

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

HENRY SEELIGSON, JOHN M. SEELIGSON,
SUZANNE SEELIGSON NASH, and SHERRI
PILCHER, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

DEVON ENERGY PRODUCTION COMPANY,
L.P.,

Defendant.

Civil Action No. 3:16-cv-00082-K

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (“Settlement Agreement”) is entered on this 30th day of December, 2020 by and among Named Plaintiffs Henry Seeligson, John M. Seeligson, Suzanne Seeligson Nash, and Sherri Pilcher (the “Named Plaintiffs”) and the Certified Class (defined herein), and Defendant Devon Energy Production Company, L.P. (“DEPCO” or “Defendant”), by and through their respective counsel (together, the “Settling Parties”).

RECITALS¹

WHEREAS, on October 24, 2014, Named Plaintiffs filed an action entitled *Henry Seeligson, John M. Seeligson, Suzanne Seeligson Nash, and Sherri Pilcher v. Devon Energy Production Company, L.P.* in the United States District Court for the Eastern District of Texas, and that action was assigned to the Honorable Rodney Gilstrap and given the case number 2:14-cv-00996-JRG-RSP (“Seeligson” or the “Litigation”);

¹ These Recitals incorporate certain capitalized terms that are defined in Section I, *infra*.

WHEREAS, the Litigation was transferred from the Eastern District of Texas to the Northern District of Texas on January 12, 2016, assigned to the Honorable Ed Kinkeade, and given the case number 3:16-cv-00082-K;

WHEREAS, the *Seeligson* First Amended Class Action Complaint (ECF No. 49) (the “Amended Complaint”) alleged that DEPCO improperly calculated and intentionally underpaid millions of dollars in royalties to Named Plaintiffs and other lessors for processing gas extracted from Texas wells at the Bridgeport Gas Processing Plant (the “Bridgeport Plant”) owned by DECPO’s affiliate, Devon Gas Services (“DGS”), from January 1, 2008 through February 28, 2014 (the “Class Period”) and Defendant answered, denied the claims, and counterclaimed;

WHEREAS, Named Plaintiffs and Plaintiffs’ Counsel have prosecuted the Litigation including discovery of documents and data, motion practice, depositions, research, accounting records review and analysis consultation, by and with expert witnesses, settlement mediations, land and lease record review and analysis, engineering review and analysis, damage modeling, and other investigations and preparation;

WHEREAS, Named Plaintiffs and Plaintiffs’ Counsel acknowledge that during the course of their prosecution of the Litigation, they have received, examined, and analyzed information, documents, testimony, and materials 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 and their experts and consultants, Named 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 Class and Named Plaintiffs;

WHEREAS, the Settling Parties, following discovery, investigation, and careful analysis of their respective claims and defenses, and with full understanding of the risks, expense, and uncertainty of continued litigation, desire to compromise and settle all issues and claims that were brought in the Action by or on behalf of Named Plaintiffs and members of the Class, on the one hand, and DEPCO, on the other hand;

WHEREAS, the Settling Parties agree that neither this Settlement Agreement nor the underlying Settlement shall constitute or be construed as any admission of liability or wrongdoing on the part of Defendant or any Released Party, which is expressly denied, or that Named Plaintiffs' claims or similar claims are or would be suitable for class treatment if the Action proceeded through litigation and trial;

WHEREAS, the Settling Parties also agree that neither this Settlement Agreement nor the underlying Settlement shall constitute or be construed as evidence of or an admission or concession on the part of Named Plaintiffs of any infirmity in any of the claims asserted in the Litigation, or an admission or concession that any of Defendant's defenses to liability or counterclaims had any merit; and

WHEREAS, the Settling Parties conducted arm's-length negotiations concerning a proposed class-wide settlement before mediator David Folsom, retired United States District Judge for the United States District Court for the Eastern District of Texas;

NOW THEREFORE IT IS HEREBY STIPULATED AND AGREED, by and among the Settling Parties, subject to the approval of the Court, that the Litigation shall be fully and finally compromised, settled, and released, and that the Litigation shall be dismissed with prejudice subject to and upon the terms and conditions described below.

I. DEFINITIONS

As used throughout this Settlement Agreement and any exhibits made a part hereof, the following terms shall have the meanings set forth below (and the below meanings shall apply without regard for whether the term is used in the singular or in the plural):

1. Amended Complaint

“Amended Complaint” means the complaint against DEPCO in the Litigation filed on June 10, 2015.

2. Bridgeport Plant

“Bridgeport Plant” means the Bridgeport Gas Processing Plant, where gas was processed by DEPCO’s affiliate, DGS, and royalties on such gas were underpaid to Named Plaintiffs.

3. Certified Class

“Certified Class” has the meaning set forth in Section II(1) below.

4. Class Counsel or Plaintiffs’ Counsel

“Class Counsel” or “Plaintiffs’ Counsel” means Kessler Topaz Meltzer & Check, LLP, the Seidel Law Firm, P.C., Wick Phillips Gould & Martin, LLP, and Mattingly & Roselius, PLLC.

5. Class Members

“Class Members” means all members of the Certified Class who do not timely submit an Opt Out Request after receiving Class Notice.

6. Class Notice

“Class Notice” means the notice of Settlement that will be provided to Putative Class Members in accordance with the Notice Plan, as defined herein. Class Notice will include a “Summary Notice” to be mailed and/or emailed to Putative Class Members and published in the Dallas, Fort Worth, Denton, and Wise County local newspapers in substantially the same form as Exhibit 1. The “Summary Notice” will include a reference to a Settlement Website containing

further details about the Settlement that shall be established, maintained, and operated by the Settlement Administrator consistent with this Settlement Agreement, and will also provide a telephone number Putative Class Members may call with questions about the Settlement. “Long Form Class Notice” means the notice of Settlement that will be posted on the Settlement Website, in substantially the same form as Exhibit 2.

7. Court

“Court” means the United States District Court for the Northern District of Texas.

8. Defendant or DEPCO

“Defendant” or “DEPCO” means Devon Energy Production Company, L.P.

9. DEC

“DEC” means Devon Energy Corporation.

10. DGS

“DGS” means Devon Gas Services, LP, an affiliate of DEPCO.

11. Distribution Check

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

12. Effective Date of Settlement

“Effective Date of Settlement” means the first date after: (1) the Court enters the Final Order and Judgment, in all material respects similar to the form attached hereto as Exhibit 3; and (2) all appellate rights with respect to said Final Order and Judgment have expired or been exhausted in such a manner as to affirm the Final Order and Judgment, except that an appeal solely from any award of attorneys’ fees to Class Counsel or the Plan of Allocation (as submitted or subsequently modified), shall not extend the Effective Date of Settlement.

13. Fairness Hearing

“Fairness Hearing” means the final hearing, held after the Preliminary Approval Order is issued and notice of the Settlement is disseminated to the Class, in which the Court will determine whether this Settlement Agreement should be approved as fair, reasonable, and adequate, and whether the proposed Final Order and Judgment should be entered, as well as to determine the amount of attorney’s fees and costs to be awarded to Class Counsel.

14. Gross Settlement Fund or Settlement Fund

“Gross Settlement Fund” means the total cash amount of \$28,000,000.00 to be paid by Defendant to the Class, plus any accrued interest earned on this amount while held in escrow, subject to the conditions, qualifications and reductions set forth in this Settlement Agreement.

15. Litigation or Action

“Litigation” or “Action” refers to the Civil Action No. 3:16-cv-00082-K captioned *Seeligson et al. v. Devon Energy Production Co., L.P.*, pending in the United States District Court for the Northern District of Texas.

16. Named Plaintiffs

“Named Plaintiffs” means Henry Seeligson, John M. Seeligson, Suzanne Seeligson Nash, and Sherri Pilcher.

17. Net Settlement Fund

“Net Settlement Fund” means the Gross Settlement Fund less: (1) Plaintiffs’ Counsel’s attorneys’ fees and expenses awarded by the Court; (2) any Service Awards awarded by the Court; (3) all of the Administration Expenses; (4) any other costs and expenses that the Court orders to be deducted from the Gross Settlement Fund; and (5) the amount of money attributable to the interests of Putative Class Members who have timely and properly opted out of the Class, as set forth in Section II(5)(b) below.

18. Notice Plan

“Notice Plan” means the process described in Section II(4) below for sending and publishing notice of the Settlement.

19. Plaintiffs

“Plaintiffs” means Named Plaintiffs.

20. Plan of Allocation

“Plan of Allocation” means the Plan of Allocation approved by the Court from which the final calculation of the Distribution Check is made that will be sent to each Class Member, as described in Section II(10) below and set forth in Exhibit 4 hereto.

21. Putative Class Members

“Putative Class Members” means all members of the Certified Class as defined.

22. Residual Unclaimed Funds

“Residual Unclaimed Funds” means any portion of the Net Settlement Fund that has not been deposited or cashed by a Class Member, including but not limited to: (i) the total amount of Distribution Checks sent to Class Members who later cannot be located by the Settlement Administrator through reasonable commercial efforts; and (ii) the amount of Distribution Checks sent to Class Members that are voided because they are not cashed or deposited within the time specified on the Distribution Check.

23. Service Award

“Service Award” means the monetary amount awarded by the Court to each Named Plaintiff in recognition of the Named Plaintiffs’ assistance in the prosecution of this Action. Any such Service Award shall be subject to the approval of the Court.

24. Settlement

“Settlement” means the settlement contemplated by this Stipulation and Agreement of Settlement.

25. Settlement Agreement

“Settlement Agreement” means this Stipulation and Agreement of Settlement.

26. Settlement Administrator

“Settlement Administrator” refers to the firm Heffler Claims Group, a third-party entity proposed by the Settling Parties and appointed by the Court to handle the administration of the Settlement consistent with this Settlement Agreement, including distribution of notice to Putative Class Members, calculating distributions to Class Members, and processing payment consistent with this Settlement Agreement.

27. Settlement Website

“Settlement Website” refers to a dedicated website containing further details about the substance and procedure of the proposed Settlement that shall be established, maintained, and operated by a Settlement Administrator consistent with this Settlement Agreement.

28. Settling Parties

“Settling Parties” means the Named Plaintiffs and DEPCO.

II. SETTLEMENT CONSIDERATION

It is agreed by the undersigned, on behalf of the Plaintiffs and the Certified Class, on the one hand, and Defendant, on the other, that this Litigation and all claims of the Plaintiffs and the Certified Class and counterclaims of the Defendant be settled, compromised, and dismissed with prejudice as to the Settling Parties (and, except as hereinafter provided, without costs as to Plaintiffs, the Certified Class, or Defendant), subject to Court approval, on the following terms and conditions:

1. Certified Class

The Court has previously certified the following class (“Certified Class” or “Class”):

All persons or entities who, between January 1, 2008 and February 28, 2014, (i) are or were royalty owners in Texas wells producing natural gas that was processed through the Bridgeport Plant by DGS; (ii) received royalties from DEPCO on such gas; (iii) had oil and gas leases that were on one of the following forms: Producers 88-198(R) Texas Paid-Up (2/93); MEC 198 (Rev. 5/77); Producers 88 (Rev. 10-70 PAS) 310; Producers 88 Revised 1-53—(With Pooling Provision); Producers 88 (2-53) With 640 Acres Pooling Provision; Producers 88 (3-54) With 640 Acres Pooling Provision; Producers 88 (4-76) Revised Paid Up with 640 Acres Pooling Provision; Producers 88 (7-69) With 640 Acres Pooling Provision; and Producers 88 (Rev. 3-42) With 40 Acres Pooling Provision (the “Class Lease Forms”); and (iv) had one or more of the oil and gas leases listed on the “Class Lease List”².

Excluded from the Class are: (1) overriding royalty interest owners who derive their interest through the oil and gas lease; (2) all governmental entities, including federal, state, and local governments and their respective agencies, departments, or instrumentalities; (3) the States and territories of the United States or any foreign citizens, states, territories, or entities; (4) the United States of America; (5) publicly traded entities and their respective parents, affiliates, and related entities; (6) owners of any interests and/or leases located on or within any federally created units; (7) owners of any non-operating working interest for which DEPCO or its agents or representatives, as operator, disburses royalty; (8) DEPCO and any entity in which DEPCO has a controlling interest, and their officers, directors, legal representatives and assigns; and (9) members of the judiciary and their staff to whom this Action is assigned.

2. Reasonable Best Efforts to Effectuate This Settlement

Counsel for Plaintiffs and Defendant agree to recommend approval of this Settlement Agreement to the Court and to undertake their reasonable best efforts, including undertaking all actions contemplated by and steps necessary to effectuate this Settlement Agreement, to carry out the terms of this Settlement Agreement and to secure the prompt, complete, and final dismissal with prejudice of all claims in the Litigation.

² The “Class Lease List” is Exhibit 5 to the Settlement Agreement and is being filed under seal herewith. The Class Lease List will be unsealed and attached to any Order granting Final Approval of the Settlement.

This includes Defendant serving notice of this proposed Settlement to the Attorney General of the United States, and to the attorneys general of each state or territory in which a Putative Class Member resides, in compliance with the attorney general notification provision of the Class Action Fairness Act, 28 U.S.C. § 1715, within ten (10) days after the Settlement Agreement is filed with the Court. The notice will include (1) a copy of the Amended Complaint, (2) a copy of this Settlement Agreement and its exhibits, and (3) a reasonable estimate of the number of Putative Class Members in each state/territory and their percentage representation in the Class. Defendant shall provide copies of such notifications to Class Counsel at the time of their submission to the attorneys general.

3. Motion for Preliminary Approval of the Settlement

Plaintiffs shall submit to the Court—and Defendant shall support—a motion (the “Motion”) requesting entry of an order preliminarily approving the Settlement, and authorizing dissemination of notice to the Certified Class (the “Preliminary Approval Order”) substantially in the form of Exhibit 6 hereto. The Motion shall:

- a. request preliminary approval of the Settlement set forth in this Settlement Agreement as fair, reasonable, and adequate within the meaning of Fed. R. Civ. P. 23, and in the best interests of the Class;
- b. request a stay of all proceedings in the Litigation, except those proceedings provided for or required by this Settlement Agreement;
- c. seek approval for direct mail notice to the Class by means of the Summary Notice and publication of the Summary Notice in the Dallas, Tarrant, Denton, and Wise County local newspapers, in substantially the same form as Exhibit 1 and publication of the Long Form Class Notice on a Settlement Website, in substantially the same form as Exhibit 2; and

d. include a proposed form of order, which includes such provisions as are typical in such orders, including a finding that the proposed notice plan complies with Rule 23 and the requirements of due process, and a provision that if preliminary or final approval of the Settlement is not obtained, the Settlement is null and void and the Settling Parties will revert to their positions *ex ante* without prejudice to their rights, claims, or defenses.

4. Notice Plan

a. The Settlement Administrator will supervise and administer the Notice Plan.

b. Defendant agrees to provide all information reasonably necessary (including, without limitation, supporting declarations) for the Settlement Administrator to issue notice to each Putative Class Member and for Plaintiffs' Counsel and their experts to finalize the Plan of Allocation.

c. The Settlement Administrator shall, not later than twenty-one (21) calendar days after entry of the Preliminary Approval Order: (i) send through the United States mail, by first-class mail, postage prepaid, the Summary Notice substantially in the form attached as Exhibit 1 on a postcard to each royalty owner identified in the information provided by Defendant as set forth in Paragraph 4(b) above or who may otherwise be identified with reasonable effort (the date on which the mailing of the Summary Notice occurs shall be referred to herein as the "Notice Date"), and (ii) send through email the Summary Notice to each royalty owner with an e-mail address identified in the information provided by Defendant as set forth in Paragraph 4(b) above.

d. Contemporaneously with the mailing of the Summary Notice, the Settlement Administrator shall cause the Summary Notice to be published in the Dallas, Fort Worth, Denton, and Wise County local newspapers.

e. Contemporaneously with the mailing of the Summary Notice, the Settlement Administrator shall cause a copy of the Long Form Class Notice substantially in the form attached

as Exhibit 2 to be posted on the website designed for this lawsuit, <http://www.seeligsonsettlement.com>, from which Putative Class Members may download a copy of the Long Form Class Notice, and certain other filings in this case.

f. For any Summary Notices that are returned as undeliverable, the Settlement Administrator shall perform skip tracing, and re-mail the postcards to any new addresses discovered through the skip tracing process.

g. Class Notice shall inform recipients that if they owned any royalty interest in wells producing natural gas processed at the Bridgeport Gas Processing Plant between January 1, 2008 and the February 28, 2014, but no longer own such interest, they must notify the Settlement Administrator or Class Counsel within forty-five (45) calendar days of the Notice Date whether they retained any rights to any proceeds of this Litigation; if not, any proceeds from the Settlement will be paid to the royalty owner as reflected in DEPCO's pay histories for such interest as of the February 2014 production month, or last production month in time prior thereto.

h. The deadline for requesting to opt out of the Class shall be no later than forty-five (45) calendar days after the Notice Date ("Opt-Out Deadline").

i. The deadline for filing an objection to the Settlement shall be no later than ninety (90) calendar days after the Notice Date ("Objection Deadline").

j. No later than seven (7) calendar days before the Fairness Hearing, Class Counsel shall file with the Court a declaration containing proof of mailing, e-mailing, and publishing of the Summary Notice, and setting forth a list of all persons and entities who have requested to opt out of the Class and serve copies of the same on all parties.

k. Neither Defendant, Defendant's counsel, Plaintiffs, the Class, nor Plaintiffs' Counsel shall have any liability for failure for notice of the Settlement to reach any Putative Class Member.

5. Response to Class Notice

a. **Objection to Settlement.** Any Class Member who intends to object to any aspect of the Settlement must, by the date specified in the Preliminary Approval Order and recited in the Class Notice, file any such objection with the Court, and provide copies of the objection to:

Geoffrey C. Jarvis
Melissa L. Troutner
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Tel: (610) 667-7706
Fax: (610) 667-7056
Email: gjarvis@ktmc.com
Email: mtroutner@ktmc.com

-and-

Craig A. Haynes
P. Jefferson Ballew
Rachelle H. Glazer
Julie Abernethy
THOMPSON & KNIGHT LLP
1722 Routh Street, Suite 1500
Dallas, TX 75201
Tel: (214) 969-1700
Fax: (214) 969-1751
Email: Craig.Haynes@tklaw.com
Email: Jeff.Ballew@tklaw.com
Email: Rachelle.Glazer@tklaw.com
Email: Julie.Abernethy@tklaw.com

Any objection to the Settlement must be individually and personally signed by the Class Member submitting it (if the Class Member is represented by counsel, the objection must also be signed by such counsel), and must include:

- The objecting Class Member's full name, tax identification number, owner number or Bus Assoc #, mailing address, telephone number, and email address;
- A copy of the Class Member's oil and gas lease;
- A written statement of all grounds for the objection, accompanied by any legal support for the objection;
- Copies of any papers, briefs, or other documents upon which the objection is based;
- The name, address, email address, and telephone number of every attorney representing the objector; and
- A statement indicating whether the objector and/or his or her counsel intends to appear at the Fairness Hearing and, if so, a list of all persons, if any, who will be called to testify in support of the objection.

b. Opt Out Requests. Any Putative Class Member who does not wish to remain in the Class must submit a request to opt out of the Class ("Opt Out Request") to the Settlement Administrator at the address specified in the Class Notice by the date specified in the Preliminary Approval Order and recited in the Class Notice. To be effective, the Opt Out Request must be sent via first-class U.S. mail to the specified address and:

- Include the Class Member's full name, tax identification number, owner number or Bus Assoc #, mailing address, telephone number, and email address;
- Explicitly and unambiguously state his or her desire to opt out of the Class in *Henry Seeligson, John M. Seeligson, Suzanne Seeligson Nash, and Sherri Pilcher v. Devon Energy Production Company, L.P.*, Civil Action No. 3:16-cv-00082-K (N.D. Tex.); and
- Be individually and personally signed by the Putative Class Member (if the Putative Class Member is represented by counsel, it must also be signed by such counsel).

Any Putative Class Member who fails to send a timely and complete Opt Out Request to the proper address, shall be subject to and bound by this Settlement Agreement and every order or judgment entered in the Litigation. Any purported Opt Out Request or other communication sent to such address that is unclear or internally inconsistent with respect to the Class Member's desire to opt out of the Class will be deemed invalid unless determined otherwise by the Court.

Any communication from a Putative Class Member (whether styled as an Opt Out Request, an objection, or a comment) as to which it is not readily apparent that the Putative Class Member meant to opt himself or herself out of the Class will be evaluated jointly by Class Counsel and DEPCO's counsel, who will make a good faith evaluation, if possible, of the Putative Class Member's intentions. Any uncertainties about whether a Putative Class Member is requesting to opt out of the Class will ultimately be resolved by the Court.

The Settlement Administrator will maintain a list of all Opt Out Requests. The Settlement Administrator shall report the full name, owner number or Bus Assoc #, mailing address, telephone number, and email address of all such entities and natural persons requesting to opt out of the Class to DEPCO and Class Counsel sixty (60) calendar days after the Notice date and to the Court seven (7) calendar days prior to the Fairness Hearing, and the list of entities and natural persons deemed by the Court to have opted themselves out of the Class will be attached as an exhibit to the Final Order and Judgment.

Neither Defendant, Defendant's Counsel, nor anyone acting on behalf of said persons or entities shall encourage anyone to submit an Opt Out Request.

In addition to the grounds set forth in Paragraph 15 below, DEPCO, in its sole discretion and at its sole option, reserves the right, but not the obligation, to terminate the Settlement Agreement and render the Settlement Agreement null and void as to all Settling Parties, in the

event that Putative Class Members who have timely and validly requested to opt out of the Class meet the conditions set forth in the Settling Parties' confidential supplemental agreement (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Long Form Class Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises concerning its interpretation or application.

Any monies allocated to volumes of Opt Out Requests shall be returned to Defendant at the time Distribution Checks are sent to Class Members.

c. Persons Objecting to the Settlement. Neither Defendant nor the Class shall be responsible for attorneys' fees, costs, or expenses related to any Class Members who submit objections to the Settlement or any appeal by an objector arising from the Litigation for attorneys' fees, costs, or expenses of any kind.

6. Motion for Final Approval and Entry of Final Judgment

If the Court preliminarily approves this Settlement Agreement, Plaintiffs shall submit—and Defendant shall support—a motion for final approval by the Court of this Settlement Agreement ("Final Approval Motion") after notice has been disseminated to the Class pursuant to the Preliminary Approval Order. The Final Approval Motion shall be submitted to the Court no later than seventy-five (75) calendar days after the Notice date and fourteen (15) calendar days before the deadline for submitting objections set by the Court in its Preliminary Approval Order and shall seek entry of the Final Order and Judgment substantially in the form attached hereto as Exhibit 3:

- a. finding this Settlement Agreement and its terms to be a fair, reasonable, and adequate settlement as to Plaintiffs and the Certified Class within the meaning of Rule 23 of the Federal Rules of Civil Procedure and directing its consummation pursuant to its terms;
- b. finding that Class Members and DEPCO shall be bound by this Settlement Agreement, including the release provisions and covenant not to sue set forth in this Settlement Agreement;
- c. finding that notice given to the Class constitutes due, adequate, and sufficient notice and meets the requirements of due process and the Federal Rules of Civil Procedure;
- d. incorporating the release set forth in Paragraph 14 of this Settlement Agreement, and forever barring the Releasors from asserting any Released Claims against any of the Releasees as defined below;
- e. providing for the payment of reasonable attorneys' fees and expenses solely from the Settlement Fund;
- f. providing for payment solely from the Settlement Fund of a Service Award in the aggregate amount of \$80,000 to be allocated equally among the Named Plaintiffs, in addition to whatever monies each may receive from the Settlement Fund pursuant to a Court-approved plan of allocation;
- g. providing for the payment of Administration Fees, including those reasonably anticipated to incur after the entry of the Final Order and Judgment, solely from the Settlement Fund;
- h. directing that the Litigation be dismissed with prejudice and, except as provided for herein, without costs or attorney's fees recoverable;

- i. retaining exclusive jurisdiction over the Settlement and the Settlement Agreement, including the administration and consummation of the Settlement; and
- j. directing that the judgment of dismissal with prejudice of the Action shall be final and appealable pursuant to Fed. R. Civ. P. 54(b), there being no just reason for delay.

7. Finality of Settlement

This Settlement Agreement shall become final upon the occurrence of all of the following (the “Effective Date”):

- a. The Settlement is not terminated pursuant to Paragraph 15 below;
- b. The Settlement and this Settlement Agreement are approved by the Court as required by Rule 23(e) of the Federal Rules of Civil Procedure;
- c. The Court enters an order finally approving the Settlement and dismissing the Litigation with prejudice substantially in the form attached hereto as the Final Order and Judgment; and
- d. The time for appeal from the Court’s entry of the Final Order and Judgment has expired or, if the Final Order and Judgment is appealed, it has been resolved by agreement and withdrawn by the appealing party, or it has been affirmed by the court of last resort to which an appeal of such Final Order and Judgment may be taken.

8. The Settlement Payment

Within ten (10) business days following entry of the Preliminary Approval Order or within ten (10) business days of DEPCO being provided the necessary information regarding the identity and wiring instructions for the escrow agent, whichever is later, DEPCO shall deposit twenty-eight million dollars (\$28,000,000.00) (the “Settlement Amount”) in the designated account (the “Settlement Fund”), which shall be held in escrow (the “Escrow Account”) subject to the terms and conditions of the escrow agreement (the “Escrow Agreement”), and in accordance with the

provisions of Paragraphs 9 and 18 below. Payment shall be made by wire transfer pursuant to instructions from Class Counsel. Defendant shall not pay any additional amount thereafter, whether for wire transfer fees or bank fees of any kind associated with the wire transfer of funds, interest, notice, administration, costs, attorneys' fees, or otherwise, into the Escrow Account. The total consideration that Defendant will pay for this Settlement shall be the "Settlement Amount."

9. The Settlement Fund

Notwithstanding the fact that the Effective Date of Settlement has not yet occurred, Class Counsel may pay from the Settlement Fund, without further approval from Defendant or further order of the Court, all expenses associated with providing notice of the Settlement to the Class, expenses associated with allocating and administering the Settlement, and any payments and expenses incurred in connection with taxation matters relating to the Settlement and this Settlement Agreement (collectively, "Administration Expenses"). Provided, however, if at any time prior to the Effective Date of Settlement Administration Expenses exceed an aggregate \$100,000, Class Counsel shall obtain Court Approval prior to paying any additional Administration Expenses. In the event the Settlement Agreement is disapproved, terminated, or otherwise fails to become effective, the Settlement Fund shall be refunded to Defendant plus interest earned in the Escrow Account (net of any taxes paid on such interest), minus any Administration Expenses paid or incurred.

At all times prior to the Effective Date of Settlement, the Settlement Fund shall be invested as set forth in Paragraph 3 of the Escrow Agreement, in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including a U.S. Treasury Money Market Fund or a bank account insured by the Federal Deposit Insurance Corporation ("FDIC") up to the guaranteed FDIC limit. After the Effective Date of Settlement, the Settlement Fund shall be invested pursuant to Paragraph 3 of the

Escrow Agreement as directed in writing by Class Counsel. All interest and dividends earned on the Settlement Fund shall become and remain part of the Settlement Fund. Any losses on the Settlement Fund shall be borne by the Settlement Fund and shall not be recoverable from Defendant. Defendant shall have no liability, obligation, or responsibility of any kind in connection with the investment, disbursement, or other oversight of the Settlement Fund.

After the Effective Date of Settlement, the Settlement Fund shall be distributed in accordance with the Plan of Allocation (as defined in Paragraph 10). After making the payment described in Section II(8) above, Defendant shall have no responsibility whatsoever for the allocation or distribution of the Settlement Fund and shall not be responsible for any disputes relating to the amount, allocation, or distribution of any fees, costs, or awards. Further, after making the payment described in Section II(8) above, Defendant shall not be liable for any additional payments to the Class or Class Counsel pursuant to this Settlement Agreement.

Defendant shall have no right of reimbursement or repayment from the Settlement Fund except as set forth in Paragraph 16 hereof.

Plaintiffs and counsel for the Class shall be reimbursed and indemnified solely out of the Settlement Fund for all expenses. Defendant shall not be liable for any costs, attorneys' fees, other fees, or expenses of any of Plaintiffs' or the Class's respective attorneys, experts, advisors, agents, or representatives, but all such costs, fees, and expenses as approved by the Court shall be paid out of the Settlement Fund.

To the extent that there is any ambiguity or inconsistency concerning disbursements when this Settlement Agreement and the Escrow Agreement are read together, the terms of this Settlement Agreement shall control.

Except in the case of willful and intentional malfeasance of a dishonest nature directly causing such loss, Plaintiffs' Counsel, Plaintiffs, the Certified Class, and the Released Parties (other than the Defendant Releasees) shall have no liability for loss of any portion of the Gross or Net Settlement Fund 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 Gross or Net Settlement Fund lost. Defendant Releasees shall have not liability or responsibility whatsoever for the Gross or Net Settlement Funds once it has paid them into escrow.

10. Plan of Allocation

Distribution of the Settlement Fund shall be conducted according to the Plan of Allocation attached hereto as Exhibit 4 (the "Plan of Allocation"), subject to Court approval.

11. No Injunctive Relief

This Settlement Agreement does not include any provisions for injunctive relief.

12. Full Satisfaction; Limitation of Interest and Liability

Class Members shall look solely to the Settlement Fund for settlement and satisfaction against Defendant of all claims that are released hereunder. Except as provided by order of the Court, no Class Member shall have any interest in the Settlement Fund or any portion thereof.

13. Attorneys' Fees and Expenses

Class Counsel intend to seek, solely from the Settlement Fund, attorneys' fees of up to one-third of the Settlement Fund (including interest accrued thereon) and the reimbursement of reasonable costs and expenses incurred in the prosecution of the Action, and Service Awards to the Named Plaintiffs ("Fee and Expense Award"). Class Counsel shall file a motion for approval of the Fee and Expense Award ("Motion for Fee and Expense Award") approximately fourteen (14) calendar days prior to the date set forth in the Preliminary Approval Order as the deadline for objections. The various counsel for the Class, including Class Counsel, shall be reimbursed and

paid solely out of the Settlement Fund for all such fees and expenses. Plaintiffs, Class Members, and their respective counsel, shall not seek payment of any attorneys' fees, expenses, costs, or Service Awards from Defendant in this Action, or in any other action related to the released claims set forth in Paragraph 14 hereof, from any source other than the Settlement Fund.

The procedures for and the allowance or disallowance by the Court of the application by Class Counsel for attorneys' fees, costs, and expenses to be paid out of the Settlement Fund are not part of this Settlement Agreement, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. Notwithstanding any right of termination in Paragraph 15 hereof, any order or proceeding relating to the Fee and Expense Award, or any appeal from any such order, shall not operate to terminate or cancel this Settlement Agreement, provide a basis to terminate or cancel this Settlement Agreement, affect or delay the finality of the judgment approving the Settlement, or affect or delay the payment of the Fee and Expense Award as provided in Paragraph 13.

Any attorneys' fees, costs and expenses awarded to counsel for the Class from the Settlement Fund shall be paid to Class Counsel within thirty (30) calendar days upon the Court's granting of final approval of the settlement, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Class Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Settlement Agreement or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees, costs and expenses is reduced or reversed and such order reducing or reversing the award has become final. If the Court's award of such fees and expenses is vacated, reversed, or

reduced subsequent to the disbursement of any Fee and Expense Award, Class Counsel shall within ten (10) calendar days after receiving written notice from the Court or from Defendant of such vacatur, reversal, or reduction, make a refund to the Escrow Account in the amount of such vacatur, reversal, or reduction.

Class Counsel shall allocate the attorneys' fees awarded among counsel in a manner in which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution, and resolution of the Litigation. Defendant shall have no responsibility or liability whatsoever with respect to the allocation of attorneys' fees or expenses.

14. Releases

a. **Class Release.** Upon the occurrence of the Effective Date and in consideration of payment of the Settlement Amount specified in Paragraph 8 above, Plaintiffs and all Class Members, whether or not they object to the Settlement and whether or not they participate in the Settlement Fund, on behalf of themselves and their respective past, present, and future parents, subsidiaries, associates, affiliates, officers, directors, employees, insurers, general or limited partners, divisions, agents, attorneys, servants, trustees, joint ventures, heirs, executors, administrators, representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and their predecessors, successors, heirs, executors, administrators, and representatives, as well as assignees of any of the above, (collectively, the "Class Releasors"), hereby release and forever discharge, and covenant not to sue, DEPCO, and its past, present, and future parents, subsidiaries, divisions, affiliates, joint ventures, stockholders, officers, directors, management, supervisory boards, insurers, general or limited partners, employees, agents, attorneys, servants, representatives (and the parents', subsidiaries', and affiliates' past, present, and future officers, directors, employees, agents, attorneys, servants, and representatives), including but not limited to Devon Energy

Corporation and Devon Gas Services, LP, and the predecessors, successors, heirs, executors, administrators and representatives of each of the foregoing, as well as assignees of any of the above (collectively, the “Defendant Releasees”) from all manner of claims, debts, obligations, demands, actions, suits, causes of action, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties, and attorneys’ fees, under federal or state laws, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, contingent or non-contingent, in law or equity, whether asserted in this Litigation or not, concerning the underpayment of royalties relating to the processing of gas through the Bridgeport Plant or the sale price of gas or charges under the Gas Purchase and Processing Agreement during the Class Period where such royalties were paid pursuant to a lease listed on the Class Lease List. The Class Release does not include (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits an Opt Out Request that is accepted by the Court.

b. Defendant’s Release. Upon the occurrence of the Effective Date and in consideration of the Releases specified in Paragraph 14(a) above, Defendant on behalf of itself and its respective past, present, and future parents, subsidiaries, associates, affiliates, officers, directors, employees, insurers, general or limited partners, divisions, agents, attorneys, servants, trustees, joint ventures, heirs, executors, administrators, representatives (and the parents’, subsidiaries’, and affiliates’ past and present officers, directors, employees, agents, attorneys, servants, and representatives), including but not limited to DEC and DGS, and their predecessors, successors, heirs, executors, administrators, and representatives, as well as assignees of any of the above (collectively, the “Defendant Releasors”), hereby release and forever discharge, and covenant not to sue, Plaintiffs and all Class Members and their past, present, and future parents, subsidiaries, divisions, affiliates, joint ventures, stockholders, officers, directors, management,

supervisory boards, insurers, general or limited partners, employees, agents, attorneys, servants, representatives (and the parents', subsidiaries', and affiliates' past, present, and future officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators and representatives of each of the foregoing, as well as assignees of any of the above (collectively, the "Class Releasees") from all claims, debts, obligations, demands, actions, suits, causes of action, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties, and attorneys' fees, under federal or state laws, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, contingent or non-contingent, in law or equity, concerning the alleged underpayment of royalties asserted by Plaintiffs in this Litigation during the Class Period and the subject matter of the counterclaims asserted by Defendant in this Litigation during the Class Period. Defendant's Release does not include (i) any claims relating to the enforcement of the Settlement and (ii) any claims against any person or entity who or which submits an Opt Out Request that is accepted by the Court.

This Settlement Agreement is not intended to release anyone other than the Defendant Releasees and the Class Releasees, and is not on behalf of anyone other than the Class Releasors or Defendant Releasors.

No person or entity shall have any claim against Named Plaintiffs, Plaintiffs' Counsel, the Settlement Administrator, Energy Litigation Services Group, LLC, Daniel T. Reineke, or any other agent designated by Class Counsel, or the Defendant's Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Settlement Agreement, the Plan of Allocation approved by the Court, or any order of the Court. Named Plaintiffs and the Defendant, and their respective counsel, and Named Plaintiffs' damages experts and all other

Defendant and Class Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Distribution Check or nonperformance of the Settlement Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

Defendant further agrees that, upon the Effective Date of Settlement, it will not make out-of-period adjustments for the purpose of directly or indirectly clawing back, recouping or reversing the monies paid by Defendant under this Settlement Agreement.

15. Termination

If the Court declines to grant preliminary or final approval of the Settlement Agreement or if for any reason the Settlement does not become final in accordance with the terms of this Settlement Agreement or the Supplemental Agreement, then (i) this Settlement Agreement shall be of no force or effect; (ii) all funds paid by Defendant into the Settlement Fund, plus interest (net of any taxes paid on such interest), minus the Administration Expenses paid or incurred, shall be returned to Defendant; (iii) any release pursuant to Paragraph 14 above shall be of no force or effect; and (iv) the Settling Parties agree, subject to the Court's approval, that litigation will resume, in a reasonable manner and on a reasonable timetable to be approved by the Court.

For the avoidance of doubt, any order of the Court that (i) narrows or does not approve the scope of the release and covenant not to sue contemplated by this Settlement, (ii) purports to impose additional material obligations on Defendant, or (iii) declines to enter a final judgment that meets the minimum requirements set forth in Paragraph 6 of this Settlement Agreement, or any order on review or appeal that would have the foregoing effects, except as otherwise agreed to in writing by Defendant and Plaintiffs, constitutes a failure to grant preliminary or final approval of

this Settlement Agreement and confers on Defendant and Plaintiffs the right to terminate provided by this Paragraph.

A modification or reversal on appeal of any amount of the Fee and Expense Award shall not be deemed a modification of all or a part of the terms of this Settlement Agreement or such Final Order and Judgment and shall not give rise to any right of termination.

16. Reimbursement of the Settlement Fund Upon Termination

If this Settlement Agreement is terminated pursuant to the provisions of Paragraph 15 above or pursuant to the Supplemental Agreement, the Escrow Agent shall return the Settlement Fund—including any Fee and Expense Award paid to Class Counsel—to Defendant, plus interest (net of any taxes paid on such interest), minus the Administration Expenses paid or incurred. Subject only to expiration of any time deposit investment(s) not to exceed ninety (90) days, the Escrow Agent shall disburse the Settlement Fund, minus the deductions mentioned above, to Defendant in accordance with this Paragraph within fifteen (15) business days after receipt of either (i) written notice signed by Defendant's counsel or Class Counsel stating that this Settlement Agreement has been terminated, or (ii) any order of the Court so directing. Any remaining portion of the Net Settlement Fund invested in time deposits not to exceed ninety (90) days shall be disbursed within ten (10) calendar days after the expiration of such investments. If the Settlement Agreement is terminated pursuant to Paragraph 15 above, any obligations pursuant to this Settlement Agreement (other than disbursement of the Net Settlement Fund to Defendant as set forth above) shall cease immediately and the releases set forth in Paragraph 14 shall be null and void.

17. Preservation of Rights

The Settling Parties agree that this Settlement Agreement, whether it becomes final or not, and any and all negotiations, documents and discussions associated with it shall be without

prejudice to the rights of any party (except to the extent provided herein), shall not be deemed or construed to be an admission or evidence of any violation of any statute or law (or lack thereof), of any liability or wrongdoing by Defendant (or lack thereof), or of the truth (or lack thereof) of any of the claims or allegations contained in the complaints filed in the Litigation or any other pleading or document, and evidence thereof shall not be discoverable or used directly or indirectly, in any way (other than to effectuate or enforce the terms of this Settlement Agreement). The Settling Parties expressly reserve all of their rights if the Settlement does not become final in accordance with the terms of this Settlement Agreement.

18. Taxes

The Settling Parties intend that any taxes due as a result of income earned by the Settlement Fund will be paid from the Settlement Fund. Class Counsel shall be solely responsible for directing the Escrow Agent to file all informational and other tax returns necessary to report any taxable and/or net taxable income earned by the Settlement Fund. Further, Class Counsel shall be solely responsible for directing the Escrow Agent to make any tax payments, including interest and penalties due, on income earned by the Settlement Fund. Class Counsel shall be entitled to direct the Escrow Agent to pay from the Escrow Account customary and reasonable tax expenses, including professional fees and expenses incurred in connection with carrying out the Escrow Agent's or tax preparer's responsibilities as set forth in this Paragraph. Defendant shall have no responsibility to make any tax filings related to the Settlement, this Settlement Agreement, or the Settlement Fund, and shall have no responsibility to pay taxes on any income earned by the Settlement Fund, or to pay taxes with respect thereto unless the Settlement is not consummated and the Settlement Fund or the Net Settlement Fund is returned to Defendant. Other than as specifically set forth herein, Defendant shall have no responsibility for the payment of taxes or tax-related expenses. If, for any reason, for any period of time, Defendant is required to pay taxes on

income earned by the Settlement Fund, the Escrow Agent shall, upon written instructions from Defendant with notice to Class Counsel, timely pay to Defendant sufficient monies from the Settlement Fund to enable it to pay all taxes (state, federal, or other) on income earned by the Settlement Fund.

For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “Administrator” of the Escrow Account shall be the Settlement Administrator, who shall timely and properly file or cause to be filed on a timely basis, all tax returns necessary or advisable with respect to the Escrow Account (including without limitation all income tax returns, all informational returns, and all returns described in Treas. Reg. § 1.468B-2(1)).

The Settling Parties and their counsel shall treat, and shall cause the Escrow Agent to treat, the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. The Settling Parties, their counsel, and the Escrow Agent agree that they will not ask the Court to take any action inconsistent with the treatment of the Escrow Account in this manner. In addition, the Escrow Agent and, as required, the Settling Parties shall timely make such elections as necessary or advisable to carry out the provisions of this Paragraph, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties and thereafter to cause the appropriate filing to occur. All provisions of this Settlement Agreement shall be interpreted in a manner that is consistent with the Escrow Account being a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1.

All income taxes, if any, incurred on the part of 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 made to them under this Settlement Agreement. Named Plaintiffs, Plaintiffs' Counsel, Defendant, Defendant's Counsel, the Gross Settlement Fund, and the Settlement Administrator shall have no responsibility or liability whatsoever for any such payments. Defendant, Defendant's Counsel, and Class Members will bear no responsibility for any taxes due on Class Counsel's attorney's fees or any reimbursement of expenses and such taxes will not be paid from the Escrow Account. Named Plaintiffs are solely responsible for any taxes due on any Service Award. Plaintiffs' Counsel are responsible for and shall bear any taxes due on their attorneys' fees and/or due on reimbursement of expenses. The Class Members, Plaintiffs' Counsel and Named Plaintiffs shall indemnify and hold all Released Parties, Defendant and Defendant's Counsel harmless from and against any liability for any taxes, interest, penalties and related expenses of any kind whatsoever related to the payments they receive under this Settlement Agreement. The Settlement Fund shall indemnify and hold the Defendant harmless for any taxes that may be deemed to be payable by the Defendant by reason of the income earned on the Settlement Fund, and Escrow Agent, as directed by Plaintiffs' Counsel, shall establish such reserves as are necessary to cover the tax liabilities of the Settlement Fund and the indemnification obligations imposed by this paragraph. If the Settlement Fund is returned to the Defendant pursuant to the terms of the Settlement Agreement, the Defendant shall provide Escrow Agent with a properly completed Form W-9.

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 Forms 1099-MISC to Class Members, or, in the event a form 1099-MISC is not required, an explanation of such payment. In the event Forms 1099-MISC 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 Forms 1099-MISC. 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 any such refunds will become part of the Residual Unclaimed Funds.

The Settling Parties agree that Defendant, Defendant's Counsel, and Plaintiffs' Counsel have no responsibility or liability for any severance taxes or other taxes that any person or entity may later claim to be due on the amounts disbursed to the Class Members from the Escrow Account.

19. Binding Effect

This Settlement Agreement shall be binding upon, and inure to the benefit of, the Settling Parties, the Class Releasees, and the Defendant Releasees. Without limiting the generality of the foregoing, each and every covenant and agreement herein by the Plaintiffs and their counsel shall be binding upon all Class Members.

20. Headings

The headings used in this Settlement Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

21. No Party is the Drafter

None of the parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

22. Choice of Law

All terms of this Settlement Agreement shall be governed by Texas state law.

23. Consent to Jurisdiction

Defendant and each Class Member hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Northern District of Texas for any suit, action, proceeding, or dispute arising out of or relating to this Settlement Agreement or the applicability of this Settlement Agreement, including, without limitation, any suit, action, proceeding, or dispute relating to the release provisions herein. Nothing in this Paragraph shall prohibit (a) the assertion in any forum in which a claim is brought that any release herein is a defense, in whole or in part, to such claim or (b) in the event that such a defense is asserted in such forum, the determination of its merits in that forum.

24. Representations and Warranties

Each party hereto represents and warrants to each other party hereto that it has the requisite authority (or in the case of natural persons, the legal capacity) to execute, deliver, and perform this Settlement Agreement and to consummate the transactions contemplated hereby.

25. Notice

Notice to Defendant pursuant to this Settlement Agreement shall be sent by United States mail and electronic mail to:

Craig A. Haynes
P. Jefferson Ballew
Rachelle H. Glazer

Julie Abernethy
THOMPSON & KNIGHT LLP
1722 Routh Street, Suite 1500
Dallas, TX 75201
Tel: (214) 969-1700
Fax: (214) 969-1751
Email: Craig.Haynes@tklaw.com
Email: Jeff.Ballew@tklaw.com
Email: Rachelle.Glazer@tklaw.com
Email: Julie.Abernethy@tklaw.com

Notice to the Plaintiffs pursuant to this Settlement Agreement shall be sent by United States mail and electronic mail to Class Counsel:

Geoffrey C. Jarvis
Melissa L. Troutner
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, PA 19087
Tel: (610) 667-7706
Fax: (610) 667-7056
Email: gjarvis@ktmc.com
Email: mtrotner@ktmc.com

Any of the parties may, from time to time, change the address to which such notices, requests, consents, directives, or communications are to be delivered, by giving the other parties prior written notice of the changed address, in the manner hereinabove provided, ten (10) calendar days before the change is effective.

26. Execution in Counterparts

This Settlement Agreement may be executed in counterparts, and a facsimile or .pdf signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

27. No Press Release

No press release will be issued by the Settling Parties or Class Counsel, without the written approval of Defendant. The Settling Parties and Class Counsel will not seek out the press to discuss this Settlement Agreement or any of the terms hereof, and if contacted by the press, will

simply respond in substance that the Settling Parties have agreed to settle this dispute to avoid litigation, to resolve any disputes, and that the settlement is not an admission of liability by any of the Settling Parties.

28. Confidentiality

Whether or not the Settlement Agreement is approved by the Court and whether or not the Settlement Agreement is consummated, or the Effective Date of Settlement occurs, the Parties and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Settlement Agreement confidential, other than those necessary for full disclosure to the Court and the Settlement Class, and except (i) to the extent required by law, court order, or the SEC, (ii) as may be necessary to utilize the services of their personal accountants and attorneys, (iii) to any of the Parties' respective existing and new limited partners and potential investors, and (iv) to any successor, assignee or purchaser or potential purchaser of any interests affected by the Settlement Agreement's terms; (v) to officers or directors of the Parties; or (vi) reporting information required by taxing or governmental authorities. If contacted by any person or entity that is not authorized by this paragraph to receive information about this Settlement Agreement, any of its terms, or any negotiations related thereto, a Party or its authorized representative may respond in substance that the Parties have agreed to settle this dispute to avoid litigation, to resolve any disputes, and that the settlement is not an admission of liability by any of the Parties. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement, and all documents produced to the Parties during discovery shall either be returned or destroyed as provided in the applicable Protective Order once this settlement is consummated.

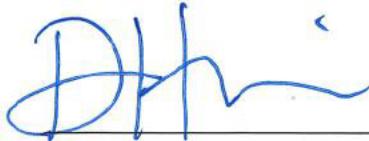
29. Exhibits

All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Settlement Agreement and the terms of any exhibit attached hereto, the terms of the Settlement Agreement shall prevail.

30. Integrated Agreement

Except with respect to the confidential Supplemental Agreement, which is being executed concurrently herewith, this Settlement Agreement, its exhibits, and the Supplemental Agreement constitute the entire agreement among the Settling Parties concerning the Settlement and this Settlement Agreement and its exhibits. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party hereto concerning this Settlement Agreement or its exhibits other than those contained and memorialized in such documents, including the Supplemental Agreement.

IN WITNESS WHEREOF, the parties hereto through their fully authorized representatives have agreed to this Stipulation and Agreement of Settlement as of the date first herein above written.



David Harris

Executive Vice President Exploration & Production, Devon Energy Production Company, L.P.

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P. Jefferson Ballew
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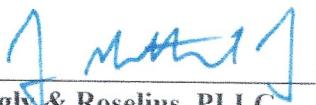
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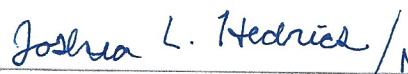
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*Class Counsel for Plaintiffs and the
Certified Class*



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