

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

DDL OIL & GAS, LLC)
and DUSTIN M. FREEMAN,)
)
Plaintiffs,)
)
v.)
)
DIVERSIFIED PRODUCTION, LLC)
successor by merger with)
TAPSTONE ENERGY, LLC,)
)
Defendant.)

Case No. CJ-2019-17

BLAINE COUNTY, OKLAHOMA
F I L E D
SEP 18 2023
CHRISTY MATLI, CT. CLERK
BY _____
DEPUTY

INITIAL PLAN OF ALLOCATION ORDER

Having held a Final Fairness Hearing in this Action on September 18, 2023, in which the Court fulfilled its duties to consider objections and independently evaluate the fairness, reasonableness, and adequacy of the Settlement, and having thereafter finally approved the Settlement, the Court now enters this Initial Plan of Allocation Order to instruct the Parties and the Settlement Administrator on the manner in which the Net Settlement Fund shall be allocated and distributed to Class Members.¹ The Court finds, orders, and adjudges that the methodology set forth below (the “Allocation Methodology”) is fair, reasonable, and adequate and in the best interest of the Settlement Class. Accordingly, the Court hereby orders that, once the Judgment becomes Final and Non-Appealable, the Parties and the Settlement Administrator are to promptly carry out the terms of this Order and distribute the Net Settlement Fund as follows:

¹ All capitalized terms not otherwise defined in this Order shall have the same meanings ascribed to them in the Stipulation and Agreement of Settlement (the “Settlement Agreement”) attached as Exhibit 1 to Plaintiffs’ June 23, 2023 Memorandum in Support of Unopposed Motion to Certify the Settlement Class for Settlement Purposes, Preliminarily Approve Class Action Settlement, Approve Form and Manner of Notice, and Set Date for Final Approval Hearing.

1. Subject to the jurisdiction of the Court, the Settlement Administrator shall administer the Settlement under Class Counsel's supervision in accordance with this Initial Plan of Allocation Order and the Settlement Agreement. The Net Settlement Fund shall be distributed to Participating Class Members according to this Order, the Final Plan of Allocation, as determined by Plaintiffs' Counsel, or according to such other plan of allocation and distribution order(s) as the Court approves. The Court reserves the right to modify this Initial Plan of Allocation Order upon application of any Party hereto, without further notice to any Class Members who have not entered an appearance herein. The allocation of the Net Settlement Fund among Class Members and the Allocation Methodology is a matter separate and apart from the proposed Settlement between Plaintiffs and Defendant, and any decision by the Court concerning allocation and distribution of the Net Settlement Fund among Class Members shall not affect the validity or finality of the Settlement or operate to terminate or cancel this Settlement.

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

3. Plaintiffs' Counsel shall, subject to Court approval, allocate the Net Settlement Fund to individual Participating Class Members proportionately based on the amount of statutory interest allegedly owed on the original underlying payment that allegedly occurred outside the time periods required by the PRSA, with due regard for the production date, the date the underlying payment was made, the amount of the underlying payment, the time periods set forth in the PRSA, any additional statutory interest that Plaintiffs' Counsel believes has since accrued, and the amount

of interest or returns that have accrued on the Participating Class Member's proportionate share of the Net Settlement Fund during the time such share was held in the Escrow Account.

4. The preliminary allocation of the Net Settlement Fund among Class Members is shown in the Affidavit of Barbara A. Ley and exhibits thereto, attached to Class Representatives' Memorandum of Law in Support of Class Representatives' Motion for Final Approval and is approved by this Court. It is understood that this preliminary allocation will be updated when all opt-outs and excluded owners are known and identified. Thereafter, Plaintiffs and Class Counsel, with the aid of the Settlement Administrator, will allocate the Net Settlement Fund proportionately among all Class Members as set forth in an updated allocation schedule.

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

Class Member: The enclosed check represents a share of the net settlement fund in the settlement of the Class Action *DDL Oil & Gas, LLC et al. v. Diversified Production, LLC, successor by merger with Tapstone Energy, LLC*, Case No. CJ-2019-17, District Court of Blaine County in the State of Oklahoma. You are receiving this distribution and check because you have been identified as a Class Member in this action. If you are not legally entitled to the proceeds identified on the check, the Court has entered an Order that requires you to pay these proceeds to persons legally entitled thereto or return this check uncashed to the sender.

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

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

6. The Settlement Administrator will make a diligent effort to mail the first Distribution Checks within 90 days after the Effective Date and, within the subsequent 90 days, will mail the Distribution Checks representing the remaining 95% of the Net Settlement Fund (such percentage to be calculated based upon the amount of payments shown in the Final Plan of Allocation). The remainder of the Net Settlement Fund will be distributed to Participating Class Members by the Settlement Administrator as quickly as possible, using commercially reasonable efforts. Any portion of the Net Settlement Fund remaining in the Escrow Account 120 days after the Settlement Administrator sends the final wave of Distribution Checks will be considered Residual Unclaimed Funds that will be distributed in accordance with the Settlement Agreement. No distributions will be made to Class Members who would otherwise receive a distribution of less than \$10.00 under the Initial Plan of Allocation. This *de minimis* threshold is set in order to preserve the overall Net Settlement Fund from the costs of claims that are likely to exceed the value of those claims.

7. The Settlement Administrator will use commercially reasonable efforts, subject to review and approval by Plaintiffs' Counsel, to distribute the Net Settlement Fund. To the extent Defendant has not provided the taxpayer identification number for a Class Member, the Settlement Administrator shall make reasonable efforts to obtain the Class Member's tax identification number, including making reasonable inquiry and sending a form W-9 Request for Taxpayer Identification Number and Certification to the best reasonably obtainable address of the Class Member. If the information needed to send a Distribution Check cannot be obtained through such efforts, the portion of the Net Settlement Fund attributable to such Class Member will remain in the Escrow Account as Residual Unclaimed Funds; provided, however, that for any Class Member for whom Defendant has sent allegedly Untimely Payments to a state unclaimed property fund,

the Settlement Administrator will send the Distribution Check to that same state unclaimed property fund if the Settlement Administrator is unable to locate the Class Member through reasonable efforts, and such funds shall not be included in the Residual Unclaimed Funds refunded to Defendant.

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

9. The Settlement Administrator will only make distributions based on the Final Plan of Allocation approved by the Court. It is contemplated that distributions may be made in waves, where using that approach is more efficient for the Settlement Administrator, so that payments to readily identified owners are not unduly delayed.

10. Defendant, Defendant's Counsel, Released Parties, the Settlement Administrator, Plaintiffs, and Plaintiffs' Counsel shall have no liability to any Class Member for mispayments, overpayments, or underpayments of the Net Settlement Fund.

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

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

13. Within one year after the Settlement Administrator sends the final wave of Distribution Checks, the Settlement Administrator shall send a reconciliation of the amount remaining in the Escrow Account to Defendant's Counsel and Plaintiffs' Counsel. The reconciliation must include (a) a detail of each distribution or refund made from the Escrow Account; (b) the detail of any interest or other returns earned on the Escrow Account; (c) the total Residual Unclaimed Funds and detail sufficient to verify that total; and (d) detail showing the total amount of the Administration, Notice, and Distribution Costs paid from the Escrow Account. The Settlement Administrator must pay the total amount remaining in the Escrow Account to Defendant no later than ten (10) business days after sending this reconciliation to Defendant's Counsel and Plaintiffs' Counsel.

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

15. The Mutual Release, Dismissal, and Covenant Not to Sue shall be effective as provided in the Settlement Agreement, regardless of whether or not particular members of the Settlement Class did or did not receive payment from the Net Settlement Fund and regardless of whether or not any person or entity who received a Distribution Check was obligated pursuant to the Judgment to pay some or all of the distributed funds to another Class Member in fact made such payment to such other member of the Settlement Class. The failure of a person or entity who received a Distribution Check to make payment to another Class Member pursuant to the payment obligations of the Judgment shall not be a defense to enforcement of the release of the Released Claims against the Released Parties or the covenant not to sue, as to any Class Member.

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

17. Plaintiffs filed their proposed Initial Plan of Allocation Order as Exhibit 2 to their August 18, 2023 Motion for Final Approval of the Settlement. No Class Member filed an objection, or otherwise appeared before this Court to assert an objection, to Plaintiffs' proposed Initial Plan of Allocation Order.

IT IS SO ORDERED.

Dated this 18th day of September, 2023.

/S/ ALLISON M. LAFFERTY
ALLISON LAFFERTY
ASSOCIATE DISTRICT COURT JUDGE