

**IN THE DISTRICT COURT OF GARVIN COUNTY  
STATE OF OKLAHOMA**

MICHAEL KERNEN and )  
GLADYS MARIE WILKERSON, )  
TRUSTEE OF THE GLADYS MARIE )  
WILKERSON 1999 TRUST, )

Plaintiffs, )

Case No. CJ-2018-7

v. )

CITIZEN ENERGY II, LLC and )  
CITIZEN ENERGY III, LLC, )

Defendants. )

**STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement (hereinafter, including all exhibits attached hereto and/or provided for herein referred to collectively as the “Settlement Agreement”) is entered into between Michael Kernen and Gladys Marie Wilkerson, Trustee of The Gladys Marie Wilkerson 1999 Trust, for themselves and all others similarly situated (“Plaintiffs”), and Citizen Energy II, LLC and Citizen Energy III, LLC and their affiliated entities (“Defendants”). Plaintiffs and Defendants are collectively referred to herein individually as a “Party” and collectively as the “Parties.” The settlement contemplated by this Settlement Agreement is conditioned upon the terms and conditions set forth in this Settlement Agreement, including but not limited to the Court (1) approving this Settlement Agreement without material alteration and (2) entering the orders and judgments upon which this Settlement Agreement is conditioned, as more fully described below:



**WITNESSETH:**

WHEREAS, the above-styled action (the "Litigation") was originally filed on January 12, 2018, with the filing of Plaintiffs' Original Petition in the District Court of Garvin County, State of Oklahoma;

WHEREAS, on March 12, 2018, Defendant Citizen Energy II, LLC filed its Answer to the Original Petition;

WHEREAS, on June 8, 2020, Plaintiffs filed an Amended Petition adding Citizen Energy III, LLC as a party defendant;

WHEREAS, through corporate transactions and/or mergers, the assets and liabilities of Citizen Energy II, LLC related to this Litigation were transferred to Citizen Energy III, LLC;

WHEREAS, on June 22, 2020, Defendants filed their Answer to the Amended Petition;

WHEREAS, Plaintiffs have made certain claims against Defendants, as more fully described in the Amended Petition;

WHEREAS, Plaintiffs and Plaintiffs' Counsel have prosecuted the Litigation for five (5) years, which has included discovery of documents and data, research, accounting review and analysis, consultation by and with experts, mediation, settlement negotiations among counsel, damage modeling, and other investigations and preparation;

WHEREAS, Plaintiffs and Plaintiffs' Counsel acknowledge that, during the course of their prosecution of the Litigation, they have received, examined, and analyzed information, documents, materials, and evidence they deem necessary and appropriate to enable them to enter into this Settlement Agreement on a fully informed basis, and after such examination and analysis, and based on the experience of Plaintiffs' Counsel, their experts and consultants, Plaintiffs and Plaintiffs' Counsel have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable, adequate and in the best interests of the Settlement Class and Plaintiffs;

WHEREAS, Plaintiffs have agreed to settle the claims asserted against Defendants in the Litigation pursuant to this Settlement Agreement after considering: (1) the substantial benefits Class Members will receive from resolution of such claims, (2) the risks of litigating those claims, and (3) the desirability of permitting the Settlement to be consummated as provided by the terms of this Settlement Agreement;

WHEREAS, Defendants have taken into account the expense, uncertainty, and risks inherent in this Litigation, and have determined it is desirable to compromise and settle the claims against them in the Litigation;

WHEREAS, Defendants have adamantly denied, and continue to adamantly deny, Plaintiffs' claims against them and any and all liability to Plaintiffs and the Settlement Class, and have vigorously defended against those claims; and

WHEREAS, Defendants enter into this Settlement Agreement without admitting any liability whatsoever, and solely to avoid further expense, inconvenience, and the disruption of defending against the claims asserted against them in the Litigation and to be completely free of any further controversy with respect to the claims that were asserted or could have been asserted in the Litigation, as more fully described herein.

NOW THEREFORE, in consideration of the payments, mutual promises, agreements, undertakings, releases, and other terms and provisions of this Settlement Agreement, the sufficiency of which is hereby acknowledged by the Parties hereto, Defendants and Plaintiffs, on behalf of themselves and the Settlement Class, stipulate and agree, subject to the approval of the Court, without admission of any liability or wrongdoing, and in consideration of the benefits set forth herein, that all Released Claims (defined below) shall be fully, finally and forever

compromised, settled, released and discharged, and the Litigation shall be dismissed with prejudice, upon and subject to the following terms and conditions:

## 1. DEFINITIONS

As used throughout this Settlement Agreement, the Supplemental Agreement, the Initial and Final Plans of Allocation, and all other documents attached hereto, the following phrases and words will be given the meanings set forth below:

1.1 **“Administration, Notice, and Distribution Costs”** means the reasonable and necessary fees, costs, and expenses charged by the Settlement Administrator, JND Legal Administration Company (or any consultant retained by the Settlement Administrator with the approval of Plaintiffs’ Counsel) for fees, costs, and expenses generated or incurred in the administration, distribution, and notification of the Settlement, including: (a) fees, costs, and expenses incurred in identifying the names, addresses, owner numbers, and tax identification numbers of Class Members (to the extent not contained in the records provided by Defendants under Paragraph 3.3 below); (b) fees, costs, and expenses incurred to publish and mail the Notice of Settlement to the Settlement Class (such as the cost to print the Notices of Settlement, mail the Notices of Settlement, and/or publish the Notices of Settlement pursuant to the Plan of Notice); (c) fees, costs, and expenses to prepare, issue, and mail (and re-issue and re-mail, if necessary) the Distribution Checks to the Settlement Class; (d) fees, costs, and expenses to provide a reconciliation of the final amount of Residual Unclaimed Funds; (e) fees, costs, and expenses to calculate the amount each Class Member will receive under the Initial Plan of Allocation; and (f) fees, costs, and expenses to calculate the amount each Class Member who does not timely and properly submit a Request for Exclusion will receive under the Final Plan of Allocation. Administration, Notice, and Distribution Costs also include the costs described in (a) through (f) above incurred by Plaintiffs’ Counsel and/or Plaintiffs associated with experts, consultants, or

other personnel retained for purposes of administration, distribution, and notification. Administration, Notice, and Distribution Costs also include any fees or costs charged related to administration of the Gross Settlement Fund, including any fees or costs charged by the Settlement Administrator. Administration, Notice, and Distribution Costs also include any fees or costs charged by the Escrow Agent related to the Escrow Account. Subject to Court approval, all Administration, Notice, and Distribution Costs will be paid from the Gross Settlement Fund.

1.2 “**Allocation Methodology**” means the methodology Plaintiffs propose to use to calculate the amount of the Net Settlement Fund to be sent to each Participating Class Member as set forth in Paragraphs 6.2-6.4.

1.3 “**Answer**” means the Answer filed by Citizen Energy II, LLC and Citizen Energy III, LLC in this Litigation on June 22, 2020.

1.4 “**Case Contribution Award**” means the award ordered by the Court, if any, to Plaintiffs for their expense and participation in this Litigation and in representing the Settlement Class.

1.5 “**Claim Period**” means any time period when checks or payments were made or issued on behalf of or by Defendants prior to and including November 30, 2023, subject to the terms of this Settlement Agreement regarding Released Claims.

1.6 “**Class Member**” is a person or entity belonging to the Settlement Class.

1.7 “**Court**” means the Honorable Judge Leah Edwards, or any subsequent judge assigned to this Litigation.

1.8 “**Defendants**” shall mean Citizen Energy II, LLC and Citizen Energy III, LLC.

1.9 “**Defendants’ Counsel**” means Travis P. Brown, Cody McPherson, Lauren Brown and the law firm of Mahaffey & Gore, P.C.

1.10 “**Distribution Check**” means a check payable to a Participating Class Member for the purpose of paying that Participating Class Member’s share of the Net Settlement Fund pursuant to the Allocation Methodology.

1.11 “**Effective Date**” means the first date by which all of the events and conditions specified in Paragraph 9.3 below have occurred.

1.12 “**Escrow Account**” means an account maintained by the Escrow Agent.

1.13 “**Escrow Agent**” means Citibank, N.A. or the bank or financial institution mutually agreed upon by the Parties and appointed and approved by the Court to carry out the duties assigned to the Escrow Agent under this Settlement Agreement.

1.14 “**Escrow Agreement**” means the agreement(s) between Plaintiffs’ Counsel (on behalf of Plaintiff and the Settlement Classes), Defendant, and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account in accordance with this Settlement Agreement. The Escrow Agreement shall be in the form agreed to by the Parties.

1.15 “**Final and Non-Appealable**” means that the following conditions are satisfied:

(a) thirty (30) days have elapsed without the filing of (i) any appeal or original action in any court challenging or seeking reconsideration, modification, or vacation of the Judgment, or otherwise seeking to interfere with or evade provisions of this Settlement Agreement and the Settlement contemplated hereunder; (ii) any motion that would extend the time to appeal from the Judgment, or which challenges or seeks reconsideration, modification or vacation of the Judgment; or (iii) any motion that would extend or reopen the time for commencing an appeal; or

(b) if any motion under subparagraph (a)(ii) or (iii) above was filed, it has been denied with no appeal having been commenced within 30 days after the entry of the final order

denying all such motions; or if any motion under subparagraph (a)(iii) above was granted, the moving party has not commenced an appeal within the time allowed; or

(c) if an appeal is commenced, (i) the Judgment is affirmed in full or the appeal is dismissed, mandate of the appellate court is issued, and no petition for writ of certiorari is filed, or if one is filed, the Oklahoma Supreme Court either denies or dismisses such petition or affirms in full and mandate issues, or (ii) the appellate court remands to the Court for further proceedings in which the Court issues a final decision that does not vacate or alter the original Judgment in any material respect and that decision itself becomes Final and Non-Appealable; or

(d) if an original action listed in subparagraph (a)(i) above is filed, it results in a final decision that does not vacate or alter the original Judgment in any material respect and that final decision itself becomes Final and Non-Appealable; or

(e) if a motion under subparagraph (a)(ii) above is granted, the Court's final decision on such motion does not vacate or alter the Judgment in any material respect and that decision itself becomes Final and Non-Appealable; or

(f) such date as the Parties may otherwise agree to in writing.

1.16 **"Final Fairness Hearing"** means the hearing set by the Court under Okla. Stat. tit. 12 § 2023 to consider final approval of the Settlement.

1.17 **"Final Plan of Allocation"** means the final calculation of the Distribution Check that will be sent to each Participating Class Member.

1.18 **"Gross Settlement Fund"** means the total cash amount of \$4,668,120.00 to be paid by Defendants. In no event shall Defendants or the Released Parties be required to pay more than the Gross Settlement Fund.

1.19 **"Initial Plan of Allocation"** has the meaning set forth in Paragraph 6.5.

1.20 “**Judgment**” means the Order and Judgment Granting Final Approval of Class Action Settlement finally approving the Settlement between the Settlement Class and Defendants, which shall include provisions substantially the same as those set forth in Paragraph 3.6 below and be in substantially the same form as Exhibit 2, attached hereto.

1.21 “**Litigation**” is the action styled Michael Kernen and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust vs. Citizen Energy II, LLC and Citizen Energy III, LLC, Case No. CJ-2018-7 before the District Court of Garvin County, Oklahoma.

1.22 “**Litigation Expenses**” means the reasonable costs and expenses incurred by Plaintiffs’ Counsel in commencing and prosecuting the Litigation and approved by the Court.

1.23 “**Net Settlement Fund**” means the Gross Settlement Fund less: (a) any of Plaintiffs’ Attorneys’ Fees and Litigation Expenses awarded by the Court; (b) any Case Contribution Award awarded by the Court; (c) any Administration, Notice, and Distribution Costs; and (d) any other costs and expenses that the Court orders to be deducted from the Gross Settlement Fund.

1.24 “**Notice of Settlement**” means the notice in substantially the same form as Exhibit 3 attached hereto, which will be mailed to potential Class Members, and the notice in substantially the same form as Exhibit 4 attached hereto, which will be published in accordance with the Plan of Notice, and the notice in substantially the same form as Exhibit 5 attached hereto, which will be published electronically on the website in accordance with the Plan of Notice and sent directly to Class Members upon request in accordance with the Plan of Notice.

1.25 “**O&G Proceeds**” means oil and gas production proceeds.

1.26 “**Oklahoma Wells**” means oil and/or gas wells in Oklahoma in which Defendants have paid or incurred an obligation to pay O&G Proceeds.



1.27 “**Opt-Out**” means a Class Member who timely and properly submits a Request for Exclusion or who is otherwise excluded from the Settlement Class by order of the Court, separate and apart from the individuals and entities excluded by virtue of the Settlement Class definition.

1.28 “**Participating Class Member**” means a Class Member who is not an Opt-Out.

1.29 “**Parties**” is defined as Plaintiffs Michael Kernen and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust and Defendants Citizen Energy II, LLC and Citizen Energy III, LLC.

1.30 “**Amended Petition**” is the Amended Petition to this action filed on June 8, 2020.

1.31 “**Plaintiffs**” is defined as Michael Kernen and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust.

1.32 “**Plaintiffs’ Attorneys’ Fees**” means the attorney fees that may be awarded by the Court to Plaintiffs’ Counsel with respect to their work on the Litigation.

1.33 “**Plaintiffs’ Counsel**” means the law firms of: (a) Nix Patterson, LLP; (b) Ryan Whaley Jantzen Peters & Webber PLLC; (c) Whitten Burrage; (d) Barnes & Lewis, LLP; and (e) Park, Nelson, Caywood & Jones LLP.

1.34 “**Plan of Notice**” means the process described in Paragraph 3.5 below for sending and publishing the Notice of Settlement.

1.35 “**Preliminary Approval Order**” means the order in substantially the form attached hereto as Exhibit 1, as further described in Paragraph 3.1.

1.36 “**Released Claims**” include all claims and damages (statutory, contract, tort, equitable, punitive, and other relief) through the Effective Date arising out of or attributable to the claims asserted in the Amended Petition on behalf of the Settlement Class related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on

O&G Proceeds from Oklahoma Wells made or issued by Defendants or on their behalf during the Claim Period, including but not limited to: any and all claims, actions (including class actions), causes of action, choses in action, demands, debts, obligations, duties, liens, liabilities, and other theories of liability and recovery of whatsoever kind and nature, whether in contract or tort, at law or in equity, under express or implied covenants, or duties, known or unknown, accrued or unaccrued, contingent, prospective or matured, whether for actual, direct, indirect, consequential, treble or punitive damages, disgorgement, interest, injunctive relief, declaratory relief, equitable relief, or any other type of relief, asserted or that could have been asserted in the Litigation against the Released Parties related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants during the Claim Period. This release includes claims asserted in the Litigation, or that could have been asserted in the Litigation, for failure to pay or properly pay interest on Untimely Payments, including, but not limited to, any and all oil and gas revenue payments made outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit. 52 § 570.1, *et seq.* (the "PRSA") or applicable contracts, including prior period adjustments (PPAs). This release does not include working interest payments or claims related to any alleged interest owed on currently suspended proceeds. Moreover, nothing in this Settlement Agreement shall be construed as a waiver of, or modification or alteration to, the terms and conditions of the Judgment entered in *Hay Creek Royalties, LLC v. Roan Resources LLC Case No. 19-CV-177-CVE-JFJ* (United States District Court for the Northern District of Oklahoma) ("Hay Creek Litigation"). It is the intent of the Parties hereto to resolve all Released Claims during the Claim Period that were not previously released by virtue of the Hay Creek Litigation. Any and all claims related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on oil

and gas proceeds produced from any of the Oklahoma Wells that were previously released in the Hay Creek Litigation shall remain so released. All claims related to or arising from underpaid and unpaid statutory interest that were not released in the Hay Creek Litigation for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants or on their behalf during the Claim Period are intended to be and are released and forever discharged under this Settlement Agreement.

1.37 **“Released Parties”** means Defendants as well as their respective former and present parent companies, subsidiaries, affiliates, former or present officers, directors, members, employees, agents, attorneys, board members, successors, assigns, and consultants, including, but not limited to, Citizen Energy Holdings, LLC, Citizen Energy Operating, LLC, Citizen Energy Intermediate, LLC, Citizen Energy Management, LLC, Pressburg, LLC, Citizen Midstream, LLC Blue Mountain Midstream, LLC, Linn Energy, Inc., and Roan Resources, LLC.

1.38 **“Releasing Parties”** means Plaintiffs and all Participating Class Members; their predecessors, successors, heirs, assignors, and assignees; and any past and present affiliates, directors, officers, employees, attorneys, agents, consultants, servants, stockholders, members, representatives, subsidiaries, insurers, and affiliates of such persons or entities.

1.39 **“Request for Exclusion”** means any request for exclusion from the Settlement Class pursuant to Okla. Stat. tit. 12 § 2023 that meets the requirements set by the Court for exclusion.

1.40 **“Residual Unclaimed Funds”** means any portion of the Net Settlement Fund that has not been deposited, cashed or otherwise claimed by a Class Member, including but not limited to: (a) the amounts described as “Residual Unclaimed Funds” in Paragraphs 5.5, 6.10, 6.11, 6.12, and 6.16, along with any interest and returns that accrue on such amounts, and (b) the amount of

Distribution Checks sent to Class Members that are voided because they are not cashed or deposited within the time period specified on the Distribution Check, along with any interest and returns that accrue on such amounts.

1.41 “**Settlement**” means the Parties’ agreement to resolve the Litigation as described herein.

1.42 “**Escrow Account**” means an account maintained by the Escrow Agent.

1.43 “**Settlement Administrator**” means the person or entity that is approved and appointed by the Court to administer the Settlement.

1.44 “**Settlement Class**” means the below-described class that the Parties have agreed should be certified for settlement purposes pursuant to the Preliminary Approval Order to be entered by the Court in the same or similar form attached hereto as Exhibit 1. The Settlement Class is to be specifically defined as follows:

All non-excluded persons or entities who received late royalty and/or overriding royalty payments during the Class Period from Defendants for O&G Proceeds from Oklahoma Wells and whose payments did not also include the statutory interest prescribed by the Act.

The persons or entities excluded from the Class are: (1) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes as defined at 30 U.S.C. §1702(4), and Indian allottees as defined at 30 U.S.C. §1702(2)); (2) Commissioners of the Land Office of the State of Oklahoma (CLO); (3) publicly traded oil and gas companies and their affiliates; (4) persons or entities (and their affiliates) who are the Oklahoma Corporation Commission (OCC) designated operator of more than fifty (50) Oklahoma wells in the month when this Class definition was originally filed; (5) persons or entities that Plaintiffs’ counsel may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (6) officers of the court, and (7) Owners in regard to whom Defendants are required by the Act to pay O&G Proceeds annually for the 12 months accumulation of O&G Proceeds totaling less than \$100.00 who were not otherwise required by the Act to receive interest, provided, however this exclusion of so-called “minimum pay” Owners does not apply to interest claims for other 12 month periods accumulation of O&G Proceeds when the same Owner was entitled to \$100 or more and thus not in a “minimum pay” status.

Except as expressly excluded from the Settlement Class as set forth above, the Parties intend the Settlement Class to be construed as broadly as possible to include all persons or entities that otherwise meet the definition of the Settlement Class. For clarity, the reference to payments that “did not also include the statutory interest prescribed by the Act” includes both unpaid and underpaid statutory interest.

1.45 “**Supplemental Agreement**” means the confidential supplemental agreement between the Parties referenced in Paragraph 9.1.

1.46 “**Untimely Payment**” means payments issued or made by Defendants (or on Defendants’ behalf) outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit. 52 § 570.1, *et seq.* (the “PRSA”) for O&G Proceeds from Oklahoma Wells.

## 2. CONSIDERATION

2.1 The Parties agree to settle the Litigation as set forth herein. In exchange for Plaintiffs’ and the Releasing Parties’ releases, covenants, and agreements in the Settlement Agreement and Supplemental Agreement, both on their behalf and on behalf of the Class Members, Defendants agree to pay the Gross Settlement Fund.

2.2 Within thirty (30) business days after entry and filing of the Preliminary Approval Order, Defendants will cause \$4,668,120.00 to be deposited into the Escrow Account.

2.3 After the date on which Defendants pay the Gross Settlement Fund into the Escrow Account, Defendants, Defendants’ Counsel, and the Released Parties shall not have any liability to Plaintiffs, Plaintiffs’ Counsel, or the Settlement Class with respect to the Gross Settlement Fund or its administration, including but not limited to any distributions made by the Settlement Administrator or Escrow Agent. If Defendants fail to pay the amount of the Gross Settlement Fund into the Escrow Account within the time specified above, beginning on the date on which the

payment is due, such amount will accrue interest at the effective federal funds rate, as posted by the Federal Reserve Bank of New York on the first business day of the calendar year in which the payment is due.

2.4 The Parties agree that the Settlement of the Released Claims is supported by adequate consideration reflecting the cash sum of \$4,668,120.00 to be paid by Defendants into the Escrow Account, and Defendants' agreements, releases, and covenants herein.

2.5 The Participating Class Members agree, in exchange for their respective shares, if any, of the Net Settlement Fund, and the performance of the other obligations and duties of Defendants as set forth herein, to give the Mutual Release, Dismissal, and Covenant Not to Sue described in Section 4 below, and the other valuable consideration provided herein.

### **3. PLAN OF NOTICE AND COURT APPROVALS**

3.1 Plaintiffs will file a motion with the Court no later than three business (3) days after the date this Settlement Agreement is executed by the Parties, seeking preliminary approval of the Settlement, which shall include the proposed Preliminary Approval Order in substantially the same form attached hereto as Exhibit 1, which will, *inter alia*: (a) certify the Settlement Class for the purposes of this Settlement only; (b) preliminarily approve the Settlement as set forth in this Settlement Agreement; (c) approve the Notice of Settlement and Plan of Notice; and (d) direct the Settlement Administrator to provide the Notice of Settlement to the Settlement Class in accordance with the Plan of Notice or in any other manner the Court may direct in accordance with Okla. Stat. tit. 12 § 2023.

3.2 Plaintiffs will request the Court enter the Preliminary Approval Order no later than twenty (20) days after the date the Parties execute this Settlement Agreement (unless the Court requires a later date).

3.3 No later than fourteen (14) days after the date the Parties execute this Settlement Agreement, to the extent not already provided, Defendants shall provide to Plaintiffs' Counsel in electronic format: the names, last known addresses, and taxpayer identification numbers of persons or entities identified by owner number in the accounting data produced in the Litigation. Defendants will cooperate with Plaintiffs' Counsel by providing such other data within their possession as may be reasonably requested to aid in the allocation and payment of Settlement proceeds to Participating Class Members.

3.4 After the Preliminary Approval Order is entered and prior to sending the Notice of Settlement, the Settlement Administrator shall make reasonable efforts to: (a) verify the last-known addresses of potential Class Members provided by Defendants pursuant to Paragraph 3.3, and (b) locate current addresses of any potential Class Members for whom Defendants have not provided an address.

3.5 Within thirty (30) days after the Court grants preliminary approval of the Settlement, or at such time as is ordered by the Court, the Settlement Administrator will mail (or cause to be mailed) the Notice of Settlement (in substantially the same form as Exhibit 3) by first class mail to all potential Class Members who have been identified after reasonable efforts to do so. The Notice of Settlement will be mailed to potential Class Members using the payment history data described in Paragraph 3.3 above and any updated addresses found by the Settlement Administrator. Within ten (10) days after mailing the first Notice of Settlement, or at such time as is ordered by the Court, the Settlement Administrator also shall publish (or cause to be published) the summary Notice of Settlement (in substantially the same form as Exhibit 4) one time in each of the following newspapers: (a) *The Oklahoman*, a paper of general circulation in Oklahoma; (b) the *Tulsa World*, a paper of general circulation in Oklahoma; (c) *The Daily Ardmoreite*, a paper of

local circulation; (d) the *Fairview Republican*, a paper of local circulation; (e) the *McAlester News-Capital*, a paper of local circulation; and (f) the *Holdenville Tribune*, a paper of local circulation. Within ten (10) days after mailing the first Notice of Settlement and continuing through the date of the Final Fairness Hearing, the Settlement Administrator also will display (or cause to be displayed) on an Internet website dedicated to this Settlement the following documents: (a) the Notice of Settlement, (b) the Long Form Notice (in substantially the same form as Exhibit 5), (c) the Amended Petition and Answer, (d) this Settlement Agreement, and (e) the Preliminary Approval Order. Upon request from a Class Member, the Settlement Administrator will directly mail a copy of the Long Form Notice to the Class Member. Neither Defendants, Defendants' Counsel, Plaintiffs, the Settlement Class, nor Plaintiffs' Counsel shall have any liability for failure of the Notice of Settlement to reach any Class Member.

3.6 No later than twenty-eight (28) calendar days prior to the Final Fairness Hearing, if the Settlement has not been terminated pursuant to this Settlement Agreement, Plaintiffs' Counsel and Plaintiffs shall move for: (a) final approval of the Settlement pursuant to 12 O.S. § 2023(E); (b) entry of the Judgment in substantially the same form as Exhibit 2; (c) final approval of the Allocation Methodology and Initial Plan of Allocation; and (d) Plaintiffs' Attorneys' Fees, reimbursement of Litigation Expenses, and/or a Case Contribution Award. After Notice of Settlement is given in the manner directed by the Court, the Parties will request the Court hold a Final Fairness Hearing as described in the Notice of Settlement, and to then enter Judgment, and specifically approving all terms and provisions of the Settlement, including the Allocation Methodology and Final Plan of Allocation; provided, however, that Defendants will take no position on the Allocation Methodology (or any Plan of Allocation implementing the Allocation Methodology) unless such matters affect Defendants' bargained for rights under this Settlement



Agreement or the Supplemental Agreement. The Judgment shall include substantially the following provisions:

- (i) Approve the Settlement between the Settlement Class and Defendants embodied in this Settlement Agreement, including any Allocation Methodology, as fair, reasonable and adequate to each Class Member within the meaning of 12 O.S. § 2023;
- (ii) Dismiss the Released Claims with prejudice, but retain continuing jurisdiction to enter any orders necessary to enforce the terms of the Settlement Agreement (any claims related to working interests and currently suspended funds will be dismissed without prejudice), including the administration of the Settlement and/or entry of injunctive or other relief to enforce, implement, administer, construe and interpret the Settlement Agreement;
- (iii) Adjudge that Participating Class Members have conclusively released all the Released Claims that the Releasing Parties have against all Released Parties and likewise adjudge that the Released Parties have released the claims set forth in Paragraph 4.3;
- (iv) Bar and permanently enjoin all Participating Class Members from prosecuting, commencing, or continuing any of the Released Claims against the Released Parties;
- (v) Find that the Settlement is fair, reasonable, and adequate and was entered into between the Parties in good faith and without collusion;
- (vi) Find that, by agreeing to settle the Released Claims, the Released Parties do not admit, and specifically deny, any and all liability to the Settlement Class, Plaintiffs and Plaintiffs' Counsel;
- (vii) Find that the notice of the Settlement has been given as required by law, that all statutory and constitutional requirements have been met, and further, that the Class Members have been afforded a reasonable opportunity to opt out of or object to the Litigation and Settlement;
- (viii) Order that Defendants shall have no responsibility for the allocation and distribution of any Settlement Fund and shall not be liable for any claims by, through, or under the Class Members or any third party relating to the allocation or distribution of any Settlement Fund, including, but not limited to, any claims that a Class Member should have been allocated and distributed a greater amount of any Settlement Fund than it actually received or was provided by the Plan of Allocation;
- (ix) Order any person or entity who receives a Distribution Check that he/she/it is not legally entitled to receive to either: (1) pay the appropriate portion(s)

of the Distribution Check to the person(s) legally entitled to receive such portion(s), or (2) return the Distribution Check uncashed to the Settlement Administrator;

- (x) Find and determine that there is no just reason to delay the finality of the Judgment and expressly direct the filing of the Judgment as a judgment;
- (xi) Order that the Settlement may never be used for any purpose in any subsequent litigation against Defendants or any other Released Party other than to enforce the terms of this Settlement Agreement or to seek an order barring or precluding the assertion of Released Claims in any proceeding;
- (xii) Order that the Court shall retain continuing jurisdiction to enter any orders as necessary to administer the Settlement Agreement and to interpret, construe, and enforce the Judgment; and
- (xiii) Order that the Released Parties shall pay the Gross Settlement Fund amount set out above.

#### **4. MUTUAL RELEASE, DISMISSAL, AND COVENANT NOT TO SUE**

4.1 Upon the Effective Date, the Released Parties, individually and collectively, shall be fully, finally, and forever released from the Released Claims of the Participating Class Members and other Releasing Parties, and such Releasing Parties shall be enjoined from asserting or prosecuting any Released Claims against any Released Parties.

4.2 Upon the Effective Date, Defendants, on behalf of themselves and the Released Parties for whom Defendants maintain control, individually and collectively: (a) shall be deemed by operation of law to have fully, finally, and forever released, relinquished, waived, discharged and dismissed any and all claims Defendants may have to any refund or right of recoupment of distributions made to Plaintiffs and the Participating Class Members from the Gross Settlement Fund; (b) shall be enjoined from asserting or prosecuting any such claims against same; and (c) agree and covenant not to sue Plaintiffs, Plaintiffs' Counsel, or the Participating Class Members for any and all such claims.

4.3 Upon the Effective Date and for the consideration provided for herein, Plaintiffs, each and every Participating Class Member, and Plaintiffs' Counsel: (a) agree and covenant that, in addition to the foregoing release of the Released Claims, he, she, or it shall not, at any time, directly or indirectly, on any Class Member's behalf, sue, institute, instigate, or assert against Defendants or the Released Parties any claims or actions on or concerning the Released Claims and (b) acknowledge that the foregoing covenant shall apply and have effect by virtue of this Settlement Agreement and by operation of the Judgment. Plaintiffs, each Participating Class Member, and Plaintiffs' Counsel further agree and acknowledge that the covenants not to sue provided for in this paragraph are made to inure to the benefit of, and are specifically enforceable by, Defendants and each of the Released Parties and their respective successors and assigns.

4.4 The Judgment approving the Settlement Agreement shall dismiss all claims asserted in the Litigation and the Released Claims with prejudice. However, any continuing obligations arising from the Settlement Agreement shall survive entry of the Judgment. The Court, along with any appellate court with power to review the Court's orders and rulings in the Litigation, shall retain exclusive and continuing jurisdiction over this Litigation for purposes of enforcing this Settlement Agreement and any issues associated therewith.

## **5. ESCROW ACCOUNT AND PAYMENT OF TAXES**

5.1 All funds held by the Settlement Administrator or Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Settlement Agreement and/or further order of the Court. Unless otherwise agreed to in writing between Defendants and Plaintiffs' Counsel, the Escrow Agent shall invest any funds in excess of \$100,000 in United States Treasury Bills having maturities of 90 days or less, or money market mutual funds comprised of investments secured by the full faith and credit of the United States

Government, or an account fully insured by the United States Federal Deposit Insurance Corporation (“FDIC”). Any funds held by the Escrow Agent in an amount less than \$100,000 may be held in an interest-bearing account insured by the FDIC or money market mutual funds comprised of investments secured by the full faith and credit of the United States Government or fully insured by the United States Government. All risks related to the investment of the Gross Settlement Fund shall be borne solely by the Gross Settlement Fund.

5.2 The Parties agree that the Gross Settlement Fund is intended to be a qualified settlement fund within the meaning of Treasury Regulation § 1.468B-1 and that the Settlement Administrator, as administrator of the Escrow Account within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for timely filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)). All taxes, interest, and penalties on the income earned on the funds in the Escrow Account shall be paid out of the Escrow Account as provided herein. The Settlement Administrator shall also be solely responsible for causing payment to be made from the Gross Settlement Fund of any taxes, interest, and penalties owed with respect to the Gross Settlement Fund. The Settlement Administrator, as administrator of the Gross Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a “relation back election,” as described in Treasury Regulation §1.468B-1(j), to cause the qualified settlement fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

5.3 Any tax returns prepared for the Gross Settlement Fund (as well as the election set forth therein) shall be consistent with the Settlement Agreement and in all events shall reflect that all taxes (including any interest or penalties) on the income earned by the Gross Settlement Fund shall be paid out of the Gross Settlement Fund as provided herein. The Gross Settlement Fund shall be the source of funding to fully indemnify and hold all Released Parties, Defendants, Defendants' Counsel, Plaintiffs and Plaintiffs' Counsel harmless for any taxes, interest, penalties, and related expenses of any kind whatsoever (including without limitation, taxes payable by reason of any such indemnification) on income earned while the Gross Settlement Fund (or any portion thereof) is in the Escrow Account. The Parties shall notify the Escrow Agent and Settlement Administrator promptly if they receive any notice of any claim for taxes relating to the Gross Settlement Fund.

5.4 All income taxes, if any, incurred on the part of the Class Members in connection with the implementation of this Settlement Agreement shall be reported and paid by the individual Class Members to the extent of their individual tax liability on proceeds they individually receive. Except for any amounts withheld for tax purposes by the Settlement Administrator, the individual Class Members are solely responsible for the payment of any and all taxes attributable to payments to them under this Settlement Agreement. The Settlement Administrator and the Gross Settlement Fund shall have no responsibility or liability whatsoever for such payments. Plaintiffs' Counsel, the Released Parties, Defendants, and Defendants' Counsel shall have no responsibility or liability whatsoever for such payments or any taxes or assessments, interest, or penalties on amounts distributed to a Class Member. Plaintiffs shall not have any responsibility or liability whatsoever for any taxes or assessments, interest, or penalties on amounts distributed to another Class Member. The Released Parties, Defendants, Defendants' Counsel, and the Class Members will

bear no responsibility for any taxes due on Plaintiffs' Attorney's Fees, any reimbursement of Litigation Expenses, or any Case Contribution Award, and such taxes will not be paid from the Escrow Account.

5.5 All distributions shall be subject to any required federal, state, or local income tax withholding, which the Settlement Administrator shall withhold and pay to the appropriate taxing authorities. The Settlement Administrator shall prepare, file, and provide IRS Form 1099s to Class Members, or, in the event a Form 1099 is not required, an explanation of such payment. In the event Form 1099s are not filed by the Settlement Administrator, the Settlement Administrator is solely responsible for paying any resulting taxes, interest, or penalties associated with such failure to file Form 1099s. In the event a Distribution Check is not cashed or is returned to the Settlement Administrator, such that a Class Member does not receive payment of the amount distributed, the Settlement Administrator shall make reasonable efforts to identify a correct address for such Class Member and shall request a refund from the taxing authority to whom any withheld taxes were paid on behalf of the Class Member who did not receive payment, and such refunds will become part of the Residual Unclaimed Funds. The Parties and Plaintiffs' and Defendants' Counsel shall have no liability for any filed IRS Forms 1099. The Gross Settlement Fund shall be the source of funding to fully indemnify and hold all Released Parties, Defendants, Defendants' Counsel, Plaintiffs and Plaintiffs' Counsel harmless for any penalties and related expenses of any kind whatsoever associated with any filed IRS Forms 1099. The Parties shall notify the Settlement Administrator promptly if they receive any notice of any claim for penalties relating to a filed IRS Form 1099.

5.6 The Parties agree that the Released Parties, Defendants, Defendants' Counsel, Plaintiffs and Plaintiffs' Counsel have no responsibility or liability for any severance taxes or other

taxes any person or entity may later claim to be due on the amounts disbursed to the Class Members from the Escrow Account.

5.7 Plaintiffs, Plaintiffs' Counsel, Defendants, Defendants' Counsel, the Released Parties, and the Settlement Administrator do not provide any tax advice whatsoever and shall have no liability whatsoever for any taxes or assessments due, if any, on the Gross Settlement Fund, and make no representation or warranty regarding the tax treatment of any amount paid or received under this Settlement. Any Class Member with tax questions or concerns is urged to immediately contact his/her own tax adviser. Defendants, Defendants' Counsel, and the Released Parties will have no input in determining the amount of taxes payable by the Settlement Class or how the taxes will be paid from the Gross Settlement Fund and likewise will not be bound in any respect by such determination or be attributed with any agreement as to whether the taxes paid by the Settlement Class are due or payable.

5.8 Defendants, Defendants' Counsel, and the Released Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the maintenance, investment, distribution or any other action or inaction related to the Net Settlement Fund, the establishment or maintenance of the Escrow Account, the payment or withholding of any taxes, or any other expenses or losses in connection with such matters.

5.9 Before making any distribution from the Escrow Account, the Settlement Administrator and/or Plaintiffs' Counsel must request and receive approval of the distribution from the Court. The request for distribution shall include the amount of the distribution, a breakdown of the line items included in the proposed distribution, and any supporting documents necessary for the Court to verify that the amount comports with the terms of the Settlement and any applicable Court order.

**6. CLAIMS ADMINISTRATION, ALLOCATION,  
AND DISTRIBUTION OF NET SETTLEMENT FUND**

6.1 The Allocation Methodology is a matter separate and apart from the proposed Settlement between Plaintiffs and Defendants and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of this Settlement. Provided that none of the terms of the Settlement or the Supplemental Agreement are modified by such decision, any decision by the Court concerning the Allocation Methodology shall not affect the validity or finality of the Settlement or operate to terminate or cancel this Settlement or affect the finality of the Judgment. Further, after the issuance of any notice contemplated by this Settlement Agreement or ordered by the Court, the Allocation Methodology may be modified without any further notice being required, provided the modification satisfies due process and is approved by the Court, and does not affect Defendants' or the Released Parties' rights under the Settlement Agreement.

6.2 Plaintiffs' Counsel shall, subject to Court approval, allocate the Net Settlement Fund to individual Participating Class Members proportionately based on the amount of statutory interest allegedly owed on the original underlying payment that allegedly occurred outside the time periods required by the PRSA, with due regard for the production date, the date the underlying payment was made, the amount of the underlying payment, the time periods set forth in the PRSA, any additional statutory interest that Plaintiffs' Counsel believes has since accrued, any amounts of statutory interest that were previously paid by or on behalf of Defendants and the amount of interest or returns that have accrued on the Participating Class Member's proportionate share of the Net Settlement Fund during the time such share was held in the Escrow Account.

6.3 No distributions will be made to Class Members who would otherwise receive a distribution of less than \$10.00 under the Initial Plan of Allocation, unless specifically requested



in writing by a Class Member entitled thereto. This *de minimis* threshold is set in order to preserve the overall Net Settlement Fund from the costs of claims that are likely to exceed the value of those claims. It has been determined by Plaintiffs' Counsel that \$10.00 is a reasonable *de minimis* threshold. A Class Member that falls into this category may request to be excluded from this Settlement as described in this Settlement Agreement or otherwise will be bound by the Settlement Agreement and all provisions thereof despite receiving no payment under the Final Plan of Allocation. In the event the Court refuses to approve the \$10.00 *de minimis* payment provision contained in this paragraph, such refusal will not be grounds to disturb or terminate the Settlement Agreement by any Party; instead, Plaintiffs' Counsel will submit an alternative plan of allocation that does not include the \$10.00 *de minimis* payment provision contained in this paragraph.

6.4 This allocation is subject to modification by Plaintiffs' Counsel and final approval by the Court. Neither Defendants nor Defendants' Counsel, nor any Released Party, is responsible or liable for any aspect of the Allocation Methodology or any plan of allocation implementing that methodology. Defendants, Defendants' Counsel, and the Released Parties shall not be liable for any claims relating to the allocation or distribution of the Net Settlement Fund, including but not limited to any claims that a Participating Class Member did not receive a distribution or should have been allocated and distributed a different amount of the Net Settlement Fund than actually received or provided under the Plan of Allocation.

6.5 No later than twenty-eight (28) days prior to the Final Fairness Hearing, Plaintiffs' Counsel will provide the Initial Plan of Allocation to Defendants. The Initial Plan of Allocation will reflect the amount of the Distribution Check to be sent to each Class Member based upon (a) the payment history data described in Paragraph 3.3 above; (b) the assumption that no Class Member becomes an Opt-Out or is otherwise excluded from the Settlement Class by order of the

Court; and (c) the assumption that Plaintiffs' Counsel's application for Plaintiffs' Attorneys' Fees, reimbursement of Litigation Expenses, and Case Contribution Award will be approved. Plaintiffs' Counsel may rely on the payment history data provided by Defendants pursuant to Paragraph 3.3 above for purposes of the Initial Plan of Allocation and is under no obligation to independently verify such data. Plaintiffs will submit for approval by the Court the Initial Plan of Allocation based on the provisions of this section as part of or in conjunction with the Final Fairness Hearing.

6.6 Within sixty (60) days after the date the Judgment becomes Final and Non-Appealable, Plaintiffs will file and seek approval of a Final Plan of Allocation. The Final Plan of Allocation will indicate the proportionate amount of the Net Settlement Fund to be paid to each Participating Class Member pursuant to the Allocation Methodology and the Initial Plan of Allocation.

6.7 The Settlement Administrator shall administer the Settlement and distribute the Net Settlement Fund under Plaintiffs' Counsel's supervision in accordance with this Settlement Agreement and subject to the jurisdiction of the Court. The Net Settlement Fund shall be distributed to Participating Class Members according to the Final Plan of Allocation, as determined by Plaintiffs' Counsel, or according to such other plan of allocation and distribution order(s) as the Court approves. Further, to the extent Defendants have not provided the taxpayer identification number for a Class Member, the Settlement Administrator shall make reasonable efforts to obtain the Class Member's tax identification number, including making reasonable inquiry and sending a form W-9 Request for Taxpayer Identification Number and Certification to the best reasonably obtainable address of the Class Member.

6.8 The Parties agree that, other than any Administration, Notice, and Distribution Costs necessarily expended before that time, no part of the Gross Settlement Fund will be

distributed until the Effective Date. The Parties agree that Administration, Notice, and Distribution costs expended prior to the Judgment becoming Final and Non-Appealable shall in no event exceed five percent (5%) of the value of the Gross Settlement Fund. If the Settlement is not finally approved in a Judgment, the full Gross Settlement Fund (less such funds as were previously expended as Administration, Notice, and Distribution Costs) and any accrued interest or returns earned in the Escrow Account will be refunded to Defendants within five (5) days from the date of entry of an order by the Court declining to approve the Settlement or as soon as practicable using reasonable commercial efforts.

6.9 After Court approval of the Final Plan of Allocation, the Settlement Administrator will make prompt distribution of funds to those ordered by the Court to receive those funds. The Settlement Administrator will only make distributions based on the Final Plan of Allocation approved by the Court. It is contemplated that distributions may be made in waves, where using that approach is more efficient for the Settlement Administrator, so that payments to readily identified owners are not unduly delayed. The Settlement Administrator will make a diligent effort to mail the first Distribution Checks within 90 days after the Effective Date and, within the subsequent 90 days, will mail the Distribution Checks representing the remaining 95% of the Net Settlement Fund (such percentage to be calculated based upon the amount of payments shown in the Final Plan of Allocation). The remainder of the Net Settlement Fund will be distributed to Participating Class Members by the Settlement Administrator as quickly as possible, using commercially reasonable efforts. Any portion of the Net Settlement Fund remaining in the Escrow Account one hundred and twenty (120) days after the Settlement Administrator sends the final wave of Distribution Checks will be considered Residual Unclaimed Funds that will be sent to the appropriate state unclaimed property fund.

6.10 The Settlement Administrator will use commercially reasonable efforts, subject to review and approval by Plaintiffs' Counsel, to distribute the Net Settlement Fund. If the information needed to send a Distribution Check cannot be obtained through such efforts, the portion of the Net Settlement Fund attributable to such Class Member will remain in the Escrow Account as Residual Unclaimed Funds; provided, however, that for any Class Member for whom Defendants have sent allegedly Untimely Payments to a state unclaimed property fund, the Settlement Administrator will send the Distribution Check to that same state unclaimed property fund if the Settlement Administrator is unable to locate the Class Member through reasonable efforts.

6.11 If a Distribution Check is returned to the Settlement Administrator for incorrect or insufficient address, the Settlement Administrator and/or consultants working with the Settlement Administrator will use commercially reasonable methods to locate an updated address and will re-issue and re-mail the Distribution Check within thirty (30) days. If the second Distribution Check is returned and the Class Member cannot be located through commercially reasonable efforts, the portion of the Net Settlement Fund attributable to that Class Member will remain in the Escrow Account for ninety (90) days after the date the Second Distribution Check was returned and, thereafter, will be considered Residual Unclaimed Funds, unless Defendants previously have sent the allegedly Untimely Payments to a state unclaimed property fund, in which case the Settlement Administrator shall send the Distribution Check to that same state unclaimed property fund, as provided in Section 6.10.

6.12 Included with each Distribution Check shall be an enclosure that includes the following notice (or, if a change is required by the Court, a notice substantially the same as the following):

Class Member: The enclosed check represents a share of the net settlement fund in the settlement of the Class Action *Michael Kernen, et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma. You are receiving this distribution and check because you have been identified as a Class Member in this action. If you are not legally entitled to the proceeds identified on the check, the Court has entered an Order that requires you to pay these proceeds to persons legally entitled thereto or return this check uncashed to the sender.

The person to whom this check was originally made payable, and anyone to whom the check has been assigned by that person, has accepted this payment pursuant to the terms of the Settlement Agreement, Notice of Settlement, and Judgment related thereto, which releases, *inter alia*, Defendants and the other Released Parties (as defined in the Settlement Agreement) from any and all Released Claims (as defined in the Settlement Agreement). Pursuant to the Order of the Court, it is the duty of the payee of the check to ensure that the funds are paid to the Class Member(s) entitled to the funds, and the release by Class Member(s) entitled to the funds shall be effective regardless of whether such Class Member(s) receive some, all, or none of the proceeds paid to a payee of a settlement check.

This check shall be null and void if not endorsed and negotiated within ninety (90) days after its date. The release of claims provided in the settlement shall be effective regardless of whether this check is cashed.

6.13 Defendants, Defendants' Counsel and the Released Parties shall have no liability to any Class Member who fails to receive payment from the Net Settlement Fund or receives mispayments, overpayments, or underpayments from the Net Settlement Fund. Further, the Settlement Administrator, Plaintiffs, and Plaintiffs' Counsel shall have no liability to any Class Member for mispayments, overpayments, or underpayments of the Net Settlement Fund.

6.14 If any Class Member has been paid any portion of the Net Settlement Fund for any period of time for which that Class Member was not entitled to receive that payment, and some other person or entity who owned or claims they owned the right to assert the Released Claims asserts a claim against any of the Released Parties for payment of all or a portion of the Net Settlement Fund or any other Released Claim, then the Class Member who received an excess share shall be liable for any overpayment amount to the person who is determined to have been

properly owed that amount, and that Class Member shall indemnify, defend, and hold harmless any of the Released Parties, Plaintiffs' Counsel, Defendants' Counsel, or any other Class Member.

6.15 Upon completing all distributions of the Net Settlement Fund to Participating Class Members, complying with the Court's order(s) in furtherance of this Settlement, the Settlement Administrator will have satisfied all obligations relating to the payment and distribution of the Net Settlement Fund.

6.16 Within one year after the Settlement Administrator sends the final wave of Distribution Checks, the Settlement Administrator shall send a reconciliation of the amount remaining in the Escrow Account to Defendants' Counsel and Plaintiffs' Counsel. The reconciliation must include (a) a detail of each distribution or refund made from the Escrow Account; (b) the detail of any interest or other returns earned on the Escrow Account; (c) the total Residual Unclaimed Funds and detail sufficient to verify that total; and (d) detail showing the total amount of the Administration, Notice, and Distribution Costs paid from the Escrow Account. The Settlement Administrator must pay the total amount remaining in the Escrow Account to the appropriate state unclaimed property fund.

6.17 The Court shall retain jurisdiction to determine any issues relating to the payment and distribution of the Net Settlement Fund, and any claims relating thereto shall be determined by the Court alone, and shall be limited to a determination of the claimant's entitlement to any portion of the Net Settlement Fund, and no consequential, punitive, or other damages; fees; interest; or costs shall be awarded in any proceeding regarding any such determination.

6.18 The Mutual Release, Dismissal, and Covenant Not to Sue shall be effective as provided in this Settlement Agreement, regardless of whether or not particular members of the Settlement Class did or did not receive payment from the Net Settlement Fund and regardless of

whether or not any person or entity who received a Distribution Check was obligated pursuant to the Judgment to pay some or all of the distributed funds to another Class Member in fact made such payment to such other member of the Settlement Class. The failure of a person or entity who received a Distribution Check to make payment to another Class Member pursuant to the payment obligations of the Judgment shall not be a defense to enforcement of the release of the Released Claims against the Released Parties or the covenant not to sue, as to any Class Member.

6.19 Except in the case of willful and intentional malfeasance of a dishonest nature directly causing such loss, Plaintiffs' Counsel, Plaintiffs, Released Parties, Defendants' Counsel, Defendants, and the Settlement Class shall have no liability for loss of any portion of the Escrow Account under any circumstances and, in the event of such malfeasance, only the party whose malfeasance directly caused the loss has any liability for the portion of the Escrow Account lost.

**7. ATTORNEYS' FEES, CASE CONTRIBUTION AWARD,  
AND LITIGATION EXPENSES**

7.1 No later than twenty-eight (28) calendar days prior to the Final Approval Hearing, Plaintiffs' Counsel may apply to the Court for an award of Plaintiffs' Attorneys' Fees to Plaintiffs' Counsel, a Case Contribution Award to Plaintiffs, and for reimbursement of Litigation Expenses. Defendants have no obligation for Plaintiffs' Attorneys' Fees, Case Contribution Award, or Litigation Expenses, or any other expense beyond payment of the Gross Settlement Fund. Each of Plaintiffs' Counsel indemnifies and holds Defendants and the Released Parties, including Defendants' Counsel, harmless for any claims by any other attorneys or law firms for any alleged lien or interest in the award of Plaintiffs' Attorneys' Fees or Litigation Expenses, and Plaintiffs hold Defendants, the Released Parties, and Defendants' Attorneys harmless for any claims by any other person or entity for any Case Contribution Award. Therefore, Defendants shall not take any position with respect to the applications; the amounts of Plaintiffs' Attorneys' Fees, Case

Contribution Award, or Litigation Expenses sought; or with respect to whether the Court should make any or all such awards. However, Defendants agree not to contest an application for Plaintiffs' Attorneys' Fees up to and including 40% of the Gross Settlement Fund. Plaintiffs and Plaintiffs' Counsel agree to seek any award of Plaintiffs' Attorneys' Fees, Case Contribution Award, and Litigation Expenses exclusively from the Gross Settlement Fund. Defendants shall have no responsibility for and shall take no position with respect to the allocation among Plaintiffs' Counsel of Plaintiffs' Attorneys' Fees or Litigation Expenses, or the award of any Case Contribution Award, nor will they encourage anyone to object thereto.

7.2 Subject to the conditions and qualifications set forth below, any Plaintiffs' Attorneys' Fees and reimbursement of Litigation Expenses that are awarded to Plaintiffs' Counsel by the Court shall be paid to Plaintiffs' Counsel from the Gross Settlement Fund, to the extent practicable through reasonably diligent efforts by the Settlement Administrator, no earlier than one (1) business day following the date the Judgment becomes Final and Non-Appealable.

7.3 Any Case Contribution Award that is awarded by the Court shall be paid to Plaintiffs with the Court's approval from the Gross Settlement Fund, no earlier than one (1) business day following the date the Judgment becomes Final and Non-Appealable.

7.4 An award of Plaintiffs' Attorneys' Fees, Case Contribution Award, or Litigation Expenses is not a necessary term of this Settlement Agreement and is not a condition of this Settlement Agreement. No decision by the Court or any court on any application for an award of Plaintiffs' Attorneys' Fees, Case Contribution Award, or Litigation Expenses shall affect the validity or finality of the Settlement. Plaintiffs and Plaintiffs' Counsel may not cancel or terminate the Settlement Agreement or the Settlement based on this Court's or any other court's ruling with respect to Plaintiffs' Attorneys' Fees, Case Contribution Award, or Litigation Expenses.



## 8. REQUESTS FOR EXCLUSION

8.1 Plaintiffs shall not submit a Request for Exclusion and neither Plaintiffs, Plaintiffs' Counsel, Defendants, Defendants' Counsel, nor anyone acting on behalf of said persons or entities, shall encourage anyone else to submit a Request for Exclusion. Nevertheless, this Settlement Agreement does not prohibit Plaintiffs' Counsel from counseling any Class Member as to his, her, or its legal rights under this Settlement Agreement or prohibit any Class Member who seeks such counsel from electing to file a Request for Exclusion from the Settlement Class in accordance with the Court's orders on the subject.

8.2 Any putative Class Member who timely and properly submits a valid Request for Exclusion, as described below, shall have no right to object to the Settlement in any way, including but not limited to, the fairness, reasonableness, and/or amount of any aspect of the Settlement, Notice of Settlement, Plaintiffs' Counsel's request for Plaintiffs' Attorneys' Fees and Litigation Expenses, Case Contribution Award, the Allocation Methodology, any Plan of Allocation using the Allocation Methodology, or any distribution of the Net Settlement Fund or Residual Unclaimed Funds.

8.3 All Requests for Exclusion must be served on the Settlement Administrator on such terms that will be contained in the Preliminary Approval Order and the Notice of Settlement, in the manner set by the Court at least 21 calendar days prior to the Final Fairness Hearing, unless such deadline is changed or altered by order of the Court. A Class Member may opt out individually and on his/her/its own behalf only, and not as or on behalf of a class, subclass, proposed class, or otherwise on behalf of any others whatsoever.

8.4 All Requests for Exclusion must include: (a) the Class Member's name, address, telephone number, and signature; (b) a statement that the Class Member wishes to be excluded from the Settlement Class in *Michael Kernan, et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-

2018-7, District Court of Garvin County in the State of Oklahoma; and (c) a description of the Class Member's interest in any wells for which the Class Member has received payments from Defendants, including the name, well number, county in which the well is located, and the owner identification number. Requests for Exclusion may not be submitted through the website or by telephone, facsimile, or e-mail.

8.5 All Class Members who do not timely and properly submit Requests for Exclusion and who are not otherwise excluded from the Settlement Class by order of the Court separate and apart from the individuals and entities excluded by virtue of the Settlement Class definition contained in Paragraph 1.44, and their heirs, successors, and assigns, will be enjoined by the Court in the Judgment from filing or prosecuting the Released Claims, without regard as to whether a member of the Settlement Class actually received a payment from the Net Settlement Fund, and without regard as to whether any payment received was correctly determined.

## **9. TERMINATION**

9.1. Within ten (10) business days after: (a) the Court enters an order denying the motion for preliminary approval of the Settlement or expressly declines to enter the Preliminary Approval Order; (b) the Court refuses to approve this Settlement Agreement or any material part of it; (c) the Court denies the motion for final approval or declines to enter the Judgment; or (d) the Judgment is modified or reversed and such modification or reversal becomes Final and Non-Appealable, this Settlement Agreement shall terminate, and the Parties shall revert to the positions they occupied before the Settlement; provided, however, that any court decision, ruling, or order solely with respect to an application for Plaintiff's Attorneys' Fees, Case Contribution Award, or Litigation Expenses and Administration, Notice, and Distribution Costs, or to the Allocation Methodology (or any Plan of Allocation using the Allocation Methodology) shall not be grounds

for termination so long as such decision, ruling, or order does not modify the terms of this Settlement Agreement or otherwise render the final Judgment void or otherwise unenforceable.

9.2 In the event that the Settlement is terminated, the Gross Settlement Fund and any interest that has accrued thereon while on deposit with the Escrow Agent will be returned to Defendants within twenty (20) days, less reasonably incurred Administration, Notice, and Distribution Costs incurred prior to such date as set forth in Paragraph 6.8, and Plaintiff's Counsel agree to provide reasonable support for such costs if requested.

9.3 The "Effective Date" shall be the first business day on which all of the following shall have occurred:

- (a) Defendants have fully paid, or caused to be fully paid, the Gross Settlement Fund, as required above;
- (b) the Settlement has not terminated and all such events giving rise to automatic termination or either Party's rights to terminate have expired;
- (c) the Court has approved the Settlement as described herein and entered the Judgment in substantially the same form and content attached hereto as Exhibit 2; and
- (d) the Judgment has become Final and Non-Appealable, as set forth in Paragraph 1.15.

9.4 If either Party exercises their right to terminate this Settlement or if the Settlement otherwise terminates for any reason:

- (a) this Settlement Agreement shall be canceled and terminated;
- (b) the Effective Date shall not occur;
- (c) Plaintiffs and Defendants shall be restored to their respective positions as of the day before the Settlement was preliminarily agreed to by the Parties on April 4, 2024;
- (d) the terms and provisions of this Settlement Agreement, except as otherwise provided herein, shall have no further force and effect with respect to Plaintiffs, Defendants, or any Class Member and shall not be used in the Litigation or in any other proceeding by anyone for any purpose except to enforce the surviving terms of the Settlement Agreement;
- (e) any Judgment or other order, including any order certifying the Settlement Class for settlement purposes only, entered by the Court in accordance with

the terms of this Settlement Agreement, shall be treated as vacated, *nunc pro tunc*;

- (f) the Gross Settlement Fund and any interest that has accrued thereon while on deposit with the Escrow Agent will be returned to Defendants within twenty (20) days, less all reasonably incurred Administration, Notice, and Distribution Costs (subject to Section 9.2) incurred prior to such date, and Plaintiff's Counsel agree to provide reasonable support for such costs if requested; and
- (f) the Litigation shall proceed as if the Settlement Agreement and any orders entered or motions filed to further the Settlement were never entered or filed.

## 10. OBJECTIONS

10.1 The Notice of Settlement shall require that any objection to the Settlement, this Settlement Agreement, or to the application for Plaintiffs' Attorneys' Fees, Litigation Expenses, and Case Contribution Award be in writing and comply with all the requirements set forth herein and by the Court in the Preliminary Approval Order and Notice of Settlement.

10.2 If the Court determines that the Settlement, including the Allocation Methodology, the Initial Plan of Allocation, and the awards of Plaintiffs' Attorneys' Fees, Case Contribution Award, and Litigation Expenses are fair, adequate, and reasonable to the Settlement Class, Plaintiffs and Plaintiffs' Counsel shall represent the Settlement Class as a whole in all future proceedings in district court or on appeal, even if Class Members have objected to the Settlement and those objectors are severed for purposes of appeal.

10.3 The Parties entered into the Settlement to provide certainty and finality to an ongoing dispute. Any Class Member wishing to remain a Class Member, but objecting to any part of the Settlement, can do so only as set forth herein and in the Notice of Settlement documents in substantially the same form as Exhibits 3, 4, and 5, attached hereto. If, after hearing the objection(s), the Court determines that the Settlement, including but not limited to, the Allocation Methodology, any Plans of Allocation, and the awards of Plaintiffs' Attorneys' Fees, any Case

Contribution Award, and reimbursement of Litigation Expenses, is fair, adequate and reasonable to the Class as a whole, then the Court, in its sole discretion, may require each objecting Class Member to preserve their appellate rights (prior to filing a Notice of Appeal) with respect to any motions for severance and separate appellate review of the individual objecting Class Member's portion of the Settlement.

10.4 If the Court determines that the Settlement, including but not limited to, the Allocation Methodology, any Plans of Allocation, and the awards of Plaintiffs' Attorneys' Fees, any Case Contribution Award, and reimbursement of Litigation Expenses, is fair, adequate, and reasonable to the Class as a whole, then the Court, in its sole discretion may require any objecting Class Member, as a prerequisite to pursuing an appeal, to put up a cash bond in an appropriate amount.

10.5 Only a Participating Class Member shall have the right to object to the Settlement, the Settlement Agreement, or the application for Plaintiffs' Attorneys' Fees, Litigation Expenses and Case Contribution Award. In order for an objection to be valid, the written objection must be (a) filed with the Court at least 21 calendar days prior to the Final Fairness Hearing, unless such deadline is extended or altered by Order of the Court and (b) contain the following:

- (i) A heading referring to *Michael Kernen, et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma;
- (ii) A statement as to whether the objector intends to appear at the Final Fairness Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address and telephone number;
- (iii) A reasonably detailed statement of each objection;
- (iv) The objector's name, current address, and current telephone number;
- (v) The objector's signature;

- (vi) Identification of the objector's interest in wells for which the objector has received payments made by or on behalf of Defendants (by well name, payee well number, and county in which the well is located) during the Claim Period; and
- (vii) If the objector is objecting to any portion of the Plaintiffs' Attorneys' Fees or Litigation Expenses sought by Plaintiffs' Counsel on the basis that the amounts requested are unreasonably high, the objector must specifically state the portion of Plaintiffs' Attorneys' Fees and/or Litigation Expenses he/she believes is fair and reasonable and the portion that is not.

If the objector intends to appear and request permission to speak at the Final Fairness Hearing, either in person or through counsel, then the objector must also provide:

- (i) A list of any witnesses the objector wishes to call at the Final Fairness Hearing, together with a brief summary of each witness's expected testimony (to the extent the objector desires to offer expert testimony and/or an expert report, any such evidence must fully comply with the Oklahoma Rules of Civil Procedure, Oklahoma Rules of Evidence, and the Local Rules of the Court);
- (ii) A list of and copies of any exhibits the objector may seek to use at the Final Fairness Hearing; and
- (iii) A list of any legal authority the objector may present at the Final Fairness Hearing.

Any Class Member who fails to timely file such written statement and provide the required information will not be permitted to present any objections at the Final Fairness Hearing and such failure will render any such attempted objection untimely and of no effect. All presentations of objections will be further limited by the information listed. A Class Member's mere compliance with the foregoing requirements does not in any way guarantee a Class Member the ability to present evidence or testimony at the Final Fairness Hearing. The decision whether to allow any testimony, argument, or evidence, as well as the scope and duration of any and all presentations of objections at the Final Fairness Hearing, will be in the sole discretion of the Court.

10.6 The Parties will not object to the fairness, adequacy, or reasonableness of the Settlement on appeal. Nor will Defendants take any position on appeal regarding Plaintiffs'

Attorneys' Fees, any Case Contribution Award, or any reimbursement of Litigation Expenses. Defendants further will not take any position on appeal regarding the Allocation Methodology (or any Plan of Allocation using the Allocation Methodology) unless such matters affect Defendants' bargained-for rights under this Settlement Agreement or the Supplemental Agreement.

## **11. OTHER TERMS AND CONDITIONS**

11.1 Defendants expressly deny all allegations of wrongdoing or liability with respect to the claims and allegations in the Litigation and the Released Claims and denies that the Litigation and Released Claims could have been properly maintained as a class action. It is expressly agreed that neither this Settlement, the Settlement Agreement, any document referred to herein, the Supplemental Agreement, nor any action taken to carry out the Settlement is, may be construed as, or may be used as, evidence of an admission by Defendants of any fault, wrongdoing or liability whatsoever with respect to the claims and allegations in the Litigation and the Released Claims, or that a class could properly be certified in the absence of a settlement. There has been no determination by any court, administrative agency or other tribunal regarding the claims and allegations made in this Litigation or the Released Claims. By agreeing to settle the claims of the Settlement Class in the Litigation and the Released Claims, Defendants do not admit that the Litigation and/or Released Claims could have been properly maintained as a contested class action and the Settlement Class does not admit any deficiency in the merits of their claims. Defendants assert they have valid defenses to Plaintiffs' and the Class Members' claims and are entering into the Settlement solely to compromise the disputed claims and avoid the risk and expense of continued litigation.

11.2 Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related thereto, is not, and shall not be construed as, or deemed to be evidence of, an admission or concession by any of the Parties to the Settlement Agreement and shall not be offered

or received in evidence in any action or proceeding by or against any party hereto in any court, administrative agency or other tribunal for any purpose whatsoever other than to enforce the provisions of the Settlement between Defendants and any Class Member(s), the provisions of the Settlement Agreement, or the provisions of any related agreement, order, judgment, or release.

11.3 Plaintiffs and Defendants shall use their best efforts to encourage and obtain approval of the Settlement. Plaintiffs and Defendants also agree to use their best efforts to promptly prepare and execute all documentation as may be reasonably required to obtain final approval by the Court of this Settlement and to carry out the terms of this Settlement Agreement and the Supplemental Agreement.

11.4 Defendants do not object to Plaintiff's representation that the amount of the Gross Settlement Fund represents a recovery of all statutory interest allegedly owed to the Settlement Class based on the data evaluated for settlement purposes.

11.5 Within thirty (30) calendar days after the Settlement Administrator distributes the Residual Unclaimed Funds, each Party, each Party's counsel, each Party's consultants, each Party's experts, and any other persons who have hard copy or electronic documents or computer disks of documents produced by the other Party that were designated confidential in the Litigation or documents or information derived from documents the other Party designated as confidential in the Litigation will (at their sole expense) return or destroy all such hard copy or electronic documents and computer disks, and will erase or otherwise delete any and all data stored on computer or on computer disks of such documents or information or the data from such documents or information, and each Party will, upon request, certify in writing (email is sufficient, once acknowledged as received) to the other Party's counsel that such documents, disks, data and information have been destroyed, returned, erased or deleted. In addition, within 90 calendar days



after the Settlement Administrator distributes the Residual Unclaimed Funds, Plaintiffs and any person or entity to whom Plaintiffs have provided such documents will (at their sole expense) destroy, return, delete, or erase any hard copy or electronic copy of transcripts of depositions or trial testimony or other sworn statements of Defendants' witnesses and any exhibits to any transcripts or statements. Neither Party will be obligated to destroy, return, erase, or delete: any documents previously filed in the public record during the course of the Litigation; any documents Plaintiffs and Defendants may agree are not to be considered confidential; any documents subject to a prior agreement between Plaintiffs and Defendants allowing their use in other litigation; or transcripts of depositions or trial testimony or other sworn statements of witnesses or exhibits to any transcripts or statements or to any documents filed in the public record. Any protective order on file in this Litigation will survive any Judgment issued by the Court and any documents or other information not destroyed in accordance with this paragraph will remain subject to any protective order and all remedies thereunder.

11.6 Except as otherwise provided herein or by a writing signed by all the signatories hereto, the Settlement Agreement and the Supplemental Agreement shall constitute the entire agreement among Plaintiffs and Defendants related to the Settlement of the Litigation, and no representations, warranties, or inducements have been made to any Party concerning the Settlement other than the representations, warranties, and covenants contained and memorialized in the Settlement Agreement and Supplemental Agreement. Further, none of the Parties have relied upon any representations, warranties, or covenants made by any other Party other than those expressly contained and memorialized in the Settlement Agreement and Supplemental Agreement. This Settlement Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all signatories hereto or their successors-in-interest.

11.7 This Settlement Agreement and the Supplemental Agreement may be executed in one or more counterparts, including by facsimile or imaged signatures. Facsimile or imaged signatures will have the same force and effect as original signatures. All executed counterparts taken together shall be deemed to be one and the same instrument. Counsel for the Parties shall exchange among themselves signed counterparts of this Settlement Agreement and the Supplemental Agreement, and Plaintiffs will file a complete copy of the Settlement Agreement that has been executed by all Parties with the Court.

11.8 Plaintiffs and Defendants and their respective counsel have mutually contributed to the preparation of the Settlement Agreement and the Supplemental Agreement. Accordingly, no provision of the Settlement Agreement or the Supplemental Agreement shall be construed against any Party on the grounds that any of the Parties or their counsel drafted the provision. Plaintiffs and Defendants are each represented by competent counsel who have advised their respective clients as to the legal effects of this Settlement, and neither Plaintiffs nor Defendants have received or relied upon advice from opposing counsel. Except as otherwise provided herein, each party shall bear its own costs in connection with the Litigation, Settlement, and preparation of the Settlement Agreement and the Supplemental Agreement.

11.9 The Settlement Agreement and the Supplemental Agreement shall be binding upon, and inure to the benefit of, the successors, trustees, and assigns of the Parties hereto.

11.10 Plaintiffs and Defendants intend this Settlement to be a final and complete resolution of all disputes asserted or that could be asserted with respect to the Released Claims. Accordingly, Defendants agree not to file a claim against Plaintiffs or Plaintiffs' Counsel based upon an assertion that the Litigation was brought by Plaintiffs or Plaintiffs' Counsel in bad faith or without a reasonable basis. Similarly, Plaintiffs agree not to file a claim against Defendants or

Defendants' Counsel based upon an assertion that the Litigation was defended by Defendants or Defendants' Counsel in bad faith or without a reasonable basis. Plaintiffs and Defendants agree that the amount paid and the other terms of this Settlement were negotiated at arm's length and in good faith, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel. Neither Plaintiffs nor Defendants shall assert any claims that the other violated the Oklahoma Rules or any other law or rule governing litigation conduct in the maintenance or defense of the Litigation.

11.11 The headings in the Settlement Agreement are used for the purpose of convenience only and are not meant to have legal effect.

11.12 All disputes and proceedings with respect to the administration, enforcement, and interpretation of the Settlement Agreement and the Supplemental Agreement shall be subject to the jurisdiction of the Court. Plaintiffs and Defendants waive any right to trial by jury of any dispute arising under or relating to this Settlement Agreement, the Supplemental Agreement, or the Settlement.

11.13 To the extent non-material modifications of this Settlement Agreement are necessary, such modification may be made by written agreement among Plaintiffs and Defendants after the date of execution hereof without further notice to the Settlement Class as provided herein. This Settlement Agreement, the Supplemental Agreement, and attached exhibits represent the entire, fully integrated agreement between the Parties with respect to the Settlement of the Litigation and may not be contradicted by evidence of prior or contemporaneous oral agreements between the Parties. This Settlement Agreement cancels and supersedes any and all prior agreements, understandings, representations, and negotiations concerning this Settlement. No additional obligations or understandings shall be inferred or implied from any of the terms of this

Settlement Agreement, as all obligations, agreements, and understandings with respect to the subject matter hereof are solely and expressly set forth herein. It is understood and agreed that the Parties rely wholly on their own respective judgment, belief, and knowledge of the facts relating to the making of this Settlement, which is made without reliance upon any statement, promise, inducement, or consideration not recited herein.

11.14 All counsel and any other persons executing this Settlement Agreement and any of the exhibits hereto, the Supplemental Agreement, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Settlement Agreement to effectuate its terms. Plaintiffs and each member of the Settlement Class are deemed to represent and warrant that he, she, or it holds the claims being released in the Settlement and that he, she, or it has full authority to release such claims.

11.15 Plaintiffs and Defendants stipulate and agree that (a) all activity in the Litigation, except that contemplated in the Settlement Agreement, the Supplemental Agreement, the Preliminary Approval Order, the Notice of Settlement, and the Judgment shall be stayed and (b) all hearings, deadlines, and other proceedings except the preliminary approval hearing (if any), and the Final Fairness Hearing, shall be taken off the calendar.

11.16 If any Party is required to give notice to the other Party under this Settlement Agreement, such notice shall be in writing and shall be deemed to have been duly given upon receipt by hand delivery, facsimile transmission or electronic mail to the individuals named in the signature blocks below as for Plaintiffs' Counsel, and to the following individuals as for Defendants' Counsel:

Travis Brown  
Cody McPherson

Mahaffey & Gore, P.C.  
300 N.E. 1st Street  
Oklahoma City, OK 73104  
*tbrown@mahaffeygore.com*  
*cmcpherson@mahaffeygore.com*

11.17 The Parties agree the Litigation and the Settlement do not relate to the offering of goods or services to persons in the European Union or the monitoring of behavior of persons residing in the European Union; thus, the Parties and Plaintiffs' and Defendants' Counsel are not subject to the General Data Protection Regulation (GDPR) by virtue of anything related to this Settlement.

**IN WITNESS WHEREOF**, the Parties and Plaintiffs' Counsel have executed this Agreement, in several, as of June 12, 2024.

**PLAINTIFFS:**

A handwritten signature in black ink, appearing to read "Michael Kernen". The signature is written in a cursive style with a large initial "M" and a checkmark-like flourish at the end.

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Michael Kernen

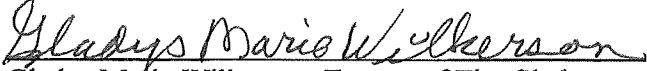
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Gladys Marie Wilkerson, Trustee of The Gladys  
Marie Wilkerson 1999 Trust


**PLAINTIFFS:**

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Michael Kernen

  
Gladys Marie Wilkerson, Trustee of The Gladys  
Marie Wilkerson 1999 Trust

**PLAINTIFFS' COUNSEL:**



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**DEFENDANTS:**

  
\_\_\_\_\_  
Citizen Energy II, LLC  
James R. Woods, its Manager

  
\_\_\_\_\_  
Citizen Energy III, LLC  
James R. Woods, its Vice-President, Land

**DEFENDANTS' COUNSEL**

  
\_\_\_\_\_  
Travis Brown, OBA No. 20636  
Cody McPherson, OBA No. 20282  
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Telephone: (405) 236-0478  
*tbrown@maffeygore.com*  
*cmcpherson@mahaffeygore.com*

**ATTACHMENTS:**

- Exhibit 1: Order Granting Preliminary Approval of Class Action Settlement, Certifying the Class for Settlement Purposes, Approving Form and Manner of Notice, and Setting Date for Final Fairness Hearing
- Exhibit 2: Order and Judgment Granting Final Approval of Class Action Settlement
- Exhibit 3: Notice of Settlement (for Mailing)
- Exhibit 4: Notice of Settlement (for Publication)
- Exhibit 5: Long Form Notice (for Website and Mailing Upon Request)

**IN THE DISTRICT COURT OF GARVIN COUNTY  
STATE OF OKLAHOMA**

MICHAEL KERNEN and )  
GLADYS MARIE WILKERSON, )  
TRUSTEE OF THE GLADYS MARIE )  
WILKERSON 1999 TRUST, )

Plaintiffs, )

Case No. CJ-2018-7

v. )

CITIZEN ENERGY II, LLC and )  
CITIZEN ENERGY III, LLC, )

Defendants. )

**ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION  
SETTLEMENT, CERTIFYING THE CLASS FOR SETTLEMENT PURPOSES,  
APPROVING FORM AND MANNER OF NOTICE,  
AND SETTING DATE FOR FINAL FAIRNESS HEARING**

This is a class action lawsuit brought by Plaintiffs Michael Kernen and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust, on behalf of themselves and all others similarly situated (“Plaintiffs”), against Citizen Energy II, LLC and Citizen Energy III, LLC (“Defendants”), for the alleged failure to pay statutory interest on payments made outside the time periods set forth in the Production Revenue Standards Act, 52 O.S. § 570.1, *et seq.* (the “PRSA”) for royalty and overriding royalty payments from oil and gas wells in Oklahoma. On June 12, 2024, the Parties executed a Stipulation and Agreement of Settlement (the “Settlement Agreement”) and the Supplemental Agreement finalizing the terms of the Settlement.<sup>1</sup> The Settlement Agreement, together

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<sup>1</sup> Capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Settlement Agreement.

with the documents referenced therein and exhibits thereto, set forth the terms and conditions for the proposed Settlement of the Litigation. In accordance with the Settlement Agreement, Plaintiffs now present the Settlement to the Court for preliminary approval under 12 O.S. §2023(E).

After reviewing the pleadings and Plaintiffs' Motion to Certify the Class for Settlement Purposes, Preliminarily Approve Class Action Settlement, Approve Form and Manner of Notice, and Set Date for Final Fairness Hearing ("Motion for Preliminary Approval") and Plaintiffs' Memorandum of Law in Support thereof, the Court has preliminarily considered the Settlement to determine, among other things, whether the Settlement warrants the issuance of notice to the Settlement Class. Upon reviewing the Settlement and the Motion for Preliminary Approval, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

1. For purposes of this Order, the Court adopts all defined terms as set forth in the Settlement Agreement unless otherwise defined herein.

2. The Court finds the Settlement Class should be certified for the purposes of this Settlement, as the Settlement Class meets all certification requirements of 12 O.S. §2023 for a settlement class. The Settlement Class is certified for settlement purposes only, subject to the Court's final consideration at the Final Fairness Hearing. Because this case has been settled at this stage of the proceedings, the Court does not reach, and makes no ruling either way, as to the issue of whether the Settlement Class could have been certified in this case on a contested basis.

The certified Settlement Class is defined as follows:

All non-excluded persons or entities who received late royalty and/or overriding royalty payments during the Class Period from Defendants for O&G Proceeds from Oklahoma Wells and whose payments did not also include the statutory interest prescribed by the Act.<sup>2</sup>

The persons or entities excluded from the Class are: (1) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes as defined at 30 U.S.C. §1702(4), and Indian allottees as defined at 30 U.S.C. §1702(2)); (2) Commissioners of the Land Office of the State of Oklahoma (CLO); (3) publicly traded oil and gas companies and their affiliates; (4) persons or entities (and their affiliates) who are the Oklahoma Corporation Commission (OCC) designated operator of more than fifty (50) Oklahoma wells in the month when this Class definition was originally filed; (5) persons or entities that Plaintiffs' counsel may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (6) officers of the court, and (7) Owners in regard to whom Defendants are required by the Act to pay O&G Proceeds annually for the 12 months accumulation of O&G Proceeds totaling less than \$100.00 who were not otherwise required by the Act to receive interest, provided, however this exclusion of so-called "minimum pay" Owners does not apply to interest claims for other 12 month periods accumulation of O&G Proceeds when the same Owner was entitled to \$100 or more and thus not in a "minimum pay" status.

3. "A class may be certified when it satisfies the four requirements of section 2023(A) and one of the requirements of section 2023(B)." *Cactus Petroleum Corp. v. Chesapeake Operating, Inc.*, 2009 OK 67, ¶ 12, 222 P.3d 12, 18; (citing *Burgess v. Farmers Ins. Co.*, 2006 OK 66, ¶ 10, 151 P.3d 92, 98). Subsections 1 through 4 of §2023(A) require: (1) numerosity of class members, (2) commonality of questions of law or fact, (3) typicality of claims or defenses of the class representatives with the class; and (4) adequacy of

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<sup>2</sup> For clarity, the reference to payments that "did not also include the statutory interest prescribed by the Act" includes both unpaid and underpaid statutory interest.

representative parties to protect class interests. *See id.* Subsections 1 through 3 of § 2023(B) require either (1) a risk of inconsistent adjudications by separate actions or substantial impairment of non-parties to protect their interests; (2) appropriateness of final injunctive or declaratory relief; or (3) predominance of common questions of law or fact to class members and superiority of class action adjudication. *See id.* The Court finds, subject to the Court’s final consideration at the Final Fairness Hearing, the above-defined Settlement Class satisfies all prerequisites of 12 O.S. § 2023(A) for purposes of the proposed class settlement:

a. **Numerosity.** Plaintiffs have demonstrated “[t]he class is so numerous that joinder of all members is impracticable.” 12 O.S. § 2023(A)(1). Whether a class satisfies the numerosity requirement is generally a fact-specific inquiry made on a case-by-case basis. *Martin v. Hanover Direct, Inc.*, 2006 OK CIV APP 33, ¶ 10, 135 P.3d 251, 255. In Oklahoma, “[t]he numerosity test is satisfied by numbers alone when the size of the class is in the hundreds.” *Black Hawk Oil Co. v. Exxon Corp.*, 1998 OK 70, ¶ 14, 969 P.2d 337, 343. Here, the Settlement Class consists of hundreds of owners. Therefore, the Court finds the numerosity prerequisite is undoubtedly met.

b. **Commonality.** To satisfy the commonality prerequisite, the case must involve questions of law or fact common to the class which predominate over any questions affecting only individual members. A common question “involves considerations that, although distinctive in their focus, often involve essentially the same or closely related analyses.” *Gentry v. Cotton Elec. Co-op., Inc.*, 2011 OK

CIV APP 24, ¶ 12, 268 P.3d 534, 539. “As a general rule, where a lawsuit challenges a practice or policy affecting all putative class members, individual factual differences among the individual litigants will not preclude a finding of commonality.” *In re Farmers Med-Pay Litig.*, 2010 OK CIV APP 12, ¶ 12, 229 P.3d 551, 555 (citation omitted). Here, all of the common issues in this case stem from a single underlying tenet of Oklahoma law: Defendants’ obligation to pay statutory interest as set forth in the PRSA. Plaintiffs allege Defendants’ alleged uniform practice of not paying statutory interest presents numerous common questions of fact and law. Such common questions include, among others: (1) whether Plaintiffs and the Class own legal interests in Oklahoma Wells upon which Defendants have an obligation to pay royalty; (2) whether Defendants owed statutory interest to Plaintiffs and the Class on any Untimely Payments; (3) whether Defendants have an obligation to promptly investigate whether Plaintiffs and the Class were owed statutory interest; (4) whether Defendants’ alleged uniform practice violates the PRSA; and (5) whether Defendants misled the Class by withholding statutory interest. Plaintiffs have demonstrated there are questions of law or fact common to the class as to satisfy the commonality element.

c. **Typicality.** “The typicality requirement is satisfied ‘[w]hen it is alleged that the same unlawful conduct was directed at or affected both the named plaintiff and the class sought to be represented ... irrespective of varying legal fact patterns which underlie individual claims.’” *Gentry v. Cotton Elec. Co-op., Inc.*, 2011 OK CIV APP 24, ¶ 15, 268 P.3d 534, 540. Here, Plaintiffs’ claims are typical



of the Settlement Class because Defendants allegedly treated all owners in the same manner for purposes of paying statutory interest. In particular, the same legal theories and fact issues underlie the Settlement Class' claims because Plaintiffs allege Defendants engaged in a common course of conduct to deprive the Settlement Class of statutory interest and misrepresent and/or omit the amount of statutory interest owed to the Settlement Class. In short, Plaintiffs have shown "[t]he claims or defenses of the representative parties are typical of the claims or defenses of the class." 12 O.S. §2023(A)(3).

**d. Adequacy.** Plaintiffs and Plaintiffs' Counsel have demonstrated that "[t]he representative parties will fairly and adequately protect the interests of the class." 12 O.S. §2023(A)(4). In Oklahoma, adequacy of representation depends on two factors: '(a) the plaintiff's attorney must be qualified, experienced, and generally able to conduct the proposed litigation, and (b) the plaintiff must not have interests antagonistic to those of the class.' " *Morehead v. State*, 2018 OK CIV APP 27, ¶ 14, 415 P.3d 555, 562. The evidence before the Court shows that Plaintiffs' Counsel possesses vast experience in complex commercial litigation, especially oil and gas royalty cases such as that before the Court. Moreover, there are no conflicts—minor or otherwise—between Plaintiffs and other members of the Settlement Class.

Because the Court finds Plaintiffs and Plaintiffs' Counsel to be adequate representatives of the Settlement Class, the Court hereby appoints Plaintiffs as Class Representatives; Nix Patterson, LLP and Ryan Whaley Jantzen Peters & Webber

PLLC, as Class Counsel and Barnes & Lewis LLP, Whitten Burrage and Park, Nelson, Caywood & Jones LLP as local liaison counsel for the Settlement Class.

4. The Court also finds the requirements of §2023(B)(3) are met:

a. **Predominance.** Under Oklahoma law, “[p]redominance involves two components. The Court must find that: 1) ‘questions of law or fact common to the members of the class predominate over any questions affecting only individual members’; and 2) ‘a class action is superior to other available methods for the fair and efficient adjudication of the controversy.’” *In re Farmers Med-Pay Litig.*, 2010 OK CIV APP 12, ¶ 19, 229 P.3d 551, 556. Here, Plaintiffs have shown questions of law or fact common to the members of the class predominate over any questions affecting only individual members. Plaintiffs allege Defendants engaged in a common course of conduct to deprive Class Members of statutory interest by improperly withholding statutory interest on payments made outside the time periods set forth in the PRSA until an owner specifically requested the statutory interest and allegedly concealing the amount of statutory interest an owner was entitled to. This alleged common conduct gave rise to each Class Member’s claims, resulting in a sufficiently cohesive Settlement Class to warrant adjudication by representation. Because every Class Member’s claims arise from Defendants’ alleged systematic and uniform statutory interest calculation and payment methodology, common questions predominate over any individual issues.

b. **Superiority.** Class Representatives have also established that a class action is superior to other available methods for the fair and efficient adjudication

of the controversy. 12 O.S. § 2023(B)(3). The evidence shows that no Class Member has filed an individual action, and that the anticipated damages of the individual plaintiffs (unpaid interest) are of such amounts they are unlikely to be pursued due to the anticipated cost of litigation. Moreover, because this case has been litigated in this Court, concentrating the Litigation in this forum is desirable, and it would be impractical and a burden on the judicial system to individually manage and try potentially thousands claims of potential class members.

In sum, the Court finds all prerequisites and requirements of 12 O.S. §2023(A)-(B) are satisfied, and the Settlement Class is hereby certified for the purposes of this Settlement. The Settlement Class is certified for settlement purposes only. In determining whether the requirements of §2023 have been satisfied for purposes of certifying the above Class for settlement purposes, the Court has taken into account the fact of settlement and its impact upon the factors required for certification of the Settlement Class. Also, although not an express requirement under Oklahoma law, the Court finds that it need not inquire whether the case, if tried, would present case management problems, as the result of settlement is that there will be no trial. Because this case has been settled at this stage of the proceedings, the Court does not reach, and makes no ruling either way, as to the issue of whether the Settlement Class certified by agreement here for settlement purposes could have ever been certified in this case as a class for litigation purposes.

5. The Court preliminarily finds (a) the proposed Settlement resulted from extensive arm's-length negotiations; (b) the proposed Settlement was agreed to only after Class Counsel had conducted legal research and discovery regarding the strengths and

weakness of Class Representatives' and the Settlement Class' claims; (c) Class Representatives and Class Counsel have concluded that the proposed Settlement is fair, reasonable, and adequate; and (d) the proposed Settlement is sufficiently fair, reasonable, and adequate to warrant sending notice of the proposed Settlement to the Settlement Class.

6. Having considered the essential terms of the Settlement under the recognized standards for preliminary approval as set forth in the relevant jurisprudence, the Court preliminarily approves the Settlement, subject to the right of any member of the Settlement Class to challenge the fairness, reasonableness, and adequacy of any part of the Settlement, Settlement Agreement, Allocation Methodology, or proposed Initial or Final Plan of Allocation (or any other Plan of Allocation), and to show cause, if any exists, why a final Judgment dismissing the Litigation based on the Settlement Agreement should not be ordered after adequate notice to the Settlement Class has been given in conformity with this Order. As such, the Court finds that those Class Members whose claims would be settled, compromised, dismissed, and released pursuant to the Settlement should be given notice and an opportunity to be heard regarding final approval of the Settlement and other matters.

7. The Court further preliminarily approves the form and content of the proposed Short Form Notice, Summary Notice, and Long Form Notice, which are attached to the Settlement Agreement as Exhibits 3, 4, and 5, respectively, and finds the Short Form Notice, Summary Notice, and Long Form Notice are the best notice practicable under the circumstances, constitute due and sufficient notice to all persons and entities entitled to receive such notice, and fully satisfy the requirements of applicable laws, including due

process, and 12 O.S. § 2023. The Court finds the form and content of the Short Form Notice, Summary Notice, and Long Form Notice fairly and adequately: (a) describe the terms and effect of the Settlement; (b) notify the Settlement Class of the time and place of the Final Fairness Hearing; (c) describe the options for requesting exclusion from the Settlement or objecting to the Settlement or any part thereof; and (d) direct potential Class Members to where they may obtain more detailed information about the Settlement.

8. The Court also preliminarily approves the proposed manner of communicating the Short Form Notice, Summary Notice, and Long Form Notice to the Settlement Class, as set out below, and finds it is the best notice practicable under the circumstances, constitutes due and sufficient notice to all persons and entities entitled to receive such notice, and fully satisfies the requirements of applicable Constitutional standards and other applicable laws, including due process and Rules of procedure:

a. No later than \_\_\_\_\_, 2024, the Settlement Administrator will mail (or cause to be mailed) the Short Form Notice by first class mail to all potential Class Members who have been identified after reasonable efforts to do so. The Short Form Notice will be mailed to potential Class Members using the payment history data described in paragraph 3.3 of the Settlement Agreement, the last-known addresses for each payee, and any updated addresses found by the Settlement Administrator. The Settlement Administrator will also publish the Summary Notice as described below. It is not reasonable or economically practical for the Settlement Administrator to mail the Long Form Notice, or for the Parties to do more to determine the names and addresses of Class Members.

b. No later than \_\_\_\_\_, 2024, or at such time as is ordered by the Court, the Settlement Administrator also shall publish (or cause to be published) the Summary Notice one time in each of the following newspapers: (a) *The Oklahoman*, a paper of general circulation in Oklahoma; (b) the *Tulsa World*, a paper of general circulation in Oklahoma; (c) *The Daily Ardmoreite*, a paper of local circulation; (d) the *Fairview Republican*, a paper of local circulation; (e) the *McAlester News-Capital*, a paper of local circulation; and (f) the *Holdenville Tribune*, a paper of local circulation.

c. Within ten (10) days after mailing the first Short Form Notice and continuing through the Final Fairness Hearing, the Settlement Administrator will also display (or cause to be displayed) on an Internet website dedicated to this Settlement the following documents: (i) the Short Form Notice and Summary Notice, (ii) the Original Petition, Answer, and Amended Petition, (iii) the Settlement Agreement, (iv) this Order, (v) the Long Form Notice, and (vi) other publicly filed documents related to the Settlement.

d. Upon request from a Class Member, the Settlement Administrator will directly mail a copy of the Long Form Notice to the Class Member.

e. The Settlement Fund shall bear any Administration, Notice, and Distribution Costs.

9. Class Counsel is authorized to act on behalf of the Settlement Class with respect to all acts required by, or which may be given pursuant to, the Settlement

Agreement, or such other acts that are reasonably necessary to consummate the proposed Settlement set forth in the Settlement Agreement.

10. The Court appoints JND Legal Administration to act as Settlement Administrator and perform the associated responsibilities set forth in the Settlement Agreement. The Settlement Administrator will receive and process any Requests for Exclusion and, if the Settlement is finally approved by the Court, will supervise and administer the Settlement in accordance with the Settlement Agreement, the Judgment, and the Court's Plan of Allocation order(s) authorizing distribution of the Net Settlement Fund to Class Members. The Parties and their Counsel shall not be liable for any act or omission of the Settlement Administrator.

11. The Court appoints Citibank as the Escrow Agent. The Escrow Agent is authorized and directed to act in accordance with the Settlement Agreement, Supplemental Agreements, and Escrow Agreement. Except as set forth in paragraph 6.19 of the Settlement Agreement, the Parties and their Counsel shall not be liable for any act or omission of the Escrow Agent or loss for the funds in the Escrow Account.

12. Pursuant to 12 O.S. §2023(E), a Final Fairness Hearing shall be held on \_\_\_\_\_, 2024 at \_\_\_\_\_ in the District Court of Garvin County, Oklahoma, to, among other related matters:

- a. determine whether the Settlement should be approved by the Court as fair, reasonable, and adequate and in the best interests of the Settlement Class;
- b. determine whether the selected notice method: (i) constituted the best practicable notice under the circumstances and applicable legal standards; (ii)

constituted notice reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Litigation, the Settlement, their right to exclude themselves from the Settlement, their right to object to the Settlement, and their right to appear at the Final Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to such notice; and (iv) met applicable Constitutional standard and all applicable requirements of §2023 and any other applicable law;

c. determine whether a final Judgment should be entered pursuant to the Settlement Agreement, *inter alia*, dismissing the Litigation against Defendants with prejudice and extinguishing, releasing, and barring all Released Claims against all Released Parties in accordance with the Settlement Agreement, and making the other findings and rulings provided therein, all in accordance with the Settlement Agreement;

d. determine the proper method of allocation and distribution of the Settlement Fund among Participating Class Members;

e. determine whether the applications for Plaintiffs' Attorneys' Fees, reimbursement for Litigation Expenses, and a Case Contribution Award to Class Representatives are fair and reasonable and should be approved; and

f. rule on such other matters as the Court may deem appropriate.

13. The Court reserves the right to adjourn, continue, and reconvene the Final Fairness Hearing, or any aspect thereof, including the consideration for the application for Plaintiffs' Attorneys' Fees and reimbursement of Litigation Expenses, without further



notice to the Settlement Class. The Settlement Administrator will update the website maintained pursuant to paragraph 8(c) of this Order to reflect the current information about the date and time for the Final Fairness Hearing.

14. The Court reserves the right to continue the Final Fairness Hearing to a later date than the date provided for in the formal notices to the Settlement Class, and to approve the Settlement at or after the Final Fairness Hearing without further notice to the Settlement Class.

15. Class Members wishing to exclude themselves from the Settlement Class pursuant to 12 O.S. §2023(C)(4) must submit to the Settlement Administrator a valid and timely Request for Exclusion. Requests for Exclusion must include: (i) the Class Member’s name, address, telephone number, and signature; (ii) a statement that the Class Member wishes to be excluded from the Settlement Class in *Kernen et al. v. Citizen Energy II, LLC, et al.*; and (iii) a description of the Class Member’s interest in any wells for which it has received payments from Defendants, including the name, well number, county in which the well is located, and the owner identification number. Requests for Exclusion must be served on the Settlement Administrator and received no later than 5 p.m. CDT on \_\_\_\_\_, 2024. Requests for Exclusion may be mailed as follows:

**Settlement Administrator:**

*Kernen-Citizen II* Settlement  
c/o JND Legal Administration, Settlement Administrator  
PO Box \_\_\_\_\_  
Seattle, WA 98111

Requests for Exclusion may not be submitted through the website or by telephone, facsimile, or e-mail. Any Class Member that has not timely and properly submitted a Request for Exclusion shall be included in the Settlement and shall be bound by the terms of the Settlement Agreement in the event it is finally approved by the Court.

16. Any Participating Class Member who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, any term of the Settlement, the Allocation Methodology, the Initial Plan of Allocation, the request for Plaintiffs' Attorneys' Fees and Litigation Expenses, or the request for a Case Contribution Award to Class Representative may file an objection. An objector must file with the Court a written objection containing the following: (a) a heading referring to *Kernen et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, and to the District Court of Garvin County, State of Oklahoma; (b) a statement as to whether the objector intends to appear at the Final Fairness Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address, and telephone number; (c) a reasonably detailed statement of each objection; (d) the objector's name, current address, and current telephone number; (e) the objector's signature; (f) identification of the objector's interest in wells from which the objector has received payments by or on behalf of Defendants (by well name, payee well number, and county in which the well is located) during the Claim Period; and (g) if the objector is objecting to any portion of the Plaintiffs' Attorneys' Fees or Litigation Expenses sought by Plaintiffs' Counsel on the basis that the amounts requested are unreasonably high, the objector must specifically state the portion of Plaintiffs' Attorneys' Fees and/or Litigation Expenses he/she believes is fair and reasonable and the portion that is not. If the objector

intends to appear and request permission to speak at the Final Fairness Hearing, either in person or through counsel, then the objector must also provide: (i) a list of any witnesses the objector wishes to call at the Final Fairness Hearing, together with a brief summary of each witness's expected testimony (to the extent the objector desires to offer expert testimony and/or an expert report, any such evidence must fully comply with the Oklahoma Evidence Code and the Local Rules of the Court, where applicable); (ii) a list of and/or copies of any exhibits the objector may seek to use at the Final Fairness Hearing; and (iii) a list of any legal authority the objector may present at the Final Fairness Hearing. Such written objections must be filed with the Court no later than 5 p.m. CDT on \_\_\_\_\_, 2024.

Any Class Member who fails to timely file and serve such written statement and provide the required information will not be permitted to present any objections at the Final Fairness Hearing and such failure will render any such attempted objection untimely and of no effect. All presentations of objections will be further limited by the information listed. A Class Member's mere compliance with the foregoing requirements does not in any way guarantee a Class Member the ability to present evidence or testimony at the Final Fairness Hearing. The decision whether to allow any testimony, argument, or evidence, as well as the scope and duration of any and all presentations of objections at the Final Fairness Hearing, will be in the sole discretion of the Court. Either or both Party's counsel may file any reply or response to any objections no later than \_\_\_\_\_, 2024. The procedures set forth in this paragraph do not supplant, but are in addition to, any procedures required by Oklahoma law.

17. Any objector who timely files and serves a valid written objection in accordance with the above paragraph may also appear at the Final Fairness Hearing, either in person or through qualified counsel retained at the objector's expense. Objectors or their attorneys intending to present any objection at the Final Fairness Hearing must comply with the Local Rules of this Court (where applicable) in addition to the requirements set forth in paragraph 16 above.

18. No later than \_\_\_\_\_, 2024, if the Settlement has not been terminated pursuant to the Settlement Agreement, Plaintiffs' Counsel and Plaintiffs shall move for: (a) final approval of the Settlement; (b) entry of a Judgment in substantially the same form as Exhibit 2 to the Settlement Agreement; (c) final approval of the Allocation Methodology and Initial Plan of Allocation; and (d) Plaintiffs' Attorneys' Fees, reimbursement of Litigation Expenses, and/or a Case Contribution Award.

19. If the Settlement is not approved by the Court, is terminated in accordance with the terms of the Settlement Agreement, or a Judgment approving it is entered that does not become Final and Non-Appealable for any reason whatsoever, the Settlement, Settlement Agreement, and any actions to be taken in connection therewith (including this Order and any Judgment entered herein), shall be terminated and become void and of no further force and effect as described in the Settlement Agreement (including, but not limited to paragraph 9.4 of the Settlement Agreement). Any obligations or provisions relating to the refund of Plaintiffs' Attorney's Fees, Litigation Expenses, and the settlement amount; the payment of Administration, Notice, and Distribution Costs already incurred; and any other obligation or provision in the Settlement Agreement or Supplemental

Agreement that expressly pertains to the termination of the Settlement or events to occur after the termination, shall survive termination of the Settlement Agreement and Settlement.

20. All proceedings in the Litigation, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final approval of the Settlement, Class Representatives and all Class Members are barred, enjoined, and restrained from commencing, prosecuting, continuing, or asserting in any forum, either directly or indirectly, on their own behalf or on the behalf of any other person or class, any Released Claim against Released Parties.

21. Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related thereto, is not, and shall not be construed as, or deemed to be evidence of, an admission or concession by any of the Parties to the Settlement Agreement and shall not be offered or received in evidence in any action or proceeding by or against any Party in any court, administrative agency, or other tribunal for any purpose whatsoever other than to enforce the provisions of the Settlement between Defendants and any Class Member(s), the provisions of the Settlement Agreement, or the provisions of any related agreement, order, judgment, or release. This Order shall not be construed or used as an admission, concession, or declaration by or against Defendants of any fault, wrongdoing, breach, liability, or the propriety of maintaining this Litigation as a contested class action and Defendants specifically deny any such fault, wrongdoing, breach, liability, and allegation regarding certification for litigation (as opposed to settlement) purposes. This

Order shall not be construed or used as an admission, concession, or declaration by or against Class Representatives or the Settlement Class that their claims lack merit or that the relief requested in the Litigation is inappropriate, improper, or unavailable. This Order shall not be construed or used as an admission, concession, declaration, or waiver by any Party of any arguments, defenses, or claims he, she, or it may have with respect to the Litigation in the event the Settlement is terminated. Moreover, the Settlement and any proceedings taken pursuant to the Settlement are for settlement purposes only.

22. The Court, along with any appellate court with power to review the Court's orders and rulings in the Litigation, hereby retains jurisdiction over this Litigation to consider all further matters arising out of or connected with the Settlement reflected in the Settlement Agreement, including enforcement of the releases provided for in the Settlement Agreement. The Court, along with any appellate court with power to review the Court's orders and rulings in the Litigation, also hereby retains jurisdiction over this Litigation to administer all other matters related to the enforcement of the Settlement Agreement and Settlement and the orders of the Court related thereto.

23. The Court may, for good cause shown, extend any of the deadlines set forth in this Order without further written notice to the Settlement Class.

**IT IS SO ORDERED** this \_\_\_\_ day of \_\_\_\_\_ 2024.

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DISTRICT COURT JUDGE



**APPROVED AS TO FORM:**

**PLAINTIFFS' COUNSEL:**

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*-and-*

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**IN THE DISTRICT COURT OF GARVIN COUNTY  
STATE OF OKLAHOMA**

MICHAEL KERNEN and )  
GLADYS MARIE WILKERSON, )  
TRUSTEE OF THE GLADYS MARIE )  
WILKERSON 1999 TRUST, )

Plaintiffs, )

Case No. CJ-2018-7

v. )

CITIZEN ENERGY II, LLC and )  
CITIZEN ENERGY III, LLC, )

Defendants. )

**ORDER AND JUDGMENT GRANTING FINAL APPROVAL  
OF CLASS ACTION SETTLEMENT**

This is a certified class action brought by Plaintiffs Michael Kernen and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust, on behalf of themselves and all others similarly situated (“Plaintiffs”), against Citizen Energy II, LLC and Citizen Energy III, LLC (“Defendants”), for the alleged failure to pay statutory interest on payments made outside the time periods set forth in the Production Revenue Standards Act, 52 O.S. § 570.1, *et seq.* (the “PRSA”) for royalty and overriding royalty from oil and gas wells in Oklahoma. On June 12, 2024, the Parties executed a Stipulation and Agreement of Settlement (the “Settlement Agreement”) finalizing the terms of the Settlement.<sup>1</sup>

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<sup>1</sup> Capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Settlement Agreement.

On \_\_\_\_\_, 2024, the Court preliminarily approved the Settlement and issued an Order Granting Preliminary Approval of Class Action Settlement, Certifying the Class for Settlement Purposes, Approving Form and Manner of Notice, and Setting Date for Final Fairness Hearing (the “Preliminary Approval Order”). In the Preliminary Approval Order, the Court, *inter alia*:

a. certified the Settlement Class for settlement purposes, finding all requirements of 12 O.S. § 2023 have been satisfied, for settlement purposes only, with respect to the proposed Settlement Class;

b. preliminarily found: (i) the proposed Settlement resulted from extensive arm’s-length negotiations; (ii) the proposed Settlement was agreed to only after Class Counsel had conducted legal research, discovery, and analysis regarding the strengths and weaknesses of Class Representatives’ and the Settlement Class’s claims; (iii) Class Representatives and Class Counsel had concluded that the proposed Settlement is fair, reasonable, and adequate; and (iv) the proposed Settlement was sufficiently fair, reasonable, and adequate to warrant sending notice of the proposed Settlement to the Settlement Class;

c. preliminarily approved the Settlement as fair, reasonable, and adequate and in the best interest of the Settlement Class;

d. preliminarily approved the form and manner of the proposed Notice, Summary Notice, and Long Form Notice to be communicated to the Settlement Class, finding specifically that such Notice, Summary Notice, and Long Form Notice, among other information, fairly and adequately: (a) described the terms and

**EXHIBIT 2**

effect of the Settlement among other information; (b) notified the Settlement Class of the time and place of the Final Fairness Hearing; (c) described the options for requesting exclusion from the Settlement or objecting to the Settlement or any part thereof; and (d) directed potential Class Members to where they may obtain more detailed information about the Settlement;

e. instructed the Settlement Administrator to disseminate the approved Notice by mail to potential members of the Settlement Class, to publish the Summary Notice, and to display the Long Form Notice and other documents related to the Settlement on an Internet website in accordance with the Settlement Agreement and in the manner approved by the Court;

f. provided for the appointment of a Settlement Administrator;

g. provided for the appointment of an Escrow Agent;

h. set the date and time for the Final Fairness Hearing as \_\_\_\_\_, 2024 at \_\_\_\_\_ .M. in the District Court for Garvin County; and

i. set out the procedures and deadlines by which Class Members could properly request exclusion from the Settlement Class or object to the Settlement or any part thereof.

After the Court issued the Preliminary Approval Order, due and adequate notice by means of the Notice, Summary Notice, and Long Form Notice was given to the Settlement Class, notifying them of the Settlement and the upcoming Final Fairness Hearing. On \_\_\_\_\_, 2024, in accordance with the Preliminary Approval Order and the Notices, the Court conducted a Final Fairness Hearing to, *inter alia*:

a. determine whether the Settlement should be approved by the Court as fair, reasonable, and adequate and in the best interests of the Settlement Class;

b. determine whether the notice method utilized by the Settlement Administrator: (i) constituted the best practicable notice under the circumstances; (ii) constituted notice reasonably calculated under the circumstances to apprise Class Members of the pendency of the Litigation, the Settlement, their right to exclude themselves from the Settlement, their right to object to the Settlement or any part thereof, and their right to appear at the Final Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to such notice; and (iv) meets all applicable requirements of the Oklahoma Rules of Civil Procedure, the state and federal Constitutions, and any other applicable law;

c. determine whether to approve the Allocation Methodology, the Initial Plan of Allocation, and distribution of the Net Settlement Fund to Participating Class Members;<sup>2</sup>

d. determine whether a Judgment should be entered pursuant to the Settlement Agreement, *inter alia*, dismissing the Litigation against Defendants with prejudice and extinguishing, releasing, and barring all Released Claims against all Released Parties in accordance with the Settlement Agreement;

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<sup>2</sup> The Court will issue a separate order pertaining to the allocation and distribution of the Net Settlement Proceeds among Participating Class Members (the “Plan of Allocation Order”).

e. determine whether the applications for Plaintiffs' Attorneys' Fees, reimbursement for Litigation Expenses, and Case Contribution Award(s) to Class Representatives are fair and reasonable and should be approved;<sup>3</sup> and

f. rule on such other matters as the Court deems appropriate.

The Court, having reviewed the Settlement, the Settlement Agreement, and all related pleadings and filings, and having heard the evidence and argument presented at the Final Fairness Hearing, now **FINDS, ORDERS, and ADJUDGES as follows:**

1. The Court, for purposes of this Order and Judgment (the "Judgment"), adopts all defined terms as set forth in the Settlement Agreement and incorporates them as if fully set forth herein.

2. The Court has jurisdiction over the subject matter of this Litigation and all matters relating to the Settlement, as well as personal jurisdiction over Defendants and Class Members.

3. The Settlement Class, which was previously certified, is defined as:

All non-excluded persons or entities who received late royalty and/or overriding royalty payments during the Class Period from Defendants for O&G Proceeds from Oklahoma Wells and whose payments did not also include the statutory interest prescribed by the Act.<sup>4</sup>

The persons or entities excluded from the Class are: (1) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma, including but not limited to the U.S. Department of the Interior

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<sup>3</sup> The Court will issue separate orders pertaining to Class Counsel's request for Attorneys' Fees and reimbursement of Litigation Expenses and Class Representatives' request for a Case Contribution Award.

<sup>4</sup> For clarity, the reference to payments that "did not also include the statutory interest prescribed by the Act" includes both unpaid and underpaid statutory interest.

(the United States, Indian tribes as defined at 30 U.S.C. §1702(4), and Indian allottees as defined at 30 U.S.C. §1702(2)); (2) Commissioners of the Land Office of the State of Oklahoma (CLO); (3) publicly traded oil and gas companies and their affiliates; (4) persons or entities (and their affiliates) who are the Oklahoma Corporation Commission (OCC) designated operator of more than fifty (50) Oklahoma wells in the month when this Class definition was originally filed; (5) persons or entities that Plaintiffs' counsel may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (6) officers of the court, and (7) Owners in regard to whom Defendants are required by the Act to pay O&G Proceeds annually for the 12 months accumulation of O&G Proceeds totaling less than \$100.00 who were not otherwise required by the Act to receive interest, provided, however this exclusion of so-called "minimum pay" Owners does not apply to interest claims for other 12 month periods accumulation of O&G Proceeds when the same Owner was entitled to \$100 or more and thus not in a "minimum pay" status.

The Court finds that the persons and entities identified in the attached Exhibit \_\_\_ have submitted timely and valid Requests for Exclusion and are hereby excluded from the foregoing Settlement Class, will not participate in or be bound by the Settlement, or any part thereof, as set forth in the Settlement Agreement, and will not be bound by or subject to the releases provided for in this Judgment and the Settlement Agreement.

4. As used in this Order and Judgment, the following terms shall have the following meanings:

- a. **Released Claims**" include all claims and damages (statutory, contract, tort, equitable, punitive, and other relief) through the Effective Date arising out of or attributable to the claims asserted in the Amended Petition on behalf of the Settlement Class related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants or on their behalf during the Claim Period, including but not limited to: any and all claims, actions (including class actions), causes of action, choses in action, demands, debts, obligations, duties liens, liabilities, and other theories of liability and recovery of whatsoever kind and nature, whether in contract or tort, at law or in equity, under express or implied



covenants, or duties, known or unknown, accrued or unaccrued, contingent, prospective or matured, whether for actual, direct, indirect, consequential, treble or punitive damages, disgorgement, interest, injunctive relief, declaratory relief, equitable relief, or any other type of relief, asserted or that could have been asserted in the Litigation against the Released Parties related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants during the Claim Period. This release includes claims asserted in the Litigation, or that could have been asserted in the Litigation, for failure to pay or properly pay interest on Untimely Payments, including, but not limited to, any and all oil and gas revenue payments made outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit. 52 § 570.1, et seq. (the “PRSA”) or applicable contracts, including prior period adjustments (PPAs). This release does not include working interest payments or claims related to any alleged interest owed on currently suspended proceeds. Moreover, nothing in this Settlement Agreement shall be construed as a waiver of, or modification or alteration to, the terms and conditions of the Judgment entered in *Hay Creek Royalties, LLC v. Roan Resources LLC*, Case No. 19-CV-177-CVE-JFJ (United States District Court for the Northern District of Oklahoma) (“Hay Creek Litigation”). It is the intent of the Parties hereto to resolve all Released Claims during the Claim Period that were not previously released by virtue of the Hay Creek Litigation. Any and all claims related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on oil and gas proceeds produced from any of the Oklahoma Wells that were previously released in the Hay Creek Litigation shall remain so released. All claims related to or arising from underpaid and unpaid statutory interest that were not released in the Hay Creek Litigation for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants or on their behalf during the Claim Period are intended to be and are released and forever discharged under this Settlement Agreement.

- b. **“Released Parties”** means Defendants as well as their respective former and present parent companies, subsidiaries, affiliates, former or present officers, directors, members, employees, agents, attorneys, board members, successors, assigns, and consultants, including, but not limited to, Citizen Energy Holdings, LLC, Citizen Energy Operating, LLC, Citizen Energy Intermediate, LLC, Citizen Energy Management, LLC, Pressburg, LLC, Citizen Midstream, LLC Blue

Mountain Midstream, LLC, Linn Energy, Inc., and Roan Resources, LLC.

- c. **“Releasing Parties”** means Plaintiffs and all Participating Class Members; their predecessors, successors, heirs, assignors, and assignees; and any past and present affiliates, directors, officers, employees, attorneys, agents, consultants, servants, stockholders, members, representatives, subsidiaries, insurers, and affiliates of such persons or entities.
- d. **“Claim Period”** means any time period when checks or payments were made or issued on behalf of or by Defendants prior to and including November 30, 2023, subject to the terms of this Settlement Agreement regarding Released Claims.

5. At the Final Fairness Hearing, the Court fulfilled its duties to independently evaluate the fairness, reasonableness, and adequacy of, *inter alia*, the Settlement and the Notice of Settlement provided to the Settlement Class, considering not only the pleadings and arguments of Class Representatives and Defendants and their respective counsel, but also the concerns of any objectors and the interests of all absent Class Members. In so doing, the Court considered arguments that could reasonably be made against, *inter alia*, approving the Settlement and the Notice of Settlement, even if such argument was not actually presented to the Court by pleading or oral argument.

6. The Court further finds that due and proper notice, by means of the Notice, Summary Notice, and Long Form Notice, was given to the Settlement Class in conformity with the Settlement Agreement and Preliminary Approval Order. The form, content, and method of communicating the Notice mailed to the Settlement Class, the published Summary Notice, and the Long Form Notice which was posted on the internet website, all pursuant to the Settlement Agreement and Preliminary Approval Order: (a) constituted the

best practicable notice under the circumstances; (b) constituted notice reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Litigation, the Settlement, their right to exclude themselves from the Settlement, their right to object to the Settlement or any part thereof, and their right to appear at the Final Fairness Hearing; (c) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to such notice; and (d) met all applicable requirements of the Oklahoma Rules of Civil Procedure, the Due Process Clause of the United States Constitution, the Due Process protections of the State of Oklahoma, and any other applicable law. Therefore, the Court approves the form, manner, and content of the Notice, Summary Notice, and Long Form Notice used by the Parties. The Court further finds that all Class Members have been afforded a reasonable opportunity to request exclusion from the Settlement Class or object to the Litigation and Settlement.

7. The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement only, the Litigation as a class action pursuant to 12 O.S. § 2023, including that: the members of the Settlement Class are so numerous that joinder of all Class Members in the class action is impracticable; there are questions of law and fact common to the Settlement Class that predominate over any individual questions; the claims of the Class Representatives are typical of the claims of the Settlement Class; Class Representatives and Plaintiffs' Counsel have fairly and adequately represented and protected the interests of the Class Members; and, after considering the interests of the Class Members in individually controlling the prosecution of separate actions, the extent and nature of litigation already commenced by members of

the Settlement Class, the desirability or undesirability of continuing the litigation of these claims in this forum, and the difficulties likely to be encountered in the management of a class action – a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Pursuant to and in accordance with 12 O.S. § 2023, the Settlement, including, without limitation, the consideration paid by Defendants, the covenants not to sue, the releases, and the dismissal with prejudice of the Released Claims against the Released Parties as set forth in the Settlement Agreement, is finally approved as fair, reasonable, and adequate and in the best interests of the Settlement Class. The Settlement Agreement was entered into between the Parties at arm’s-length and in good faith after substantial negotiations and mediation, and was free of collusion. The Settlement fairly reflects the complexity of the Claims, the duration of the Litigation, the extent of discovery, and the balance between the benefits the Settlement provides to the Settlement Class and the risk, cost, and uncertainty associated with further litigation and trial. Serious questions of law and fact remain contested between experienced counsel and parties alert to defend their interests. The Settlement provides a means of gaining immediate valuable and reasonable compensation and forecloses the prospect of uncertain results after many more months or years of additional discovery and litigation. The considered judgment of the Parties, aided by experienced legal counsel, supports the Settlement. The Parties, Settlement Administrator and Escrow Agent are hereby authorized and directed to comply with and to cause the consummation of the Settlement in accordance with the Settlement Agreement, and the Clerk of this Court is directed to enter and docket this Judgment in the Litigation.

8. By agreeing to settle the Litigation, Defendants do not admit, and instead specifically deny, that the Litigation could have otherwise been properly maintained as a contested class action (as opposed to a settlement class), and specifically denies any and all wrongdoing and liability to the Settlement Class, Class Representatives, and Class Counsel.

9. The Litigation, the Original Petition, and the Amended Petition and all claims included therein, as well as all Released Claims, are dismissed with prejudice as to the Released Parties. The Court orders that, upon the Effective Date, the Settlement Agreement shall be the exclusive remedy for any and all Released Claims of Participating Class Members. The Court finds that Defendants have also released certain claims (as described in Paragraph 4.2 of the Settlement Agreement) against Plaintiffs and Participating Class Members and, in accordance with the terms of the Settlement Agreement, Defendants are hereby enjoined from asserting or prosecuting such released claims against such persons and entities. The Releasing Parties are hereby deemed to have finally, fully, and forever conclusively released, relinquished, and discharged all of the Released Claims against the Released Parties to the fullest extent permitted by law. The Court thus hereby permanently bars and enjoins the Releasing Parties, and each of them (regardless of whether or not any such person or party shares in the Net Settlement Fund), and all persons acting on their behalf from, directly or indirectly, or through others, suing, instigating, instituting, pursuing or asserting against the Released Parties any claims or actions on or concerning the Released Claims. The Released Parties are discharged and/or released from all claims for contribution that have been or may be brought by or on behalf

of any persons relating to the Settlement of the Released Claims. The releases and prohibitions of this paragraph apply equally to any claim that relates to the subject matter of the Released Claims except as expressly excluded therefrom. The Court's approval of the Settlement and entry of judgment herein shall have the effect of barring each of the Releasing Parties from asserting any claim from which that party would be barred by a judgment resolving the certified claims herein had such claims been brought by such party individually. Neither Party will bear the other Party's litigation costs, costs of court, or attorneys' fees. The Court orders that the Residual Unclaimed Funds will be paid pursuant to the procedures and limitations and at the time specified in the Settlement Agreement. If it has not already occurred, the Escrow Agent is directed to refund to Defendants the amount attributable to Opt-Outs in accordance with paragraph 6.8 of the Settlement Agreement.

10. The Court also approves the efforts and activities of the Settlement Administrator, JND Legal Administration, and the Escrow Agent, Citibank, N.A., in assisting with certain aspects of the administration of the Settlement, and directs them to continue to assist Class Representatives in completing the administration and distribution of the Settlement in accordance with the Settlement Agreement, this Judgment, any Plan of Allocation approved by the Court, and the Court's other orders.

11. Nothing in this Judgment shall bar any action or claim by Class Representatives or Defendants to enforce or effectuate the terms of the Settlement Agreement or this Judgment.

12. This Judgment, the Settlement, and the Settlement Agreement—including any provisions contained in or exhibits attached to the Settlement Agreement; any negotiations, statements, or proceedings in connection therewith; or any action undertaken pursuant thereto—shall not be used for any purpose or be admissible in any action or proceeding for any reason, other than an action to enforce the terms of this Judgment or the Settlement (including, but not limited to defending or bringing an action based on the release provided for herein). The Judgment, the Settlement, and the Settlement Agreement are not and shall not be deemed, described, or construed to be or offered or received as evidence of a presumption, concession, declaration, or admission by any person or entity of the truth of any allegation made in the Litigation; the validity or invalidity of any claim or defense that was, could have been, or might be asserted in the Litigation; the amount of damages, if any, that would have been recoverable in the Litigation; any liability, negligence, fault, or wrongdoing of any person or entity in the Litigation; or whether any other lawsuit should be certified as a class action pursuant to 12 O.S. § 2023.

13. As separately set forth in detail in the Court’s Plan of Allocation Order(s), the Allocation Methodology, the Plan of Allocation, and distribution of the Net Settlement Fund among Participating Class Members are approved as fair, reasonable, and adequate, and Class Counsel and the Settlement Administrator are directed to administer the Settlement in accordance with the Plan of Allocation Order(s) entered by the Court.

14. The Court finds that Class Representatives, Defendants, and their Counsel have complied with the requirements of the Oklahoma Rules of Civil Procedure as to all proceedings and filings in this Litigation. The Court further finds that Class

Representatives and Class Counsel adequately represented the Settlement Class in entering into and implementing the Settlement.

15. Neither Defendants nor Defendants' Counsel has any liability or responsibility to Plaintiffs, Plaintiffs' Counsel, or the Settlement Class with respect to the Gross Settlement Fund or its administration, including but not limiting to any distributions made by the Escrow Agent or Settlement Administrator. Except as described in paragraph 6.19 of the Settlement Agreement, no Class Member shall have any claim against Class Counsel, the Settlement Administrator, the Escrow Agent, or any of their respective designees or agents based on the distributions made substantially in accordance with the Settlement Agreement, the Court's Plan of Allocation Order(s), or other orders of the Court.

16. Any Class Member who receives a Distribution Check that he/she/it is not legally entitled to receive is hereby ordered to either (a) pay the appropriate portion(s) of the Distribution Check to the person(s) legally entitled to receive such portion(s) or (b) return the Distribution Check uncashed to the Settlement Administrator.

17. All matters regarding the administration of the Escrow Account and the taxation of funds in the Escrow Account or distributed from the Escrow Account shall be handled in accordance with Section 5 of the Settlement Agreement.

18. Any order approving or modifying any Plan of Allocation Order, the application by Class Counsel for an award of Plaintiffs' Attorneys' Fees or reimbursement of Litigation Expenses, or the request of Class Representatives for a Case Contribution Award shall be handled in accordance with the Settlement Agreement and the documents



referenced therein (to the extent the Settlement Agreement and documents referenced therein address such an order).

19. Plaintiffs' Counsel, Plaintiffs, Released Parties, Defendants' Counsel, Defendants, and the Settlement Class will only be liable for loss of any portion of the Escrow Account as described in paragraph 6.19 of the Settlement Agreement.

20. Without affecting the finality of this Judgment in any way, the Court (along with any appellate court with power to review the Court's orders and rulings in the Litigation) reserves exclusive and continuing jurisdiction over the Litigation, Class Representatives, the Settlement Class and Class Members, Defendants, and the other Released Parties for the purposes of: (a) supervising and/or determining the fairness and reasonableness of the implementation, enforcement, construction, and interpretation of the Settlement, the Settlement Agreement, any Plan of Allocation Order(s) entered by the Court, and this Judgment; (b) hearing and determining any application by Plaintiffs and/or Class Counsel for an award of Plaintiffs' Attorneys' Fees, and Litigation Expenses and/or a Case Contribution Award for Class Representatives, if such determinations were not made at the Final Fairness Hearing; (c) supervising the distribution of funds from the Escrow Account; (d) resolving any dispute regarding a Party's right to terminate the Settlement pursuant to the Settlement Agreement; (e) enforcing the terms of the Settlement, including the entry of injunctive or other relief to enforce, implement, administer, construe and interpret the Settlement Agreement; and (f) exercising jurisdiction over any challenge to the Settlement on any basis whatsoever.

21. In the event the Settlement is terminated as the result of a successful appeal of this Judgment or does not become Final and Non-Appealable in accordance with the terms of the Settlement Agreement for any reason whatsoever, then this Judgment and all orders previously entered in connection with the Settlement shall be rendered null and void and shall be vacated to the extent provided by and in accordance with the Settlement Agreement. The provisions of the Settlement Agreement relating to termination of the Settlement Agreement shall be complied with, including the refund of amounts in the Escrow Account to Defendants and the refund by Plaintiffs' Counsel into the Escrow Account of any amounts previously paid to them from the Escrow Account.

22. The claims asserted by Class Representatives in this Litigation and all Released Claims of the Participating Class Members are hereby **DISMISSED WITH PREJUDICE** to the refiling of the same or any portion thereof against the Released Parties, or any of them. Any claims related to working interests and currently suspended funds will be **DISMISSED WITHOUT PREJUDICE**. The Court retains jurisdiction pursuant to paragraph 20 above to administer the Settlement distribution process as contemplated in the Court's separate Plan of Allocation Order(s), to administer other aspects of the Settlement as described in the Settlement Agreement and to issue additional orders pertaining to, *inter alia*, Class Counsel's request for Plaintiffs' Attorneys' Fees and reimbursement of reasonable Litigation Expenses and Class Representatives' request for a Case Contribution Award. Notwithstanding the Court's jurisdiction to issue additional orders in this Litigation, this Judgment fully disposes of all claims as to Defendants and is therefore a final appealable judgment. Regardless, there is no just reason to delay the

finality of the Judgment. The Court further hereby expressly directs the Clerk of the Court to file this Judgment as a final order and final judgment in this Litigation.

23. [IF OBJECTION(S) ARE MADE – ADDITIONAL LANGUAGE TO BE DETERMINED BASED ON OBJECTION(S)]

**IT IS SO ORDERED.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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LEAH EDWARDS  
DISTRICT COURT JUDGE

**APPROVED AS TO FORM:**

**CLASS COUNSEL:**

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Jason A. Ryan, OBA No. 18824  
Paula M. Jantzen, OBA No. 20464  
Chance L. Pearson, OBA No. 22269  
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*jnelson@pncj.com*

*-and-*

**DEFENDANTS' COUNSEL:**

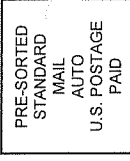
(approval authorized via email)

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Cody McPherson, OBA No. 20282  
**MAHAFFEY & GORE, P.C.**  
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Michael Kernan et al. v. Citizen Energy II, LLC et al.  
c/o JND Class Action Administration  
PO Box 91231  
Seattle, WA 98111

### Exhibit 3



<BARCODE>

*An Oklahoma State Court authorized this notice. This is not a solicitation from a lawyer.*  
**If You Have Received a Payment from Citizen Energy II or Citizen Energy III for Production from an Oil and Gas Well in Oklahoma, You Could Be a Part of a Proposed Class Action Settlement.**

Name No: <ID>

**Who Is Included?**

You are a member of the Settlement Class if you received late royalty or overriding royalty payments from Defendants for wells in the State of Oklahoma and the payments did not include the full amount of the interest owed thereon. The Class has been preliminarily approved for settlement only. There are exclusions.

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Name  
Address  
City, State Zip  
Country



**LEGAL NOTICE**

**Para una notificación en Español, llamar o visitar nuestro sitio web.**

There is a proposed Settlement in a class action lawsuit filed against Citizen Energy II and Citizen Energy III ("Defendants") called Michael Kernan et al. v. Citizen Energy II, LLC et al, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma. Plaintiffs Michael Kernan and Gladys Marie Wilkerson ("Plaintiffs") filed this class action on behalf of themselves and other owners with interests in Oklahoma wells operated by, or the production from which was sold by, Defendants. The Lawsuit claims Defendants failed to pay statutory interest on payments made outside the time periods of the Production Revenue Standards Act ("PRSA") for royalty and overriding royalty payments from wells in Oklahoma. Plaintiffs have asserted claims for breach of statutory duty to pay oil and gas proceeds and interest, breach of duty to investigate and pay, fraud, deceit, and constructive fraud, accounting and disgorgement, and injunction. Defendants deny all liability.

**Why am I receiving this notice?** Defendants' records indicate you may be a member of the Settlement Class.

**What does the settlement provide?**

The proposed Settlement provides monetary benefits of \$4,668,120.00 that will be distributed according to the terms of the Settlement Agreement, the documents referenced in and exhibits to the Settlement Agreement, and orders from the Court. Plaintiffs' Counsel will seek attorneys' fees up to \$\_\_\_\_\_, and reimbursement of litigation expenses up to \$\_\_\_\_\_, and settlement Administration, Notice, and Distribution Costs up to

**THIS IS ONLY A SUMMARY. TO GET A COPY OF THE ENTIRE NOTICE OR FOR MORE INFORMATION, CALL TOLL-FREE 1-888-\_\_\_\_ OR VISIT WWW.\_\_\_\_VCITIZENERGY.COM.**

**What are my legal rights?**

You do not have to do anything to stay in the Settlement Class and receive the benefits of the proposed Settlement. If you stay in the Settlement Class, you may also object to the proposed Settlement by following the instructions from the Court (available on the website) by \_\_\_\_\_, 2024. If you stay in the Settlement Class, you will be bound by all orders and judgments of the Court, and you will not be able to sue, or continue to sue, Defendants or others identified in the Settlement Agreement from claims described therein. You may appear through an attorney if you so desire.

**What are my other options?**

If you do not wish to participate in or be legally bound by the proposed Settlement, you may exclude yourself by opting out no later than \_\_\_\_\_, 2024, following instructions from the Court (available on the website). If you opt out, you will not receive any benefits from the Settlement and will not be bound by it or the judgment in this case.

**When will the Court decide whether to approve the proposed Settlement?**

A Final Fairness Hearing has been scheduled for \_\_\_\_\_, 2024 at \_\_\_\_\_m. CDT at the District Court of Garvin County, State of Oklahoma, 201 W. Grant St., Pauls Valley, OK 73075. You are not required to attend the hearing, but you or your lawyer may do so if you wish.

## Exhibit 4

### **If You Are or Were Paid Royalty or Overriding Royalty by Citizen Energy II, LLC or Citizen Energy III, LLC from an Oklahoma Oil and Gas Well, You Could Be Part of a Proposed Class Action Settlement**

The Settlement Class shall mean the class adopted and defined by the Court in its Order dated \_\_\_\_\_, 2024, set forth as follows:

All non-excluded persons or entities who received late royalty and/or overriding royalty payments during the Class Period from Defendants for O&G Proceeds from Oklahoma Wells and whose payments did not also include the statutory interest prescribed by the Act.

The persons or entities excluded from the Class are: (1) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes as defined at 30 U.S.C. §1702(4), and Indian allottees as defined at 30 U.S.C. §1702(2)); (2) Commissioners of the Land Office of the State of Oklahoma (CLO); (3) publicly traded oil and gas companies and their affiliates; (4) persons or entities (and their affiliates) who are the Oklahoma Corporation Commission (OCC) designated operator of more than fifty (50) Oklahoma wells in the month when this Class definition was originally filed; (5) persons or entities that Plaintiffs' counsel may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (6) officers of the court, and (7) Owners in regard to whom Defendants are required by the Act to pay O&G Proceeds annually for the 12 months accumulation of O&G Proceeds totaling less than \$100.00 who were not otherwise required by the Act to receive interest, provided, however this exclusion of so-called "minimum pay" Owners does not apply to interest claims for other 12 month periods accumulation of O&G Proceeds when the same Owner was entitled to \$100 or more and thus not in a "minimum pay" status.

The lawsuit *Michael Kernen et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma, claims Citizen Energy II, LLC and Citizen Energy III, LLC ("Defendants") failed to pay statutory interest on payments made outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit 52 § 570.1, *et seq.* (the "PRSA") for royalty and overriding royalty payments from oil and gas wells in Oklahoma. Defendants deny all liability but has agreed to the proposed Settlement to avoid the uncertainty, burden, and expense of continued litigation. The Court did not decide which side is right.

On \_\_\_\_\_, 2024, the Court preliminarily approved a Settlement in which Defendants have agreed to pay \$4,668,120.00 in cash (the "Gross Settlement Fund"). From the Gross Settlement Fund, the Court may deduct reasonable Plaintiffs' Attorneys' Fees, Litigation Expenses, Case Contribution Award(s), settlement Administration, Notice, and Distribution Costs, and other costs approved by the Court. The remainder of the fund (the "Net Settlement Fund") will be distributed

to eligible Class Members based on a variety of factors, including: the amount of statutory interest allegedly owed on the original underlying payment that allegedly occurred outside the time periods required by the PRSA and any interest previously paid by Defendants. Complete information on the benefits of the Settlement, including information on the distribution of the Net Settlement Fund, can be found in the Settlement Agreement posted on the website listed below. In exchange, Class Members will release Defendants and others identified in the Settlement Agreement from the claims described in the Settlement Agreement.

The law firms and lawyers who represent the Class as Class Counsel are: (a) Nix Patterson, LLP; (b) Ryan Whaley Coldiron Jantzen Peters & Webber PLLC; (c) Whitten Burrage; (d) Barnes & Lewis, LLP; and (e) Park, Nelson, Caywood & Jones, LLP. You may hire your own attorney, if you wish. However, you will be responsible for that attorney's fees and expenses.

### What Are My Legal Rights?

- **Do Nothing, Stay in the Class, and Be Bound By the Settlement:** If the Court approves the proposed Settlement, you or your successors, if eligible, will receive the benefits of the proposed Settlement. You will also be bound by the Settlement Agreement and all orders and judgments of the Court, and you will not be able to sue, or continue to sue, Defendants or others identified in the Settlement Agreement for claims described in that Agreement.
- **Stay in the Settlement Class, But Object to All or Part of the Settlement:** You can file and serve a written objection to the Settlement and appear before the Court. Your written objection must contain the information described in the Notice of Proposed Settlement, Motion for Attorneys' Fees, and Fairness Hearing (the "Notice") found at the website listed below and **must be filed with the Court no later than \_\_\_\_\_, 2024, at 5 p.m. CDT.**
- **Exclude Yourself from the Settlement Class:** To exclude yourself from the Settlement Class, you must serve a written statement on the Settlement Administrator. Your Request for Exclusion must contain the information described in the Notice found at the website listed below and **must be received by the Settlement Administrator no later than \_\_\_\_\_, 2024, at 5 p.m. CDT.** You cannot exclude yourself from the Settlement Class on the website, by telephone, or by e-mail.

The Court will hold a Final Fairness Hearing on \_\_\_\_\_, 2024, at \_\_.m. CDT at the District Court of Garvin County, State of Oklahoma, 201 W. Grant St., Pauls Valley, OK 73075. At the hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate. The Court will also consider the application for Plaintiffs' Attorneys' Fees, Litigation Expenses, and Case Contribution Award. If comments or objections have been submitted in the manner required, the Court will consider them as well. Please note that the date of the Final Fairness Hearing is subject to change without further notice. If you plan to attend the hearing, you should check with the Court at [www.\\_\\_\\_\\_\\_](http://www._____) to confirm no change to the date and time of the hearing has been made.

**This notice provides only a summary. For more detailed information regarding the rights and obligations of Class Members, read the Long Notice, Settlement Agreement, and other documents posted on the website or contact the Settlement Administrator.**

**Visit:** [www.\\_\\_\\_\\_vcitizenenergy.com](http://www.____vcitizenenergy.com)

**Call Toll-Free:** 1-888-\_\_\_\_\_

**Or write to:** \_\_\_\_\_ v. *Citizen Energy II*

c/o JND Legal Administration

PO Box 91231

Seattle, WA 98111

**Exhibit 5**

**IN THE DISTRICT COURT OF GARVIN COUNTY  
STATE OF OKLAHOMA**

MICHAEL KERNEN and )  
GLADYS MARIE WILKERSON, )  
TRUSTEE OF THE GLADYS MARIE )  
WILKERSON 1999 TRUST, )  
 )  
Plaintiffs, )  
 ) Case No. CJ-2018-7  
v. )  
 )  
CITIZEN ENERGY II, LLC and )  
CITIZEN ENERGY III, LLC, )  
 )  
Defendants. )

**NOTICE OF PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES,  
AND FAIRNESS HEARING**

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

***If you belong to the Settlement Class and this Settlement is approved, your legal rights will be affected whether you act or not.*** Read this Notice carefully to see what your rights and options are in connection with this Settlement.<sup>1</sup>

- On \_\_\_\_\_, 2024, the Court preliminarily approved a Settlement in the above-captioned litigation (the "Litigation") between Michael Kernan and Gladys Marie Wilkerson, Trustee of the Gladys Marie Wilkerson 1999 Trust, ("Plaintiffs"), on behalf of themselves and the Settlement Class, and Citizen Energy II, LLC and Citizen Energy III, LLC ("Defendants"). The Litigation and the defenses of Defendants are described in Answer to Question No. 2 below. Capitalized terms not otherwise defined in this notice shall have the meanings attributed to those terms in the Settlement Agreement referred to below.
- Defendants have agreed to pay \$4,668,120.00 in cash ("Gross Settlement Fund") in settlement of the Litigation. In exchange, the Settlement Class shall release any and all Released Claims (as defined below in the Answer to Question No. 2) the Releasing Parties have or may have against the Released Parties (as defined below in the Answer to Question No. 2). The Gross Settlement Fund, less Plaintiffs' Attorneys' Fees, Litigation Expenses, Administration, Notice, and Distribution Costs, any Case Contribution Award awarded by the Court, and other costs approved by the Court (the "Net Settlement Fund"), will be distributed to Class Members who qualify for a distribution.

<sup>1</sup> This Notice summarizes and is qualified in its entirety by the Stipulation and Agreement of Settlement ("Settlement Agreement") and the documents referenced therein, which set forth the terms of the Settlement. Please refer to the Settlement Agreement for a complete description of the terms and provisions thereof. A copy of the Settlement Agreement is available at [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

- The Settlement Class definition and exceptions are listed below in Question No. 5: “**How do I know whether I am part of the Settlement Class?**” and Question No. 6: “**Are there other exceptions to being included?**”
- Counsel for Plaintiffs (“Class Counsel”) intend to seek an award of attorneys’ fees of not more than 40% of the Gross Settlement Fund. Class Counsel has been litigating this case for nearly six (6) years without any payment whatsoever, advancing thousands of dollars in labor and expense. Class Counsel will also request reimbursement of the expenses they have incurred in connection with the prosecution of this Litigation, and will incur through final distribution, which will be paid from the Gross Settlement Fund. In addition, Plaintiffs intend to seek a Case Contribution Award of up to \$\_\_\_\_\_ to be paid from the Gross Settlement Fund for their representation of the Class.
- In reaching the Settlement, Plaintiffs and Defendants have avoided the uncertainty, cost and time of a contested trial. Plaintiffs have agreed to the Settlement to avoid the risk that some or all of the claims of the Settlement Class against Defendants could be dismissed.

YOUR LEGAL RIGHTS AND OPTIONS	
<b>You Do Not Need To Take Further Action To Participate In The Settlement</b>	If the Settlement is approved, you do not need to take any further action to participate in the Settlement and receive a payment. The portion of the Net Settlement Fund to which you are entitled will be calculated as part of the administration of the Settlement.
<b>Exclude Yourself (by _____, 2024 at 5 p.m. CDT)</b>	If you do not wish to be a member of the Settlement Class, you <i>must</i> exclude yourself (as described below in Answer to Question No. 13 and in the Settlement Agreement) and you <b>will not</b> receive any payment from the Settlement Fund. You cannot bring or be part of another lawsuit or arbitration against any of the Released Parties based on any Released Claims unless you exclude yourself from the Settlement Class.
<b>Object (by _____, 2024 at 5 p.m. CDT)</b>	If you do not exclude yourself and you wish to object to any part of the Settlement, the attorneys’ fees or litigation costs requested by Class Counsel, or the Case Contribution Award requested by Plaintiffs, you may (as discussed below in Answer to Question No. 18 and in the Settlement Agreement) write to the Court about your objections.
<b>Attend the Final Fairness Hearing (to be held on _____, 2024)</b>	If you have submitted a valid and timely written objection to any aspect of the Settlement, the attorneys’ fees or litigation expenses requested by Class Counsel, or the Case Contribution Award requested by Plaintiffs, you may (but do not have to) attend the Final Fairness Hearing and present your objections to the Court at that hearing (as described below in Answer to Question No. 22 and in the Settlement Agreement).
<b>Do Nothing</b>	If you are a Class Member and do nothing, you will be bound by the terms of the Settlement as set forth in the Settlement Agreement and the documents referenced therein, including the final Judgment entered in the Litigation, will be bound by the release of and agreement not to sue the Released Parties, will receive your portion of the Net Settlement Fund (if

	any), and will not be able to bring or pursue any Released Claims in any other lawsuit or arbitration. It is your responsibility to familiarize yourself with the Settlement and all other documents regarding the Settlement that can be found at <a href="http://www._____.com">www._____.com</a> .
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- **These rights and options—and the deadlines to exercise them—are explained in this Notice and in the Settlement Agreement. Please note that the date of the Final Fairness Hearing—currently scheduled for \_\_\_\_\_, 2024—is subject to change without further notice. If you plan to attend the Final Fairness Hearing, you should check the Court’s docket or [www.\\_\\_\\_\\_\\_.com](http://www._____.com) to be sure no change to the date and time of the hearing has been made.**
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members only if the Court approves the Settlement and that approval is upheld in any appeals that may be filed.

<b>WHAT THIS NOTICE CONTAINS</b>
----------------------------------

<b>Summary of Settlement</b> .....	<input type="checkbox"/>
<b>Basic Information</b> .....	<input type="checkbox"/>
1. Why did I get this Notice package? .....	<input type="checkbox"/>
2. What is the Litigation about? .....	<input type="checkbox"/>
3. Why is this case a class action? .....	<input type="checkbox"/>
4. Why is there a Settlement? .....	<input type="checkbox"/>
5. How do I know whether I am part of the Settlement Class? .....	<input type="checkbox"/>
6. Are there other exceptions to being included? .....	<input type="checkbox"/>
7. I am still not sure whether I am included. ....	<input type="checkbox"/>
<b>The Settlement Benefits - What You Receive</b> .....	<input type="checkbox"/>
8. What does the Settlement provide? .....	<input type="checkbox"/>
9. How much will the cash portion of my payment be? .....	<input type="checkbox"/>
10. How can I get a payment? .....	<input type="checkbox"/>
11. When would I get my payment? .....	<input type="checkbox"/>
12. What is the effect of my remaining in the Settlement Class? .....	<input type="checkbox"/>
13. How do I get out of the Settlement and not release my claims? .....	<input type="checkbox"/>
14. If I don’t exclude myself from the Settlement Class, can I sue the Released Parties for the same thing later? .....	<input type="checkbox"/>
15. If I exclude myself, can I get money from this Settlement in connection with the Litigation? .....	<input type="checkbox"/>
<b>The Lawyers Representing You</b> .....	<input type="checkbox"/>
16. Do I have a lawyer in the case? .....	<input type="checkbox"/>
17. How will the lawyers be paid? .....	<input type="checkbox"/>
<b>Objecting to the Settlement, Plan of Allocation, Attorneys’ Fees and Expenses, and Plaintiffs’ Case Contribution Award</b> .....	<input type="checkbox"/>
18. How do I tell the Court that I do not like any aspect of the Settlement?.....	<input type="checkbox"/>
19. What’s the difference between objecting and excluding myself? .....	<input type="checkbox"/>
20. When and where will the Court decide whether to approve the Settlement? .....	<input type="checkbox"/>
21. Do I have to come to the hearing? .....	<input type="checkbox"/>
22. May I speak at the hearing? .....	<input type="checkbox"/>
<b>If You Do Nothing</b> .....	<input type="checkbox"/>
23. What happens if I do nothing at all? .....	<input type="checkbox"/>



- Getting More Information** .....
24. Are there more details about the Settlement? .....
25. How do I get more information? .....

**BASIC INFORMATION**

**1. Why did I get this Notice package?**

You are being sent this Notice because you may be a member of the Settlement Class in the Litigation as described herein. Payment history records reflect that you have received payments from Defendants (or someone paying proceeds on Defendants’ behalf) for royalty or overriding royalty from oil and gas wells in Oklahoma during the Claim Period (as defined in the Settlement Agreement and in the answer to Question No. 2). This Notice is not intended to be, and should not be construed as, an expression of any opinion with respect to the merits of the allegations in the Petition filed in the Litigation. This Notice explains the claims being asserted in the Litigation, explains the Settlement, explains your right to remain a member of the Settlement Class (see Answer to Question No. 12), explains your right to opt out of the Settlement Class and be excluded from the Settlement (see Answer to Question No. 13), and explains your right to object to the Settlement (see Answer to Question No. 18).

The Court caused the notice to be sent to you because, if you fall within this group and are not otherwise excluded from the Settlement Class, your rights will be affected and you have a right to know about the proposed Settlement, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, after any objections and appeals are resolved, the Court-appointed Settlement Administrator will cause payments to be made to Class Members in accordance with the Settlement Agreement.

This Notice package describes the Litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this Litigation is the District Court of Garvin County, State of Oklahoma. The individuals prosecuting this Litigation on behalf of the Class are called the “Plaintiffs” and the companies they are suing are called the “Defendants.” This case, also called the “Litigation,” is known as *Michael Kernen et al. v. Citizen Energy II, LLC et al.*, Case No. CJ-2018-7.

**2. What is the Litigation about?**

The Litigation seeks damages for Defendants’ alleged failure to pay statutory interest on payments made by Defendants (or on Defendants’ behalf) outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit. 52 § 570.1, *et seq.* (the “PRSA”) for royalty and overriding royalty payments from oil and gas wells in Oklahoma.

Defendants deny any and all liability related to Plaintiffs’ allegations and further states that neither Plaintiffs nor any of the Class Members are entitled to the relief sought in the Litigation and further states that it would not be appropriate to award any type of damages to the Class Members.

A more complete description of the Litigation, its status, and the rulings made in the Litigation are available in the pleadings and other papers maintained by the District Court of Garvin County, State of Oklahoma, 201 W Grant Ave, Pauls Valley, OK 73075, in the file for Case No. CJ-2018-7. Some of the relevant pleadings are additionally located on the website found at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). Should you have questions regarding the status, rulings or issues in the Litigation, such questions can be submitted as set forth below.

## Release

If the Court enters a final order approving the Settlement, all Class Members, on behalf of the “Releasing Parties,” will release any “Released Claims” they have or may have against the “Released Parties.” This means that if you remain a member of the Settlement Class, any and all claims related to unpaid interest for royalty or overriding royalty payments during the Claim Period will be released and discharged.

“**Claim Period**” means any time period when checks or payments were made or issued on behalf of or by Defendants prior to and including November 30, 2023.

“**Released Claims**” means all claims and damages (statutory, contract, tort, equitable, punitive, and other relief) through the Effective Date arising out of or attributable to the claims asserted in the Amended Petition on behalf of the Settlement Class related to or arising from underpaid and unpaid statutory interest for royalty and/or overriding royalty payments on O&G Proceeds from Oklahoma Wells made or issued by Defendants or on their behalf during the Claim Period. This release includes claims asserted in the Litigation, or that could have been asserted in the Litigation, for failure to pay or properly pay interest on Untimely Payments, including, but not limited to, any and all oil and gas revenue payments made outside the time periods set forth in the Production Revenue Standards Act, Okla. Stat. tit. 52 § 570.1, *et seq.* (the “PRSA”) or applicable contracts, including prior period adjustments (PPAs). The Settlement Agreement further describes the Released Claims.

“**Released Parties**” means Defendants as well as their respective former and present parent companies, subsidiaries, affiliates, former or present officers, directors, members, employees, agents, attorneys, board members, successors, assigns, and consultants, including, but not limited to, Citizen Energy Holdings, LLC, Citizen Energy Operating, LLC, Citizen Energy Intermediate, LLC, Citizen Energy Management, LLC, Pressburg, LLC, Citizen Midstream, LLC Blue Mountain Midstream, LLC, Linn Energy, Inc., and Roan Resources, LLC.

“**Releasing Parties**” means Plaintiffs and all Participating Class Members; their predecessors, successors, heirs, assignors, and assignees; and any past and present affiliates, directors, officers, employees, attorneys, agents, consultants, servants, stockholders, members, representatives, subsidiaries, insurers, and affiliates of such persons or entities.

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

In a class action, one or more plaintiffs sue on behalf of people who have similar claims. All of the individuals and entities on whose behalf the plaintiffs are suing are class members. One court resolves the issues for all class members, except for those who choose to exclude themselves from the class. Here, Garvin County District Judge Leah Edwards, is presiding over the Litigation.

### 4. Why is there a Settlement?

The Court has not reached a final judgment as to whether Plaintiffs have proved or can prove their claims against Defendants. It could take several more years before a trial on the merits could be held, final judgment entered, and appeals exhausted. Instead, Plaintiffs and Defendants have agreed to the Settlement in order to resolve the Litigation. In reaching the Settlement, both sides have avoided the risk, cost and time of a trial, and Plaintiffs have avoided any further delay in resolving the Litigation. In addition, as with any litigated case, Plaintiffs would face an uncertain outcome if this Litigation went to trial. On the one hand, a trial could result in a verdict greater than the Settlement. However,

Defendants have asserted many defenses, and a trial could result in a judgment in favor of Defendants on liability or a verdict lower than the Settlement Amount that Plaintiffs have obtained, or even no recovery at all for Plaintiffs and the Class Members. Based on these factors and others, Plaintiffs and Class Counsel believe the Settlement is best for all Class Members.

**5. How do I know whether I am part of the Settlement Class?**

The Settlement Class consists of the following individuals and entities, subject to the exceptions listed in the answer to Question No. 6 below:

*All non-excluded persons or entities who received late royalty and/or overriding royalty payments during the Class Period from Defendants for O&G Proceeds from Oklahoma Wells and whose payments did not also include the statutory interest prescribed by the Act.*

**6. Are there other exceptions to being included?**

*The persons or entities excluded from the Class are: (1) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes as defined at 30 U.S.C. §1702(4), and Indian allottees as defined at 30 U.S.C. §1702(2)); (2) Commissioners of the Land Office of the State of Oklahoma (CLO); (3) publicly traded oil and gas companies and their affiliates; (4) persons or entities (and their affiliates) who are the Oklahoma Corporation Commission (OCC) designated operator of more than fifty (50) Oklahoma wells in the month when this Class definition was originally filed; (5) persons or entities that Plaintiffs' counsel may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (6) officers of the court, and (7) Owners in regard to whom Defendants are required by the Act to pay O&G Proceeds annually for the 12 months accumulation of O&G Proceeds totaling less than \$100.00 who were not otherwise required by the Act to receive interest, provided, however this exclusion of so-called "minimum pay" Owners does not apply to interest claims for other 12 month periods accumulation of O&G Proceeds when the same Owner was entitled to \$100 or more and thus not in a "minimum pay" status.*

Also, you are not a Class Member if you exclude yourself from the Settlement Class by submitting a valid and timely request for exclusion in accordance with the requirements set forth in this Notice and in the Settlement Agreement. The procedure for requesting exclusion from the Settlement Class is described below in the Answer to Question No. 13.

**7. I am still not sure whether I am included.**

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Settlement Administrator at 1-888-\_\_\_\_\_, or write to the following address:

*Michael Kernen, et al. v. Citizen Energy II, LLC et al.*  
c/o JND Legal Administration  
PO Box 91231  
Seattle, WA 98111

## **THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE**

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

In consideration of the Settlement, Defendants have agreed to pay \$4,668,120.00 in cash. See the Settlement Agreement for full details.

The Settlement, if approved, will result in the dismissal of the Complaint against Defendants and the release by all Class Members of all the Released Claims the Releasing Parties have or may have against the Released Parties, as defined above in Answer to Question No. 2. The Net Settlement Fund will be distributed to the Class Members who are not excluded from the Settlement Class in accordance with the provisions of the Allocation Methodology and Final Plan of Allocation, which is explained below in the Answer to Question No. 9.

### **9. How much will the cash portion of my payment be?**

The Net Settlement Fund shall be allocated to Class Members on the following basis:

Plaintiffs' Counsel shall, subject to Court approval, allocate the Net Settlement Fund to individual Participating Class Members proportionately based on the amount of statutory interest allegedly owed on the original underlying payment that allegedly occurred outside the time periods required by the PRSA, with due regard for the production date, the date the underlying payment was made, the amount of the underlying payment, the time periods set forth in the PRSA, any additional statutory interest that Plaintiffs' Counsel believes has since accrued, any amounts of statutory interest that were previously paid by or on behalf of Defendants and the amount of interest or returns that have accrued on the Participating Class Member's proportionate share of the Net Settlement Fund during the time such share was held in the Escrow Account. This allocation is subject to modification by Plaintiffs' Counsel and final approval by the Court.

**If you have questions about the tax consequences of participating in the Settlement, you should consult with your own tax advisor.**

### **10. How can I get a payment?**

If you do **not** exclude yourself pursuant to the procedure set forth in Answer to Question No. 13 below, **YOU DO NOT NEED TO TAKE ANY ACTION WHATSOEVER** to receive your portion of the Net Settlement Fund (if any).

### **11. When would I get my payment?**

Payment to Class Members is contingent on several factors, including the Court's approval of the Settlement and that approval becoming final and no longer subject to any appeal to any court, as set forth more specifically in paragraph 1.15 of the Settlement Agreement.

The Net Settlement Fund will be distributed by the Settlement Administrator as soon as reasonably possible after final approval has been obtained for the Settlement and any appeals are exhausted. The Settlement Agreement specifies deadlines for distributing the Net Settlement Fund. Any appeal of final approval could take well in excess of one (1) year. It is not anticipated that any meaningful interest will accrue on the Net Settlement Fund. The Settlement may be terminated on several grounds, including if the Court does not approve or modifies material terms of the Settlement. If the Settlement is terminated, the Litigation will proceed as if the Settlement had not been reached.

You may receive information about the progress of the Settlement by visiting the website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or by calling 1-888-\_\_\_\_\_ or writing to: *Michael Kernen, et al. v. Citizen Energy II, LLC, et al.*, c/o JND Legal Administration, PO Box \_\_\_\_\_, Seattle, WA 98111.

**12. What is the effect of my remaining in the Settlement Class?**

Unless you exclude yourself from the Settlement Class, if the Settlement is approved, you will be a Participating Class Member. As a Participating Class Member, you will receive any portion of the Net Settlement Fund allocated to you and will be bound by all orders and judgments entered by the Court regarding the Settlement. If the Settlement is approved, you will not be able to sue, continue to sue, or be part of any other lawsuit against any of the Released Parties concerning any of the Released Claims.

**13. How do I get out of the Settlement and not release my claims?**

To get out of the Settlement, you must exclude yourself from the Settlement Class. To exclude yourself from the Settlement Class, you must send by mail, to the Settlement Administrator a written statement that you want to be excluded from the Settlement Class in *Michael Kernen, et al. v. Citizen Energy II, LLC, et al.* In addition to the other information specified in the rest of this answer, your statement must include your name, address, telephone number, and signature, and must be received by the Settlement Administrator by no later than \_\_\_\_\_, 2024 at 5 p.m. CDT. Your written statement must be sent to:

**Settlement Administrator**

*Michael Kernen, et al. v. Citizen Energy II, LLC, et al.*  
c/o JND Legal Administration  
PO Box \_\_\_\_\_  
Seattle, WA 98111

**To be effective, your written request for exclusion must be MAILED and RECEIVED at the above address no later than \_\_\_\_\_, 2024 at 5 p.m. CDT.** You cannot exclude yourself on the website, by telephone, facsimile or by e-mail. The letter must be signed by you and must identify your interest in any wells for which you have received payments from Defendants or anyone making payments on Defendants' behalf, including the name, well number, county in which the well is located, and the owner identification number. Any such letter also should state generally:

Dear Judge, I want to exclude myself from the Settlement Class in *Michael Kernen et al. v. Citizen Energy II, LLC et al.*, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma. I understand it will be my responsibility to pursue any claims I may have, if I so desire, on my own and at my expense.

**If you do not follow these procedures—including meeting the date for exclusion set out above—you will not be excluded from the Settlement Class, and you will be bound by the Settlement Agreement and all of the orders and judgments entered by the Court regarding the Settlement, including the release of claims.** You must exclude yourself even if you already have a pending case against any of the Released Parties based upon any Released Claims.

If you validly request exclusion as described above, you cannot object to the Settlement, and you will not have released any claim against the Released Parties. You will not be legally bound by anything that happens in the Litigation. You will also not participate in any distribution of the Net Settlement Fund. Do not request exclusion if you wish to participate in the Settlement.

**14. If I don't exclude myself from the Class, can I sue the Released Parties for the same thing later?**

No. Unless you exclude yourself from the Settlement Class in connection with the Litigation, you (and any other Releasing Parties) give up any right to sue any or all of the Released Parties for any Released Claims. If you have a pending lawsuit or arbitration against Defendants or any of its officers and/or directors or any other Released Parties, speak to the lawyer representing you in that case immediately. You must exclude yourself from the Settlement Class to continue your own lawsuit or arbitration against any of the Released Parties.

**15. If I exclude myself, can I get money from this Settlement in connection with the Litigation?**

No. If you exclude yourself from the Settlement Class, you may be able to sue, continue to sue, or be part of a different lawsuit or arbitration against the Released Parties, but you will not receive any money from the Settlement discussed in this Notice.

**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in the case?**

The law firms of (a) Nix Patterson, LLP, (b) Ryan Whaley Coldiron Jantzen Peters & Webber PLLC, (c) Whitten Burrage, (d) Barnes & Lewis, LLP, and (e) Park, Nelson, Caywood & Jones, LLP, represent Plaintiffs and all other Class Members in this Litigation. These lawyers are called Class Counsel. You will not be charged directly by these lawyers. If the Court authorizes it, these lawyers will be paid in accordance with the Answer to Question No. 17 below. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How will the lawyers be paid?**

Class Counsel intends to seek an award of attorneys' fees not to exceed 40% of the Gross Settlement Fund. Class Counsel has been litigating this case for nearly six (6) years without any payment whatsoever. At the Final Fairness Hearing, Class Counsel will also seek reimbursement from the Gross Settlement Fund of the Litigation Expenses incurred in connection with the prosecution of this Litigation, and will also seek Administration, Notice, and Distribution Costs, which will be incurred through final distribution of the Settlement. Plaintiffs intend to seek a Case Contribution Award relating to their representation of the Settlement Class, taking into account Plaintiffs' time, effort, risk and burden.

**OBJECTING TO THE SETTLEMENT, PLAN OF ALLOCATION, ATTORNEYS' FEES, LITIGATION EXPENSES, AND PLAINTIFFS' CASE CONTRIBUTION AWARD**

**18. How do I tell the Court that I do not like any aspect of the Settlement?**

If you are a Class Member and you do not exclude yourself, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve the Settlement, Allocation Methodology, Initial Plan of Allocation, request for Plaintiffs' Attorneys' Fees or reimbursement of Litigation Expenses, or Case Contribution Award to Plaintiffs. To object, you must file a written statement with the Court saying that you object to the proposed Settlement. You must include in your written statement:

- (a) A heading referring to *Michael Kernen et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, District Court of Garvin County in the State of Oklahoma;
- (b) A statement as to whether you intend to appear at the Final Fairness Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address, and telephone number;
- (c) A reasonably detailed statement of each objection;
- (d) Your name, current address, and current telephone number;
- (e) Your signature;
- (f) Identification of your interest in wells for which you have received payments made by or on behalf of Defendants (by well name, payee well number, and county in which the well is located) during the Claim Period; and
- (g) If you are objecting to any portion of the Plaintiffs' Attorneys' Fees or Litigation Expenses sought by Class Counsel on the basis that the amounts requested are unreasonably high, you must specifically state the portion of Plaintiffs' Attorneys' Fees and/or Litigation Expenses you believe is fair and reasonable and the portion that is not.

If you intend to appear and request permission to speak at the Final Fairness Hearing in person or through counsel, then you must also provide:

- (a) A list of any witnesses the objector wishes to call at the Final Fairness Hearing, together with a brief summary of each witness's expected testimony (to the extent the objector desires to offer expert testimony and/or an expert report, any such evidence must fully comply with the Oklahoma Rules of Civil Procedure, Oklahoma Rules of Evidence, and the Local Rules of the Court);
- (b) A list of and copies of any exhibits the objector may seek to use at the Final Fairness Hearing; and
- (c) A list of any legal authority the objector may present at the Final Fairness Hearing.

**Your written objection must be filed with the Court no later than \_\_\_\_\_, 2024:**

**By the above date, your written objection must be ON FILE with the Court:**

Clerk of the Court  
 Garvin County  
 201 W. Grant St.  
 P.O. Box 239  
 Pauls Valley, OK 73075

**UNLESS OTHERWISE ORDERED BY THE COURT, ANY MEMBER OF THE SETTLEMENT CLASS WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT AND THE APPLICATION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES AND CASE CONTRIBUTION AWARD AND WILL NOT BE ALLOWED TO PRESENT ANY OBJECTIONS AT THE FINAL FAIRNESS HEARING.**

**19. What's the difference between objecting and excluding myself?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Participating Class Member. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself from the Settlement Class, you

have no basis to object, because the Settlement no longer affects you. If you do not exclude yourself from the Settlement Class, you will remain a member of the Settlement Class and will be bound by the terms of the Settlement Agreement (including the release contained therein) and all orders and judgments entered by the Court regarding the Settlement regardless of whether the Court accepts or denies your objection.

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

The Court will hold a Final Fairness Hearing on \_\_\_\_\_, 2024, at \_\_\_\_\_.m. CDT, at the District Court of Garvin County, State of Oklahoma, 201 W. Grant St., Pauls Valley, OK 73075. **Please note that the date of the Final Fairness Hearing is subject to change without further notice. If you plan to attend the hearing, you should check with the Court and [www.\\_\\_\\_\\_\\_.com](http://www._____.com) to be sure no change to the date and time of the hearing has been made.** At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. After the Final Fairness Hearing, the Court will decide whether to approve the Settlement, the Allocation Methodology, and the Initial Plan of Allocation. The Court will also rule on the request for attorneys' fees and litigation expenses by Class Counsel and the request for Case Contribution Award for Plaintiffs relating to their representation of the Settlement Class. We do not know how long it will take the Court to make these decisions.

**21. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court might have for the Settlement Class. But you are welcome to come at your own expense. If you timely and properly file and serve an objection (see Answer to Question No. 18 above), you do not have to come to Court to talk about it. As long as you properly file and serve your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable, and adequate. You also may pay your own lawyer to attend the Final Fairness Hearing, but attendance is not necessary. However, if you fail to timely and properly file and serve an objection, you will not be entitled to be heard at the Final Fairness Hearing regarding any objections.

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

If you are a Class Member who has not requested to be excluded from the Settlement Class, you may ask the Court for permission to speak at the Final Fairness Hearing. To do so, in addition to all of the requirements for objections set forth in the Answer to Question No. 18 above, you must state in your objection that you intend to appear at the Final Fairness Hearing and that you request permission to speak at the Final Fairness Hearing, and you must provide the following additional information in your objection:

- (a) A list of any witnesses you wish to call at the Final Fairness Hearing, together with a brief summary of each witness's expected testimony (to the extent you desire to offer expert testimony and/or an expert report, any such evidence must fully comply with the Oklahoma Rules of Civil Procedure, Oklahoma Rules of Evidence, and the Local Rules of the Court);
- (b) A list of and copies of any exhibits you may seek to use at the Final Fairness Hearing; and
- (c) A list of any legal authority you may present at the Final Fairness Hearing.

If you wish to speak at the Final Fairness Hearing the above information must be included in your objection and filed with the Court no later than \_\_\_\_\_, 2024 at 5 p.m. CDT. You cannot speak at the Final Fairness Hearing if you exclude yourself from the Settlement Class.



## **IF YOU DO NOTHING**

### **23. What happens if I do nothing at all?**

If you do nothing and you are a Class Member, you will receive payment in connection with the Settlement as explained in response to Question No. 9 above if you are entitled to a distribution pursuant to the Allocation Methodology and Final Plan of Allocation, and you will be bound by the Settlement. Unless you exclude yourself from the Settlement Class, neither you nor any other Releasing Party will be able to start a lawsuit or arbitration, continue a lawsuit or arbitration, or be part of any other lawsuit or arbitration against any of the Released Parties based on any Released Claims.

## **GETTING MORE INFORMATION**

### **24. Are there more details about the Settlement?**

This Notice summarizes the Settlement. The complete terms of the Settlement are set out in the Settlement Agreement and the documents referenced therein and attached thereto. You may obtain a copy of the Settlement Agreement, as well as other documents, from the settlement website for free at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) or you may request copies by writing to *Kernen-Citizen Energy Settlement*, c/o JND Legal Administration, Settlement Administrator, PO Box \_\_\_\_\_, Seattle, WA 98111. If you elect to obtain copies from a source other than the free website, there may be a charge to you for copying and mailing such documents. The Settlement Agreement also is filed in *Michael Kernen et al. v. Citizen Energy II, LLC, et al.*, Case No. CJ-2018-7, with the Clerk of the Court for the District Court of Garvin County, State of Oklahoma, 201 W. Grant St., Pauls Valley, OK 73075, and may be obtained from the Clerk's office directly. Further information regarding the Litigation and this Notice may be obtained by contacting Class Counsel at the address provided in the Answer to Question No. 18 above.

### **25. How do I get more information?**

You can visit the website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com), where you will find answers to common questions about the Settlement plus other information to help you determine whether you are a Class Member and whether you are eligible for payment. You can also call 1-888-\_\_\_\_\_ toll free or write to *Kernen-Citizen Energy Settlement*, c/o JND Legal Administration, Settlement Administrator, PO Box \_\_\_\_\_, Seattle, WA 98111.

## **INQUIRIES**

All inquiries concerning this notice or any other questions by Class Members should be directed to the Settlement Administrator as follows:

*Kernen-Citizen Energy Settlement*  
c/o JND Legal Administration, Settlement Administrator  
PO Box \_\_\_\_\_  
Seattle, WA 98111

Toll Free: 1-888-\_\_\_\_\_  
Website: [www.\\_\\_\\_\\_\\_.com](http://www._____.com)  
Email: [info@\\_\\_\\_\\_\\_.com](mailto:info@_____.com)

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.**

DATED: \_\_\_\_\_, 2023

BY ORDER OF THE COURT