would seek abandoned mined and unmined land to establish 5-acre homesteads for homes, farming, forestry, and vineyards using at least one renewable energy source. The first 20 homesteads would qualify for a \$10,000 grant to set up solar power on the sites. The program moves residents back into the coalfields and encourages new development. --- [Mark E. Heath](#)

● [A Plastics Hub in Coal and Steel Country](#)

"Considering the potential decades-long economic impact that an ethane cracker plant under construction by Shell Polymers near Pittsburgh will have, it's surprising to me that it has received so little national media coverage."

Why this is important: The coal industry is not going away any time soon in Appalachia. What the region needs is economic development in addition to the coal industry, not in place of it. The areas of Appalachia referenced in the article have historically had a difficult time attracting industry outside of coal and natural gas. With abundant natural gas, Appalachia now has the ability to attract a game-changing industry to the region. --- [Nicholas S. Preservati](#)

● [Bill Gates: If Africa Can be Electrified, the Whole World Will Benefit Too](#)

"When Microsoft founder Bill Gates spoke recently at the African Union's annual summit in Addis Ababa, Ethiopia, he underscored two of the things about which he is most passionate: the African people and clean energy, or more precisely, the need to bring electricity to a growing population in a climate-friendly way."

Why this is important: Bill Gates is on the money when he talks about the importance of electrification for Africa leading to development that helps that continent and the whole world. And while he talks about sustainable development, he's not blind to the fact renewables can't currently carry the load. Nuclear power, and even fossil fuels, are needed to allow growth and increased well-being to occur in the short run. It would be a shame to insist that hundreds of millions of Africans rely on intermittent renewables for electricity, while the developed world benefits from a reliable, largely nonrenewable grid. --- [David L. Yaussy](#)

● [Day 60 Becomes Tax Cut Day in the West Virginia House, Benefiting Coal Companies, Seniors](#)

"Day 60 of the 2019 regular session of the Legislature became tax cut day in the House of Delegates, as the House passed and sent to the governor three tax cut/tax rebate bills in a matter of hours, providing tax relief to coal companies and senior citizens."

Why this is important: In the recently ended session, the West Virginia Legislature passed two tax bills to help the West Virginia coal industry compete for coal sales and investment. The severance tax on steam coal will decline from 5 percent of sales price to 3 percent over a three-year period. The decrease will cost the state \$20 million for every percent the severance tax declines. The cost increases from \$20 million to \$60 million when the three percent rate is reached. The Legislature also added a 35 percent tax rebate for coal companies that invest in machinery and equipment. These tax changes could lead to new mines and capital investments at West Virginia coal mines. --- [Mark E. Heath](#)

● [EIA Energy Statistics](#)

Here is a round-up of the latest statistics concerning the energy industry.

[PETROLEUM](#)

[This Week in Petroleum](#)

[Weekly Petroleum Status Report](#)

[NATURAL GAS](#)

[Short-Term Energy Outlook - Natural Gas](#)

Natural Gas Weekly Update

Natural Gas Futures Prices

COAL

Short-Term Energy Outlook - Coal

Coal Markets

Weekly Coal Production

RENEWABLES

Short-Term Energy Outlook

Monthly Biodiesel Production Report

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