

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

Pauper Petroleum, LLC, on behalf of itself and
all others similarly situated,

Plaintiff,

v.

Kaiser-Francis Oil Company,

Defendant.

Case No. 19-CV-514-JFH-JFJ

**NOTICE OF PROPOSED SETTLEMENT,
MOTION FOR ATTORNEYS' FEES AND COSTS,
A NOMINAL CASE CONTRIBUTION AWARD, AND FAIRNESS HEARING**

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

If you belong to the Class I Settlement Class and this Settlement is approved, your legal rights will be affected. Read this Notice carefully to see what your rights and options are in connection with this Settlement.¹

Because you may be a member of the Class I Settlement Class in the Litigation captioned above and described below (“the Litigation”), the Court has directed this Notice to be sent to you. Defendant Kaiser-Francis Oil Company (“Defendant” or “Kaiser-Francis”) records show payment of royalty to you from oil-and-gas well(s) in Oklahoma for which Kaiser-Francis was the operator or a working interest owner who separately marketed and remitted royalty directly. Capitalized terms not otherwise defined in this Notice shall have the meanings attributed to those terms in the Settlement Agreement referred to below and available at www.pauper-kfoc.com.

This Notice generally explains the claims being asserted in the Litigation, summarizes the Settlement, and tells you about your rights to remain a Class I Member or to timely and properly submit a Request for Exclusion (also known as an “opt out”) so that you will be excluded from the Settlement. This Notice provides information so you can decide what action you want to take with respect to the Settlement before the Court is asked to finally approve it. If the Court approves the Settlement and after the final resolution of any objections or appeals, the Court-appointed Settlement Administrator will issue payments to final Class I Members, without any further action from you. This Notice describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

¹ This Notice is a summary of the terms of the Settlement Agreement in this matter. Please refer to the Settlement Agreement for a complete description of the terms and provisions thereof. A copy of the Settlement Agreement is available for free at www.pauper-kfoc.com. The terms, conditions, and definitions in the Settlement Agreement qualify this Notice in its entirety.

Questions? Visit www.pauper-kfoc.com or call toll-free at 1-833-823-0041

The Class I Settlement Class consists of the following individuals and entities:

All non-excluded persons or entities who are or were royalty owners where Kaiser-Francis Oil Company is or was the operator (or a working interest owner who marketed its share of gas and directly paid royalties to the royalty owners) for the Class Wells during the production months of August 2013, through and including December 2021, and royalties on such gas were paid to such royalty owners; and including such persons entitled to share in royalty proceeds during the production months of August 2013, through and including December 2021, under any lease that contains an express provision stating that royalty will be paid on gas used off the lease premises (an Express Fuel Clause). The claims in this matter relate to royalty payments for gas and its constituents (residue gas, natural gas liquids, helium, nitrogen, or condensate. The claims in this matter relate to royalty payments for gas and its constituents (residue gas, natural gas liquids, helium, nitrogen, or condensate).²

The persons, entities, or interests excluded from the class are: (1) agencies, departments or instrumentalities of the United States of America, including but not limited to the U.S. Department of the Interior (the United States, Indian tribes, and Indian allottees); (2) the State of Oklahoma or any of its agencies or departments that own royalty interests; (3) any publicly traded company or their affiliated entities that produce, gather, process, or market gas; (4) overriding royalty owners and others whose interest was carved out from the lessee's interest; and (5) the Released Parties.

If you are unsure whether you are included in the Class I Settlement Class, you may contact the Settlement Administrator at:

Pauper Petroleum, LLC v. Kaiser-Francis Oil Company Settlement
c/o JND Legal Administration, Settlement Administrator
P.O. Box 91244
Seattle, WA 98111
Call Toll-Free: 1-833-823-0041

TO OBTAIN THE BENEFITS OF THIS PROPOSED SETTLEMENT, YOU DO NOT HAVE TO DO ANYTHING.

I. General Information About the Litigation

The Litigation seeks, *inter alia*, damages for Defendant's alleged underpayment of royalty on gas and gas constituents from oil-and-gas wells in Oklahoma. Defendant expressly denies all allegations of wrongdoing or liability with respect to the claims and allegations in the Litigation. The Court has made no determination with respect to any of the parties' claims or defenses. A more complete description of the Litigation, its status, and the rulings made in the Litigation are available in the pleadings and other papers maintained by the United States District Court for the Northern District of Oklahoma in the file for the Litigation.

² The Class I Settlement Class includes the Class I and Class I Subclass members as defined in the First Amended Complaint (Doc. 12, p. 3) filed in the Litigation.

II. The Settlement, Plaintiff's Attorneys' Fees, Litigation Expenses, Administration, Notice, and Distribution Costs, a Nominal Case Contribution Award, And The Settlement Allocation And Distribution To The Class I Settlement Class

On October 4, 2022, the Court preliminarily approved a Settlement in the Litigation between Plaintiff, on behalf of itself and the Class I Settlement Class, and Defendant. This approval and this Notice are not an expression of opinion by the Court as to the merits of any of the claims or defenses asserted by any of the parties to the Litigation, or of whether the Court will ultimately approve the Settlement Agreement.

In settlement of Released Claims alleged in the Litigation, Defendant has agreed to pay Ten Million Dollars (\$10,000,000.00) in cash ("Gross Settlement Fund"). In exchange for the payment noted above and other consideration outlined in the Settlement Agreement, the Class I Settlement Class shall release the Released Claims (as defined in the Settlement Agreement available for review and download at www.pauper-kfoc.com) against the Released Parties (as defined in the Settlement Agreement). The Gross Settlement Fund, less Plaintiff's Attorneys' Fees and Litigation Expenses, and other costs (Administration, Notice, and Distribution Costs) approved by the Court (the "Net Settlement Fund"), will be distributed to final Class I Members pursuant to the terms of the Settlement Agreement.

Class Counsel intend to seek an award of Plaintiff's Attorneys' Fees of not more than 40% of the Gross Settlement Fund. Class Counsel, Reagan E. Bradford and Ryan K. Wilson of Bradford & Wilson and Rex Sharp of Sharp Law LLP, have been litigating this case without any payment whatsoever, advancing thousands of dollars in expenses. At the Final Fairness Hearing, Class Counsel will also seek reimbursement of the Litigation Expenses incurred in connection with the prosecution of this Litigation and that will be incurred through final distribution of the Settlement, which are estimated to be approximately \$200,000.00, to be paid out of the Gross Settlement Fund. In addition, Plaintiff intends to seek a nominal case contribution award for its representation of the Class, which amount will not exceed \$100,000.00, to compensate Plaintiff for its time, expense, risk and burden as serving as Class Representative.

The Court must approve the Allocation Methodology, which describes how the Settlement Administrator will allocate the Net Settlement Fund. The Net Settlement Fund will be distributed by the Settlement Administrator after the Effective Date of the Settlement. The Effective Date requires the exhaustion of any appeals, which may take a year or more after the entry of Judgment. The Settlement may be terminated on several grounds, including if the Court does not approve or materially modifies the terms of the Settlement. If the Settlement is terminated, the Litigation will proceed as if the Settlement had not been reached.

This Notice does not and cannot set out all the terms of the Settlement Agreement, which is available for review and download at www.pauper-kfoc.com. This website will eventually include this Class Notice, the Plan of Allocation, and application for Plaintiff's Attorneys' Fees and Litigation Expenses and Administration, Notice, and Distribution Costs. You may also receive information about the progress of the Settlement by visiting the website at www.pauper-kfoc.com, or by contacting the Settlement Administrator at the address set forth above.

III. Class Settlement Fairness Hearing

The Final Fairness Hearing will be held on January 23, 2023, beginning at 9:00 a.m., before the Honorable John F. Heil, III, U.S. District Judge for the Northern District of Oklahoma, 333 West Fourth St., Tulsa, OK 74103. Please note that the date of the Fairness Hearing is subject to change without further notice. You should check with the Court and www.pauper-kfoc.com to confirm no change to the date and time of the hearing has been made. At the Fairness Hearing, the Court will consider: (a) whether the Settlement is fair, reasonable, and adequate; (b) any timely and properly raised objections to the Settlement; (c) the Allocation Methodology; (d) the application for Plaintiff's Attorneys' Fees and Litigation Expenses and Administration, Notice, and Distribution Costs; and (e) the application for a Nominal Case Contribution Award for the Class Representative.

A CLASS I MEMBER WHO WISHES TO PARTICIPATE IN THE SETTLEMENT AND DOES NOT SUBMIT A VALID REQUEST FOR EXCLUSION DOES NOT NEED TO APPEAR AT THE FINAL FAIRNESS HEARING OR TAKE ANY OTHER ACTION TO PARTICIPATE IN THE SETTLEMENT.

IV. What Are Your Options As A Class I Member?

A. You Can Participate in the Class Settlement by Doing Nothing

By taking no action, your interests will be represented by Plaintiff as the Class Representative and Class Counsel. As a Class I Member, you will be bound by the outcome of the Settlement, if finally approved by the Court. The Class Representative and Class Counsel believe that the Settlement is in the best interest of the Class I Members, and, therefore, they intend to support the proposed Settlement at the Final Fairness Hearing. As a Class I Member, if you are entitled to a distribution pursuant to the Allocation Methodology, you will receive your portion of the Net Settlement Fund and will be bound by the Settlement Agreement and all orders and judgments entered by the Court regarding the Settlement. If the Settlement is approved, unless you exclude yourself from the Class I Settlement Class, neither you nor any other Releasing Party will be able to start a lawsuit or arbitration, continue a lawsuit or arbitration, or be part of any other lawsuit against any of the Released Parties based on any of the Released Claims.

B. You May Submit a Request for Exclusion to Opt Out of the Class I Settlement Class

If you do not wish to be a member of the Class I Settlement Class, then you must exclude yourself from the Class I Settlement Class by mailing by certified mail, return receipt requested, a Request for Exclusion to the Settlement Administrator to be received by **January 9, 2023, at 5 p.m. CT**. All Requests for Exclusion must include: (i) the Class I Member's name, address, telephone number, and notarized signature; (ii) a statement that the Class I Member wishes to be excluded from the Class I Settlement Class in *Pauper Petroleum, LLC v. Kaiser-Francis Oil Company*; and (iii) a description of the Class I 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. Requests for Exclusion must be served on the Settlement Administrator, Defendant's Counsel, and Class Counsel by certified mail, return receipt requested and received no later than **5 p.m. CT on January 9, 2023**. Requests for Exclusion may be mailed as follows:

Settlement Administrator	Class Counsel	Defendant's Counsel
Pauper-Kaiser-Francis Settlement c/o JND Legal Administration, Settlement Administrator P.O. Box 91244 Seattle, WA 98111	Reagan E. Bradford Ryan K. Wilson BRADFORD & WILSON PLLC 431 W. Main Street, Suite D Oklahoma City, OK 73102	Paul DeMuro Frederic Dorwart FREDERIC DORWART LAWYERS PLLC 124 East Fourth Street Tulsa, Oklahoma 74103

If you do not follow these procedures—including mailing the Request for Exclusion so that it is received by the deadline set out above—you will not be excluded from the Class I Settlement Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement, including the release of claims. You must exclude yourself even if you already have a pending case against any of the Released Parties based upon any Released Claims during the Claim Period. You cannot exclude yourself on the website, by telephone, facsimile, or by e-mail. If you validly request exclusion as described above, you will not receive any distribution from the Net Settlement Fund, you cannot object to the Settlement, and you will not have released any claim against the Released Parties. You will not be legally bound by anything that happens in the Litigation.

C. You May Remain a Member of the Class I Settlement Class, but Object to the Settlement, Allocation Methodology, Plan of Allocation, Plaintiff's Attorneys' Fees, Litigation Expenses, Administration, Notice, and Distribution Costs, or Nominal Case Contribution Award

Any Class I Member who wishes to object to the fairness, reasonableness, or adequacy of the Settlement, any term of the Settlement, the Allocation Methodology, the Plan of Allocation, the request for Plaintiff's Attorneys' Fees and Litigation Expenses, Administration, Notice, and Distribution Costs, or the request for a Nominal Case Contribution Award to Class Representative may file an objection. An objector must file with the Court and serve upon Class Counsel and Defendant's Counsel a written objection containing the following: (a) a heading referring to *Pauper Petroleum, LLC v. Kaiser-Francis Oil Company*, Case No. 19-cv-514-JFH-JFJ, United States District Court for the Northern District of Oklahoma; (b) a statement as to whether the objector intends to appear at the Final Fairness Hearing, either in person or through counsel, and, if through counsel, counsel must be identified by name, address, and telephone number; (c) a detailed statement of the specific legal and factual basis for each and every objection; (d) a list of any witnesses the objector may call at the Final Fairness Hearing, together with a brief summary of each witness's expected testimony (to the extent the objector desires to offer expert testimony and/or an expert report, any such evidence must fully comply with the Federal Rules of Civil Procedure, Federal Rules of Evidence, and the Local Rules of the Court); (e) a list of and copies of any exhibits the objector may seek to use at the Final Fairness Hearing; (f) a list of any legal authority the objector may present at the Final Fairness Hearing; (g) the objector's name, current address, current telephone number, and all owner identification numbers with Defendant; (h) the objector's signature executed before a Notary Public; (i) identification of the objector's interest in wells from which the objector has received payments by or on behalf of Defendant (by well name, payee well number, and county in which the well is located) during the Claim Period and identification of such payments by date of payment, date of production, and amount; and (j) if the objector is objecting to any portion of the Plaintiff's Attorneys' Fees, Litigation Expenses, Administration, Notice, and Distribution Costs, or a Nominal Case Contribution Award sought on the basis that the amounts requested are unreasonably high, the objector must specifically state the portion of such requests he/she/it believes is fair and reasonable and the portion that is not. Such written objections must be filed with the Court and served on Class

Counsel and Defendant's Counsel, via certified mail return receipt requested, and received no later than **5 p.m. CT by January 9, 2023**, at the addresses set forth above. Any Class I Member that fails to timely file the written objection statement and provide the required information will not be permitted to present any objections at the Final Fairness Hearing. Your written objection must be timely filed with the Court at the address below:

Clerk of the Court
United States District Court for the Northern District of Oklahoma
Page Belcher Federal Building
333 W. 4th Street,
Room 411
Tulsa, OK 74103

UNLESS OTHERWISE ORDERED BY THE COURT, ANY CLASS I SETTLEMENT MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTON TO THE SETTLEMENT (OR ANY PART THEREOF) AND WILL NOT BE ALLOWED TO PRESENT ANY OBJECTIONS AT THE FINAL FAIRNESS HEARING.

D. You May Retain Your Own Attorney to Represent You at the Final Fairness Hearing

You have the right to retain your own attorney to represent you at the Final Fairness Hearing. If you retain separate counsel, you will be responsible to pay his or her fees and expenses out of your own pocket.

V. Availability of Filed Papers And More Information

This Notice summarizes the Settlement Agreement, which sets out all of its terms. You may obtain a copy of the Settlement Agreement with its exhibits, as well as other relevant documents, from the settlement website for free at www.pauper-kfoc.com, or you may request copies by contacting the Settlement Administrator as set forth above. In addition, the pleadings and other papers filed in this Action, including the Settlement Agreement, are available for inspection in at the Office of the Clerk of the Court, set forth above, and may be obtained by the Clerk's office directly. The records are also available on-line for a fee through the PACER service at www.pacer.gov/.

If you have any questions about this Notice, you may consult an attorney of your own choosing at your own expense or Class Counsel.

PLEASE DO NOT CONTACT THE JUDGE OR THE COURT CLERK ASKING FOR INFORMATION REGARDING THIS NOTICE.

DATED this 2nd day of November, 2022.



JOHN F. HEILL, III
UNITED STATES DISTRICT JUDGE