

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF WYOMING

FILED
U.S. DISTRICT COURT
DISTRICT OF WYOMING
2014 MAR 24 AM 9 38
STEPHAN HARRIS, CLERK
CHEYENNE
Civil Action No. 13-CV-74-J

The SANDRA K. LANGE TRUST dated)
June 28, 1994, by and through its Trustee)
Sandra K. Lange, STEVEN S. MADRID, and)
R. W. SCOTT INVESTMENTS LLC,)
Suing on Behalf of themselves)
and All Other Similarly Situated Royalty)
Owners,)

Plaintiffs,)

vs.)

WPX ENERGY ROCKY MOUNTAIN, LLC,)
also known as WILLIAMS PRODUCTION)
RMT COMPANY, LLC, a Delaware limited)
liability company,)

Defendant.)

ORDER ON FINAL HEARING, FINAL CERTIFICATION OF WPX SETTLEMENT CLASS, AND
APPROVAL OF WPX CLASS SETTLEMENT

Pursuant to the provisions of the Court's *Order on Plaintiffs' Motion for Preliminary Approval, Hearing and Provisional Certification of the WPX Settlement Class* ("Preliminary Order"), as well as the provisions of the *Class Action Notice* (attached as Exhibit 1 to the *Order on Plaintiffs' Motion for Preliminary Approval, Hearing and Provisional Certification of the WPX Settlement Class* ("Class Notice")) provided to Settlement Class members as provided in the Preliminary Order, a final hearing on the reasonableness and fairness of the proposed settlement in this class action was held on March 24, 2014, at the United States District Court for the District of Wyoming in Cheyenne, Wyoming, before the Honorable Alan B. Johnson. At the

hearing, Cody L. Balzer, J. Nicholas Murdock, Margaret C. Weamer and Matt J. Kelly appeared and represented the Class Representatives and Settlement Class as Class Counsel, and Patrick Day and Trey Overdyke, appeared and represented the Defendant WPX Energy Rocky Mountain LLC (“WPX”).

Pursuant to Fed.R.Civ.P. 23 and 54, the COURT FINDS AND ORDERS AS FOLLOWS:

1. Plaintiffs filed a suit against WPX alleging individual claims and class action claims seeking, among other things, declaratory, injunctive and compensatory relief. Plaintiffs sought certification of a class, including Plaintiffs, under Wyo.R.Civ.P. 23(b)(2) for declaratory and injunctive relief, and a class under Wyo.R.Civ.P. 23(b)(3) for money damages. WPX removed this case to federal court in March of 2013 whereby class certification herein is considered under Fed.R.Civ.P. 23.

2. As a result of negotiations, the parties agreed to settle this action on the terms now memorialized in the Settlement Agreement, executed by and between the parties (the “Settlement Agreement”). The Settlement Agreement is attached as Exhibit 1 to the *Stipulated Motion for Preliminary Approval of Class Settlement Agreement and Notice to Potential Class Members* (“Motion”), and incorporated fully herein. All capitalized terms used in this Order and not defined herein shall have the meanings set forth in the Settlement Agreement. In the event of any conflict between the descriptions in these paragraphs and the more detailed terms of the Settlement Agreement, the Settlement Agreement shall control.

3. This suit involves claims brought under the *Wyoming Royalty Payment Act*, Wyo. Stat. §§ 30-5-301, et seq. including Late Payment Claims, Disputed Deduction

Claims, Statutory Interest Claims, Reporting Claims and Attorneys' Fees Claims, as those terms are defined in the Settlement Agreement.

4. The Court has jurisdiction and venue over this suit and the Settlement Class. Under Fed.R.Civ.P. 23(e), approval of this Court is required for any settlement and dismissal of this action.

Certification of the Settlement Class

5. The Settled Claims as defined in the Settlement Agreement all arise from the same nucleus of operative facts and form part of the same case or controversy as alleged against WPX in Plaintiffs' Second Amended Complaint so that all of the claims approved for settlement by this Order were or could have been asserted as class claims in this Action.

6. The Settlement Class Members are so numerous that joinder is impractical.

7. The Court has conducted a rigorous analysis of the proposed Settlement Class, and finds there are questions of law and fact common to the Settlement Class Members and Plaintiffs sufficient to satisfy the requirements of Fed.R.Civ.P.23. *See Wal-Mart v. Dukes*, 131 S. Ct. 2451 (2011)

8. The questions of law and fact common to the Settlement Class Members predominate over any questions affecting only individual members, and a settlement of Settlement Class Members' Settled Claims by a class action under Fed.R.Civ.P. 23 is superior to other available methods for the fair and effective settlement and adjudication of the controversy. *See Comcast Corporation v Behrend*, 133 S. Ct. 1426 (2013).

9. Plaintiffs' claims are typical of the Settlement Class Members' claims.

10. Plaintiffs are appropriate representatives of the Settlement Class and have and will fairly and adequately represent the interests of the Settlement Class Members.

11. Settlement Class Members have no special interest in individually controlling the prosecution of separate actions.

12. Class Counsel is experienced and fully qualified.

13. No significant difficulties are likely to be encountered in the management of the action as a class action for settlement purposes.

14. The Court hereby certifies as members of the Settlement Class the list of Royalty Payees set forth in Exhibit 1-A to this Order. This list includes all Royalty Payees who have not opted out of the class by filing a timely notice of their request to be excluded from the Settlement Class. Set forth in Exhibit 1-B are those Royalty Payees who have opted out of the class by notifying the Court of their election to be excluded from the Settlement Class and have not timely revoked their election.

Notice of Pendency of the Class Action Proposed Settlement And Hearing

15. Pursuant to the Preliminary Order, and Fed.R.Civ.P. 23(e), Class Counsel provided notice to the parties listed on Exhibits 1-A and 1-B of the compromise and settlement reached in this action via the Class Notice. A copy of the approved Class Notice is attached as Exhibit 1 to the *Order on Plaintiffs' Motion for Preliminary Approval, Hearing and Provisional Certification of the WPX Settlement Class* and is incorporated fully herein.

16. According to *Class Counsel's Report on Status of Class Notice Pursuant to Fed.R.Civ.P. 23(c)(2)* filed with this Court by Class Counsel ("Class Counsel's Report"), the Class Notice was sent via *United States Postal Service Priority Mail* to all

parties listed on Exhibits 1-A and 1-B. *Class Counsel's Report* confirms (1) zero objections were filed to the Class Settlement and (2) the Royalty Payees on Exhibit 1-A remained as Settlement Class Members.

17. According to the *WPX Energy Rocky Mountain, LLC's Report of Compliance – CAFA Notice 28 U.S.C. § 1715*, counsel for Defendant reported WPX had served its CAFA notice of the proposed settlement in this matter upon the appropriate State and Federal officials. WPX served its CAFA notice on December 12, 2013, and a supplemental notice on December 20, 2013. Defendant WPX reports that as of February 28, 2014, no State or Federal official has objected to the proposed settlement.

18. Reasonable and adequate notice of the certification of the Settlement Class and the settlement of the Settlement Class Members' Settled Claims was given through mailing of the Class Notice as approved in the Court's Preliminary Order.

19. Reasonable and adequate notice of the settlement was provided to the appropriate State and Federal officials by Defendant and pursuant to the requirements of *28 U.S.C. § 1715*.

Approval of the Settlement Agreement

20. The settlement was made in good faith.

21. The Settlement Agreement constitutes a fair, adequate and reasonable settlement of all Settled Claims.

22. This Court finds after considering all the circumstances that the Settlement Agreement is fair, equitable and reasonable and should be approved.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
DECREED THAT:**

a. The Settlement Class Members listed in Exhibit 1-A are certified as a class under Fed.R.Civ.P. 23 for purposes of settlement only of Settled Claims, and shall proceed with settlement as provided in this Order and the Settlement Agreement;

b. As of the Approval Event, any Settlement Class Member who has not timely and properly opted out of the Settlement Class shall be deemed, by that fact, to have released WPX and WPX Additional Parties from all Settled Claims as provided in the Settlement Agreement whether or not the Settlement Class Member endorses and presents a Distribution Check;

c. Following the Approval Event, each Settlement Class Member as defined shall become fully bound by all of the releases of Settled Claims and fully bound by other obligations and conditions as set forth herein and in the Settlement Agreement, including but not limited to the Royalty Payment Methodology and Royalty Reporting Methodology;

d. Following the Approval Event, WPX shall become fully bound by all of the releases to each Settlement Class Member all such claims for setoff and recoupment as set forth in the Settlement Agreement, including WPX's Unit Recoupment Claims and WPX shall be fully bound by other obligations and conditions as set forth herein and in the Settlement Agreement, including but not limited to those regarding the Royalty Payment Methodology and Royalty Reporting Methodology;

e. Except as necessary to enforce this Order and the Agreement, Plaintiffs, Settlement Class Members and their heirs, assigns, and successors are forever barred from bringing claims against WPX or WPX Additional Parties for Settled Claims as set forth in the Settlement Agreement.

f. WPX has escrowed with the First Interstate Bank, Casper Branch (“Escrow Agent”) the sum of Eight Million One Hundred Thirty-Five Thousand Dollars (\$8,135,000.00) Dollars (“Escrow Amount”) in accordance with the Settlement Agreement.

g. The date of distribution of the Escrow Amount shall be March 26, 2014.

h. The Escrow Amount shall have accrued interest in the amount of approximately \$2,969.12 through the date of distribution. All such interest should be payable to Settlement Class Members. Class Counsel will receive no portion of the interest.

i. The aggregate amount to be paid from the Escrow Amount to Plaintiffs and Settlement Class Members, including interest, is and shall be \$5,686,552.03 (“Settlement Amount”), which amount shall be paid to Class Members by Class Counsel in the amounts as set forth in Exhibit 2 to this Order.

j. The reasonable fees and costs of Class Counsel are and shall be \$2,451,366.86 (“Permissible Class Counsel Fees”), which amount shall be paid to Class Counsel. Included in Permissible Class Counsel Fees are Administration Costs and Litigation Costs which includes Class Representative Fees and Costs of \$18,000.00 for the Sandra K. Lange Trust, \$18,000.00 for Steven Madrid and \$4,000 for R.W. Scott Investments, LLC.

k. Upon entry of this Order, and satisfaction of the Approval Event, as that term is defined in the Settlement Agreement, WPX and Class Counsel shall instruct the Escrow Agent to release from the Escrow Account all funds to be paid according to the Settlement Agreement. This amount will be released per the Settlement Agreement to

pay the amounts to be distributed to Settlement Class Members, the Permissible Class Counsel Fees, and to refund to WPX that portion of the Escrowed Amount attributable to those sums that would have been paid to Potential Class Members listed in Exhibit 1-B to this Order who have requested to be excluded from the Settlement Class. The amount to be refunded to WPX is \$50.23.

l. No funds will remain in the Escrow Amount after release of the funds and the refund to WPX except for those returned under the timing and requirements of the Settlement Agreement.

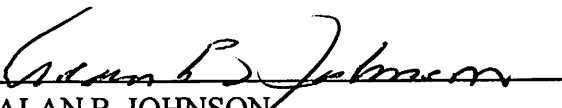
m. The Court shall retain jurisdiction to the extent provided in the Settlement Agreement.

n. Upon entry of this Order, and satisfaction of the Approval Event, as that term is defined in the Settlement Agreement, the Reserved Claims as that term is defined in the Agreement will be deemed severed from the Settled Claims and will be dismissed without prejudice.

o. Upon entry of this Order, and satisfaction of the Approval Event, as that term is defined in the Settlement Agreement, Class Counsel and Defendant shall file a stipulated satisfaction and order of dismissal with prejudice of all Settled Claims as defined in the Settlement Agreement. The order of dismissal with prejudice of the Settled Claims shall be entered by the Court and shall be considered a final appealable order under Fed.R.Civ.P. 54. To the extent such may be necessary in light of the Reserved Claims, this Order is hereby certified as final and appealable under Fed.R.Civ.P. 54(b).

p. This Order affects the interests in real property identified on the list attached to the Settlement Agreement as Exhibit B held by Settlement Class Members listed in Exhibit 1-A to this Order.

DONE IN OPEN COURT this 24 day of March, 2014.


ALAN B. JOHNSON
UNITED STATES DISTRICT JUDGE

Copies to:

Cody L. Balzer, Esq.
J. Nicholas Murdock, Esq.
Matt Kelly, Esq.
Margaret Weamer, Esq.
Patrick Day, Esq.
Trey Overdyke, Esq.
Casey Parker, Esq.