

**IN THE UNITED STATES DISTRICT COURT FOR  
THE EASTERN DISTRICT OF OKLAHOMA**

**MARY KATHERINE HARRIS, on )  
behalf of herself and all persons or )  
entities similarly situated, )**

**Plaintiff, )**

**vs. )**

**Case No. 6:19-cv-00355-SPS**

**CHEVRON U.S.A., INC., ET AL., )**

**Defendants. )**

**ORDER APPROVING CLASS ACTION SETTLEMENT  
AND FINAL JUDGMENT**

This matter came on for a class settlement fairness hearing this date, pursuant to due prior notice, to determine the fairness and appropriateness of the proposed settlement of the above styled litigation entered into between the Class Representative and Settlement Class (as those terms, as well as the other terms used herein, are defined in the Settlement Agreement on-filed in this Class Lawsuit) and Defendants. All named parties were present and represented by counsel. Also appearing were the following members of the Settlement Class (if applicable) the Court finding that they provided the proper notice to the Parties to appear and be heard:

Rosa Baker, as power of attorney for Melton Baker (deceased)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Court, having conducted an evidentiary hearing and, after reviewing the Settlement Agreement and all related pleadings and filings and being fully advised in the premises, finds, orders, and adjudges as follows:

1. The Court previously certified in this lawsuit, for settlement purposes only, a Settlement Class described as follows:

All persons who are or were royalty owners in Oklahoma wells where Defendants (Chevron U.S.A. Inc., Pure Partners, L.P., Union Oil Company of California, Chevron Midcontinent, L.P., Four Star Oil & Gas Co., and McFarland Energy, Inc. (including their affiliated predecessors and affiliated successors)) are or were the operator (or a working interest owner who marketed its share of gas and directly paid royalties to the royalty owners) from production from December 1, 2009 to the date judgment is signed. The Class claims relate to royalty payments for gas and its constituents (such as residue gas, natural gas liquids, helium, nitrogen, or drip condensate).

Excluded from the Class are: (1) agencies, departments or instrumentalities of the United States of America, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes, and Indian allottees); (2) the State of Oklahoma or any of its agencies or departments that own royalty interests; (3) Defendants, their affiliates, predecessors, and employees, officers, and directors; (4) any publicly traded company or their affiliated entity that produces, gathers, processes, or markets gas; (5) the claims of royalty owners to the extent covered by arbitration clauses or prior settlement agreements, if any, still in effect at the time suit was filed herein; (6) overriding royalty owners and others whose interest was carved out from the lessee's interest; (7) royalty owners who had already filed and still had pending lawsuits for underpayment of royalties against Defendants as of September 1, 2017; (8) royalty owners only to the extent they take gas in-kind, if any; and, (9) royalty owners only to the extent receiving "Blanchard" payments (payments by Defendants of proceeds received from other working interest owners who marketed their own share of gas).

2. The Class Representative and Defendants have executed a Settlement Agreement dated as of October 21, 2019 (the "Settlement Agreement), which Settlement Agreement was duly filed with the Court for preliminary approval.

3. This Court gave preliminary approval to the proposed class settlement. Order Preliminarily Approving Class Settlement, Approving Form of Notice to Class Members, and Setting Date for Settlement Fairness Hearing ("Preliminary Approval Order").

4. The Settlement Administrator complied with the Preliminary Approval Order. Its declaration shows the Notice was mailed to the putative members of the Settlement Class with known valid mailing addresses and was published as required by the Settlement Agreement and the Preliminary Approval Order. Having previously approved both the Plan of Notice and the Notice of Settlement, the Court now finds, orders, and adjudges that the Notice of Settlement and Plan of Notice was proper and sufficient under all applicable laws and represents the most practical means of giving notice under the circumstances. Further, each putative member of the Settlement Class was afforded a reasonable opportunity to opt out of or object to the Settlement.

5. Because any appeal by an objecting Class Member to the entire Settlement, Class Counsel Fees and/or Expenses, including the Class Representative's Fee, or the Administration Expenses would delay the payment under the Settlement, each objecting Class Member must elect within thirty (30) days of this Order to: (a) not appeal; (b) appeal only the objecting Class Member's portion of the Net Settlement Amount or Class Counsel Fees and Expenses and Administration Expenses, which is hereby severed from the rest of the case so as to not delay the final judgment for all other Class Members; or, (c) if the objecting Class Member purports to appeal on behalf of the entire Class any of the Settlement, Class Counsel Fees and Expenses, Administration Expenses, or does not definitively choose option (a) or (b) above, each such objecting Class Member who appeals agrees to post a cash appeal bond to be set in the Court's sole discretion not to exceed an amount sufficient to reimburse Class Counsel's appellate fees, Class Counsel's expenses, and the lost interest for one year to the Class caused by the likely delay.

6. Attached hereto as **Exhibit A** is a list of those putative members of the Settlement Class who have timely and validly opted-out of the class settlement. The persons listed on **Exhibit A** are not bound by any of the following provisions of this final Judgment. They are not entitled to

receive any Distribution Check as a result of the Settlement, and their portion of the Net Settlement Amount shall be returned to Defendants. If, however, members of the Settlement Class having claims which, in the aggregate, exceed 7.5% of the Settlement Proceeds have elected to opt out of the Settlement, Defendants have the option to elect termination of the Settlement Agreement. The value of the claims of the putative members of the Settlement Class who have elected to opt out do not exceed 7.5% of the Settlement Proceeds.

7. In preparing for and at the Settlement Fairness Hearing, the Court considered each of the factors listed in Rule 23(e) of the Federal Rules of Civil Procedure, including: (a) the fairness, reasonableness and adequacy of the Settlement Agreement; and (b) the fairness and reasonableness of the application for Class Counsel Fees and Expenses and Administration Expenses.

8. The Court finds that the class settlement embodied in the Settlement Agreement is fair, reasonable, and adequate. The Class Representative and Defendants entered the Settlement Agreement in good faith and without collusion. The Plan of Allocation and Distribution Order is also specifically found to be fair and reasonable to the Settlement Class. It treats the class members equitably relative to each other. The Court hereby finally approves the Settlement Agreement and the proposed class settlement, including the Plan of Allocation and Distribution Order.

9. The Order on Class Certification for Settlement Purposes, previously entered by the Court, is incorporated herein. This Judgment reaffirms the propriety of certification of this action as a class action for settlement purposes only. This matter is, and has been, certified as a class action, for settlement purposes only.

10. This action is hereby **DISMISSED WITH PREJUDICE** to the re-filing of same or any portion thereof. The Court retains jurisdiction to administer the settlement distribution process

as contemplated in the Settlement Agreement. The Court also retains jurisdiction to enforce this Order Approving Class Settlement and Final Judgment. Notwithstanding the jurisdiction that this Court retains as to such matters, this is a final judgment fully disposing of all claims as to all parties and, therefore, is an appealable order and final judgment.

11. Each member of the Settlement Class is ordered and adjudged to have conclusively released the Released Claims against the Released Parties for the Released Period as to each of the Class Wells.

12. Each member of the Settlement Class is hereby barred and permanently enjoined from prosecuting, commencing or continuing any claim or action on any of the Released Claims, and as to any of the Released Parties, by way of claim, counterclaim, offset, or otherwise.

13. Distributions of the Net Settlement Amount to Class Members shall be based on the assumptions that (a) very few sales of royalty interests have occurred during the claim and Released Period covered by the class settlement, (b) where sales did occur, it was the intent of the parties that the buyer was entitled to receive payment for past claims, and (c) where royalty interests passed through inheritance, devise or interfamily transfers, it was the intent that the heir, or devisee or transferee also receive payment for past claims. To the extent that these assumptions are not correct as to any specific transfers of interests or a Class Member receiving payment is not the proper party to receive a payment, the Court orders that Class Members who receive payment in those instances shall in turn make payment to the proper party or parties entitled to such payment, as set forth in the Settlement Agreement.

14. Any Class Member who receives a payment pursuant to the class settlement and fails to make payment to the proper party pursuant to paragraph 13, above, shall indemnify

Defendants and the other Released Parties against any claim made against Defendants and/or any of the other Released Parties by any other person or entity asserting entitlement to the payment.

15. A Class Member who does not receive a Distribution Check as a result of the assumptions described in paragraph 13 or of the application of the minimum distribution threshold shall be deemed to have released the Released Claims against all Released Parties regardless of whether that Class Member is entitled to some or all of the distribution made to another Class Member, and regardless of whether that Class Member does or does not comply with the Court's order to make payment to the proper party.


16. Distribution of the Net Settlement Amount shall be made to Class Members in accordance with the Plan of Allocation and Distribution Order previously approved by the Court. The Class Representative, Settlement Class Counsel, Defendants, and the Released Parties shall have no liability to the Settlement Class or to any Class Member for mis-payments, over-payments, under-payments, errors, or omissions in the allocation or distribution methodology or process, or for the results of such methodology or process, so long as they do not violate the express terms of the Plan of Allocation and Distribution Order approved by the Court, nor violate the express terms of any other orders pertaining to the distribution of the Net Settlement Amount entered by the Court. If any Class Member may establish a right to a greater share of the Net Settlement Amount allocated to a Class Well, that Class Member's sole remedy shall be a claim against the other Class Members in the Class Well.

17. By agreeing to settle the claims of the Settlement Class as to the Released Parties in the Class Lawsuit, Defendants do not admit, and indeed specifically dispute and deny, both the claims and assertions of the Class Representative in the Class Lawsuit and any and all liability to the Settlement Class, the Class Representative and Class Counsel.

18. All documents, electronic data and other materials produced by Defendants in the Class Lawsuit that were designated confidential, shall be returned to Defendants promptly upon the expiration of 180 days after this Judgment becomes Final and Non-Appealable.

19. The class settlement approved by this order and final judgment is a compromise and settlement of disputed issues over whether this case could ever be validly certified as a class action suit for purposes of a trial on the merits (as opposed to for purposes of settlement), as well as disputed issues over the claims and defenses asserted in this suit. Neither the Court's certification of the Settlement Class, nor the Settlement Agreement (and the settlement provided for therein), nor the carrying out of the class settlement may ever be used by any person or entity for any purpose in any other litigation against Defendants or any of the other Released Parties for any other purpose, other than to enforce the terms of the Settlement Agreement and this Order Approving Class Action Settlement and Final Judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED this 27<sup>th</sup> day of February, 2020.

  
\_\_\_\_\_  
Steven P. Shreder  
United States Magistrate Judge  
Eastern District of Oklahoma

Attachments:

Exhibit A: List of persons who have opted out of the class settlement

APPROVED:

/s/Rex A. Sharp

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**Settlement Class Counsel**



**AND**

s/Mark D. Christiansen

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**Counsel for Defendants**

**Exhibit A**  
**List of Opt-Outs**

1. Citation Oil & Gas Corp., Citation 2002 Investment, LLC (f/k/a Citation 2002 Investment Limited Partnership) and Citation 2004 Investment, LLC (f/k/a Citation 2004 Investment Limited Partnership)
2. Kaiser-Francis Oil Company and GBK Corporation
3. Merit Energy Company, LLC, on behalf of itself and all of its affiliates, including Merit Management Partners I, L.P., Merit Partners, L.P., Merit Energy Partners III, L.P., Merit Energy Partners D-III, L.P; and Merit Hugoton, L.P.