

IN THE DISTRICT COURT OF HUGHES COUNTY
STATE OF OKLAHOMA

FILED
HUGHES COUNTY

APR 12 2019

DAVID LANDON SPEED, on behalf of)
himself and all others similarly situated,)

Plaintiff,)

v.)

JMA ENERGY COMPANY, L.L.C.,)

Defendant.)

Case No. CJ-2016-59

ASHLEY SANFORD, Court Clerk
By _____
DEPUTY

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

This is a proposed class action lawsuit brought by Plaintiff, David Landon Speed (“Plaintiff”), on behalf of himself and as the proposed representative of a Class (defined below), against JMA Energy Company, L.L.C. (“Defendant”), for, among other claims, the alleged nonpayment of interest on the proceeds from the sale of oil and natural gas and their constituents. On March 21, 2019, the Parties executed the Settlement Agreement finalizing the terms of the proposed class action Settlement.¹ The Settlement Agreement (including the Exhibits thereto) sets forth the terms and conditions for the proposed Settlement of the Litigation. In accordance with the terms of the proposed Settlement Agreement, Plaintiff now presents the Settlement Agreement to the Court for preliminary approval under 12 Okla. Stat. § 2023.

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

After reviewing the pleadings and Plaintiff's Motion to Certify the Settlement Class, Preliminarily Approve Class Action Settlement, Approve Form and Manner of Notice, and Set Date for Final Fairness Hearing and Opening Brief in Support ("Motion for Preliminary Approval"), the Court has preliminarily considered the Settlement Agreement and the resulting Settlement to determine, among other things, whether the Settlement Agreement warrants the issuance of notice to the Settlement Classes. Upon reviewing the Settlement Agreement 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 Classes should be certified for the purposes of proceeding forward with the Settlement. The Classes meet all certification requirements of 12 Okla. Stat. § 2023 for a settlement class.

The certified Settlement Classes are defined as follows:

Class A

All non-excluded Persons who are or were Royalty Interest owners in oil and gas wells located in Oklahoma who received payments of Proceeds of Production from Defendant (or Defendant's designee) with payment dates between June 1, 2000 and December 31, 2016 which were not or claimed not to have been made within the applicable time periods set forth in Oklahoma's Production Revenue Standards Act, Okla. Stat., tit. 52, §570.1, *et. seq.*

Class B

All non-excluded Persons who are or were an owner of an Other Interest in oil and gas wells located in Oklahoma who received payments of Proceeds of Production from Defendant (or Defendant's designee) with payment dates between June 1, 2000 and December 31, 2016 (or Defendant's designee) which were not or claimed not to have been made within the applicable time periods set forth in Oklahoma's Production Revenue Standards Act, Okla. Stat., tit. 52, §570.1, *et. seq.*

The Persons excluded from the Settlement Class are: (1) agencies, departments, and/or instrumentalities of the United States of America or the State of Oklahoma and (2) publicly traded oil and gas companies and their affiliates; and (3) officers of the Court.

3. The Court finds the above-defined Settlement Classes satisfy all prerequisites of 12 Okla. Stat. § 2023 for certification of a settlement class and appear fair, reasonable and adequate to the Settlement Classes, and should be preliminarily approved by the Court, including the Claim Form for Class B Members.

4. Plaintiff and Plaintiff's Counsel have demonstrated the representative party will fairly and adequately protect the interests of the classes for the purposes of the proposed Settlement Classes. In addition, because the Court finds Plaintiff, David Landon Speed, to be an adequate representative of the Settlement Classes, and Plaintiff's Counsel The Lanier Law Firm, P.C. (Reagan Bradford) to be adequate Class Counsel for the Settlement Classes, the Court hereby appoints Plaintiff as Class Representative; and Plaintiff's Counsel The Lanier Law Firm, P.C. (Reagan Bradford) as Settlement Class Counsel for the Settlement Classes.

5. In sum, the Court finds the Settlement Classes should be certified for the purposes of this proposed class settlement, as the Settlement Classes meet all certification requirements of 12 Okla. Stat. § 2023 for a settlement class. The Settlement Classes are certified for settlement purposes only. In determining whether the requirements of 12 Okla. Stat. § 2023 have been satisfied for purposes of certifying the above classes 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 Classes. Among other impacts of settlement, the Court need not inquire whether the case, if tried, would present intractable case management problems since 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 Classes certified by agreement here for settlement purposes could have ever been certified in this case as a class for litigation purposes.

6. The Court preliminarily finds: (i) the proposed Settlement Agreement resulted from extensive arm's-length negotiations; (ii) the proposed Settlement Agreement was agreed to only after Class Counsel had conducted legal research, extensive discovery, and expert analysis regarding the strengths and weakness of Class Representative and the Class' claims; (iii) Class Representative and Class Counsel have concluded that the proposed Settlement Agreement is fair, reasonable, and adequate; and (iv) the proposed Settlement is sufficiently fair, reasonable, and adequate to warrant sending notice of the proposed Settlement Agreement and resulting Settlement to the Settlement Classes.

7. Having considered the essential terms of the Settlement Agreement under the recognized standards for preliminary approval as set forth in the relevant jurisprudence, the Court preliminarily approves the Settlement Agreement, subject to the right of any member of the Settlement Classes to challenge the fairness, reasonableness, and adequacy of the Settlement, Settlement Agreement, or Allocation Methodology, 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 members of the Settlement Classes has been given in conformity with this Order. As such, the Court finds that those Settlement Class Members whose claims would be settled, compromised, dismissed, and released pursuant to the Settlement Agreement should be given notice and an opportunity to be heard regarding final approval of the Settlement Agreement and other matters.

8. The Court further preliminarily approves the form and content of the proposed Notice of Settlement, attached to the Settlement Agreement as Exhibits 3 and 4, respectively.

The Court finds Exhibit 3, the notice to be mailed, and Exhibit 4, the notice to be published, 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 Okla. Stat. § 2023. The Court finds the form and content of the Notice of Settlement fairly and adequately, among other matters: (i) summarizes the terms and effect of the Settlement Agreement and resulting Settlement; (ii) notifies the Classes that Plaintiff will seek Plaintiff's Attorneys' Fees, reimbursement of Litigation Expenses, and a Case Contribution Award for Class Representative's services; (iii) notifies the Class of the time and place of the Final Fairness Hearing as initially set by the Court; (iv) describes the procedure for requesting exclusion from the Settlement; and (v) describes the procedure for objecting to the Settlement or any part thereof.

9. The Court also preliminarily approves the proposed manner of communicating the Notice of Settlement to the Classes, as set out below, and finds that 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 applicable Constitutional standards and the requirements of other applicable laws, including due process and 12 Okla. Stat. § 2023:

a. Within 45 days after entry of the Preliminary Approval Order or as soon as ordered by the Court, the Settlement Administrator will mail (or cause to be mailed) the Notice of Settlement by first class mail to all putative members of the Settlement Classes who have been identified after reasonable efforts to do so. The Notice of Settlement will be mailed to such Persons using the data and information described in the Settlement Agreement and any updated information found by the Settlement Administrator. Within 10 days after mailing the first Notice of Settlement, the

Settlement Administrator also shall publish (or cause to be published) the summary Notice of Settlement 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 Dewey County Recorder*, a paper of general circulation in Western Oklahoma; and (d) such other newspapers as Defendant may designate, provided, however, the costs of publication as charged by such additional newspapers shall be paid by Defendant. The Settlement Administrator will also publish the summary form of the Notice of Settlement as described below. It is not reasonable or economically practical for the Parties to do more to determine the names and addresses of Class Members.

b. Within 10 days after mailing the first Notice of Settlement and 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: (1) the Notice of Settlement, (2) the Petition and Defendant's Answer to the Petition, (3) the Settlement Agreement (including the exhibits thereto), and (4) this Preliminary Approval Order.

10. In keeping with the Court's approval of the form, content, and manner for the Notice of Settlement, any future communications concerning the Settlement of this Litigation shall be approved by the Court prior to their distribution to Class Members. This provision does not apply to Defendant's payment of proceeds or other communications made in the usual and ordinary course of its business.

11. 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 Agreement and resulting Settlement are 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.

12. Pursuant to 12 Okla. Stat. § 2023, a Final Fairness Hearing shall be held on July 12, 2019 at 1:30 P.M. in the District Court of Hughes County, to, among other related matters:

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

b. determine whether the notice method utilized: (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 proposed Settlement Agreement and the Settlement contemplated therein, 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 standards and all applicable requirements of 12 Okla. Stat. § 2023 and any other applicable law;

c. determine whether the Judgment should be entered pursuant to the Settlement Agreement dismissing the Litigation against Defendant with prejudice and

extinguishing, releasing, and barring all Released Claims against all Released Parties, 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 Net Settlement Fund among Class Members who are part of the Settlement Classes;

e. determine whether the applications for Plaintiff's Attorneys' Fees, for reimbursement of Litigation Expenses, and for a Case Contribution Award to Class Representative 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 to a future date, and/or reconvene the Final Fairness Hearing, or any aspect thereof (including the consideration of the application for Plaintiff's Attorneys' Fees and reimbursement of Litigation Expenses), without further notice to the Settlement Class of the revised hearing date. The Court may also approve the Settlement Agreement at or after the Final Fairness Hearing without notice to the Settlement Class of any revised hearing date. The Settlement Administrator will update the website maintained pursuant to this Order to reflect the current information about the date and time for the Final Fairness Hearing, so that those persons interested in attending the Final Fairness Hearing may check the Settlement website for updated information regarding the date of the Final Fairness Hearing.

14. Class A Members wishing to exclude themselves from the Settlement Class must submit to the Settlement Administrator a valid and timely Request for Exclusion. Requests for Exclusion must include: (a) the Class A Member's name, address, telephone number, and notarized signature; (b) a statement that the Class A Member wishes to be

excluded from the Settlement Class in *David Landon Speed v. JMA Energy Company, L.L.C.*; and (c) a description of the Class A Member's interest in any wells for which it has received payments from Defendant, including the name, well number, county in which the well is located, and the owner identification number. All Requests for Exclusion must be mailed to the Settlement Administrator by United States Certified Mail, return receipt requested, using the addresses for the Settlement Administrator shown in the Notices that will be mailed to members of the Settlement Class, and published in certain newspapers. Each Request for Exclusion must be received by the Settlement Administrator by May 28, 2019, unless such deadline is changed or altered by order of this Court. The Settlement Administrator is directed to in turn promptly email each Request for Exclusion it receives to Plaintiff's Counsel and Defendant's Counsel, using email addresses each set of counsel will provide to the Settlement Administrator. The Settlement Administrator is directed to file a report of the Requests for Exclusion with the Court prior to the date of the Final Fairness Hearing. Requests for Exclusion may not be submitted through the website or by phone, facsimile, or email. A Request for Exclusion shall be effective after the Court approves its sufficiency in connection with its final approval order and judgment. Any Class A Member of the Settlement Class that has not timely and properly submitted a Request for Exclusion shall be a Class Member and shall be bound by the terms of the Settlement Agreement and the resulting Settlement if the Court finally approves the Settlement Agreement.

15. In order for a Class B Member or putative Class B Member to be included in the Settlement Class and subject to and bound by the terms and conditions contained in the Settlement Agreement, such Member must properly and timely submit a valid Claim Form to the Settlement Administrator in the manner provided for in the Settlement Agreement. Any

Class B Member or putative Class B Member who does not properly submit a valid Claim Form shall have no right to any portion of the Net Settlement Fund and no right to thereafter object to the Settlement Agreement in any way, including but not limited to the fairness, reasonableness and/or amount, or any aspect of the Settlement, Notice of Settlement, Plaintiff's counsel's request for 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. To the extent a Person owns both Royalty Interests and Other Interests, whether such interests are owned separately, jointly, in common or as undivided interests, such Person shall be considered for this Settlement Agreement as one separate Class A Member to the extent of all Royalty Interests owned and as one separate Class B Member to the extent of all Other Interests owned, including, without limitation, all rights, procedures, elections, payment and release of claims.

16. Any Settlement Class Participant who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement, any term of the Settlement Agreement, the Allocation Methodology, the request for Plaintiff's Attorneys' Fees and Litigation Expenses, or the proposed 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: (1) A heading referring to *Speed v. JMA Energy Company, LLC*, Case No. CJ-16-59, Hughes County District Court, Oklahoma; (2) 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 the counsel by name, address, telephone number and email address, if any; (3) A detailed statement of the specific legal and factual basis for each and every objection; (4) A list of any known witnesses the objector wishes to call at the

Settlement 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, compliance with state evidentiary law and any applicable Local Rules of the Court will be required); (5) A list of and copies of any exhibits the objector may seek to use at the Settlement Fairness Hearing; (6) The objector's name, current address, current telephone number, and current email address together with all owner numbers assigned by the Defendant for the objector's interest(s) in Proceeds of Production; (7) The objector's signature executed before a Notary Public; (8) If the objector is objecting to any portion of Plaintiff's and Plaintiff's Counsel's requested attorneys' fees, Litigation Expenses, or Case Contribution Award, the objector must specifically state the portion of attorneys' fees, Litigation Expenses, and/or Case Contribution Award (whichever applies to the objection) that the objector believes is fair and reasonable and the portion that is allegedly not fair and reasonable. Such written objections must be filed with the Court in the Litigation no later than May 28, 2019 at 5:00 p.m. Central time. Any Settlement Class Participant 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. Either or both Party's Counsel may file a reply or response to any objections. The procedures set forth in this paragraph do not supplant, but are in addition to, any procedures required by 12 Okla. Stat. § 2023.

17. Any objector who timely files and serves a valid written objection in accordance with the above paragraph must 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 in addition to the requirements set forth above.

18. The Court further finds any objector who fails to strictly follow the procedure for objecting to the Settlement Agreement or Plaintiff's and Plaintiff's Counsel's requested attorneys' fees, Litigation Expenses, or Case Contribution Award, as set forth in the Settlement Agreement and Plan of Notice, shall not be permitted to raise or pursue an objection at the Final Fairness Hearing, and such failure shall constitute waiver of any such objection.

19. If the Settlement is not granted final approval 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 Agreement, Settlement, and any actions taken or to be taken by the Court 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. Any obligations or provisions relating to the refund of Plaintiff's Attorneys' Fees, Litigation Expenses, the payment of Administration, Notice, and Distribution Costs already incurred, and any other obligation or provision in the Settlement 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 resulting 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 Agreement, are hereby stayed and suspended until further order of this Court.

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 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 the Defendant and any other Released Party of any fault, wrongdoing, breach, or liability, or the propriety of maintaining this Litigation as a contested class action. Defendant specifically denies any such fault, wrongdoing, breach, liability, and allegations 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 Representative or the members of the putative 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 Agreement and any proceedings taken pursuant thereto are for settlement purposes only.

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

IT IS SO ORDERED this 12th day of April, 2019.



The Honorable Timothy Olsen

ASHLEY SANFORD, Court Clerk for Hughes County Oklahoma, hereby certify that the foregoing is a true, correct, and complete copy of the instrument herewith set out as appears of Record in the Court Clerk's Office of Hughes County, Oklahoma.

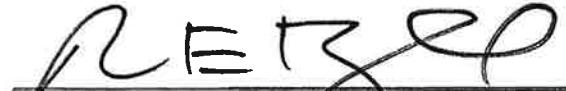
This 12th day of April 2019

ASHLEY SANFORD Court Clerk
By Rachel Bittel Deputy



APPROVED:

CLASS COUNSEL:

A handwritten signature in black ink, appearing to read 'REBRAD', is written over a horizontal line.

REAGAN E. BRADFORD OBA No. 22072

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