

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

BLAINE COUNTY, OKLAHOMA
FILED

AUG 18 2023

CHRISTY NATLI, CLERK
BY  DEPUTY

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

**CLASS COUNSEL’S MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR
APPROVAL OF REIMBURSEMENT OF LITIGATION EXPENSES AND
ADMINISTRATION, NOTICE, AND DISTRIBUTION COSTS**

I. SUMMARY OF ARGUMENT

In connection with approval of the Settlement¹ in the above-captioned Litigation, Class Counsel respectfully move the Court for reimbursement of expenses incurred in successfully prosecuting and resolving this Litigation in an amount not to exceed \$100,000.00 (the “Expense Request”) – *i.e.*, the amount set forth in the Notice.² Moreover, Class Counsel also respectfully

¹ All capitalized terms not otherwise defined herein shall have the meaning given to them in the June 8, 2023, Stipulation and Agreement of Settlement (“Settlement Agreement”), a copy of which was attached as Exhibit 1 to Plaintiffs’ June 23, 2023 *Memorandum of Law in Support of Plaintiffs’ Motion to Certify Class for Settlement Purposes, Preliminarily Approve Class Action Settlement, Approve Form and Manner of Notice, and Set Date for Final Approval Hearing* (“Preliminary Approval Motion”).

² Class Counsel’s Expense Request does not include Administration, Notice, and Distribution Costs associated with effectuating the Settlement. In the Notice, Class Counsel stated they would request approval of Administration, Notice, and Distribution Costs associated with effectuating the Settlement in an amount not to exceed \$300,000.00 to be paid from the Gross Settlement Fund. That request is discussed in more detail below.

move the Court for approval of reimbursement of Administration, Notice, and Distribution Costs associated with effectuating the Settlement in an amount not to exceed \$300,000.00. These requests are fair and reasonable, and, therefore, Class Counsel respectfully request that they be approved.

Class Counsel have obtained an excellent recovery for the benefit of Class Members, which consists of a cash payment of \$1,850,000.00 (the “Gross Settlement Fund”) to compensate the Settlement Class for past damages. The \$1,850,000.00 cash Gross Settlement Fund is an outstanding recovery for Class Members.³

To achieve this recovery for the Class, Class Counsel were required to expend out-of-pocket expenses that were necessary and reasonable for the prosecution of this action. Class Counsel now seek reimbursement of those reasonable expenses, in an amount not to exceed \$100,000.00—the amount set forth in the Notices.⁴ To date, Class Counsel have advanced \$85,574.30 in prosecuting and resolving this case. *See* Declaration of Drew Pate (“NP Decl.”), attached as Exhibit 2 to Class Counsel’s Motion for Approval of Attorneys’ Fees (“Motion for Fees”), at ¶11 and Declaration of Patrick M. Ryan (“RW Decl.”), attached as Exhibit 1 to Motion for Fees, at ¶24. In addition to these expenses, Class Counsel may incur additional expenses between now and the Final Approval Hearing. *See id.* As such, at the hearing, Class Counsel may

³ *See* Declaration of Jason A. Ryan and Drew Pate on Behalf of Class Counsel at ¶¶5, 11, 13, & 35 (“Joint Class Counsel Declaration”), attached as Exhibit 2 to Class Representatives’ Memorandum of Law in Support of Class Representatives’ Motion for Final Approval (“Final Approval Memorandum”); *see also* Affidavit of Barbara A. Ley, CPA, CITP, CFF (“Ley Aff.”), attached as Exhibit 3 to the Final Approval Memorandum.

⁴ A copy of the Short Form and Long Form Notices (the “Notices”) are attached as Exhibits A & C to the Declaration of Jennifer M. Keough on behalf of Settlement Administrator, JND Legal Administration LLC, Regarding Notice Mailing and Administration of Settlement (“JND Decl.”), which is attached as Exhibit 4 to the Final Approval Memorandum.

seek reimbursement for expenses incurred after the date of this filing, not to exceed \$100,000.00. *Id.* In addition, Class Counsel reserve their right to make additional expense requests following the Final Approval Hearing. However, in no event will Class Counsel's cumulative expense requests exceed the \$100,000.00 stated in the Notice. Because the Expense Request is fair and reasonable, and for the reasons set forth below, the Expense Request should be granted.

To facilitate the settlement, provide notice, and distribute funds, Notice to the Settlement Class stated Class Counsel would request approval of Administration, Notice, and Distribution Costs associated with effectuating the Settlement in an amount not to exceed \$300,000.00 to be paid from the Gross Settlement Fund. *See* JND Decl. at Exhibits A & C. These costs will include those of the Settlement Administrator JND, accounting expert Barbara Ley, and land experts. As with the Litigation Expenses, Class Counsel only seek approval of payment of Administration, Notice, and Distribution Costs actually incurred and not to exceed \$300,000.00.

II. FACTUAL AND PROCEDURAL SUMMARY

In the interest of brevity, Class Counsel will not recite the factual and procedural background of this Litigation again. Instead, Class Counsel respectfully refer the Court to the Final Approval Memorandum, the Joint Class Counsel Declaration, the pleadings on file, and any other matters of which the Court may take judicial notice, all of which are respectfully incorporated by reference as if set forth fully herein. *See* 12 O.S. § 2202.

III. ARGUMENT

A. **The request for reimbursement of Litigation Expenses is reasonable and should be approved.**

Oklahoma's class action statute provides "the court may award . . . nontaxable costs that are authorized by law or by the parties' agreement." *See* 12 O.S. § 2023(G)(1). Class Counsel respectfully request reimbursement of Litigation Expenses that have been and may be advanced

or incurred by Class Counsel in prosecuting and resolving this Litigation. *See* Joint Class Counsel Decl. at ¶¶69-71. Class Counsel set forth in the Class Notices that they would seek up to \$100,000.00 in reimbursement of expenses. *See* JND Decl. at Exhibits A & C. To date, Class Counsel's out-of-pocket expenses are \$85,574.30. *See* Joint Class Counsel Decl. at ¶71. All of these expenses were reasonably and necessarily incurred by Class Counsel and are directly related to their prosecution and resolution of this Litigation. *Id.* at ¶70. The costs include routine expenses related to copying, court fees, postage and shipping, phone charges, legal research, and travel and transportation, as well as expenses for experts, document production and review, which are typical of large, complex class actions such as this.

Moreover, the Expense Request is consistent with other litigation expense awards in Oklahoma state and federal courts. *See, e.g., Farrar Oil Company v. Conoco Inc. et al.*, CJ 2000-356, Garfield County, Oklahoma (approving Class Counsel's request for reimbursement of \$170,780.59 in litigation expenses); *Sacket v. Great Plains Pipeline Co.*, CJ-2002-70, Woods County, Oklahoma (approving reimbursement of \$350,000 in litigation expenses); *Drummond v. Range Resources Corp.*, CJ-2010-510, Grady County, Oklahoma (approving reimbursement of \$641,852.06 in litigation expenses); *Fitzgerald Farms, LLC v. Chesapeake Operating, LLC*, CJ-2010-38, Beaver County, Oklahoma (approving reimbursement of \$310,000 in litigation expenses).⁵ Therefore, the Expense Request should be granted because it is fair and reasonable.

⁵ The Eastern, Western, and Northern Districts of Oklahoma have approved similar amounts in other royalty actions. *See, e.g., Kernan v. Casillas Operating, LLC*, Case No. 18-CIV-107-JD (W.D. Okla. January 3, 2023) (awarding litigation expenses up to \$200,000.00) (Dkt. No. 123); *White Family Minerals, LLC v. EOG Resources, Inc.*, Case No. 19-cv-409-RAW (E.D. Okla. November 12, 2021) (awarding litigation expenses up to \$100,000.00) (Dkt. No. 60); *Donald D. Miller Revocable Family Trust v. DCP Operating Co., LP, et al.*, No. CIV-18-0199-JH (E.D. Okla. June 29, 2021) (awarding litigation expenses up to \$200,000.00 and notice, administration, and distribution expenses up to \$300,000.00) (Dkt. No. 97); *Hay Creek Royalties, LLC v. Roan Resources, LLC*, Case No. 19-CV-177-CVE-JFJ (N.D. Okla. April 28, 2021) (awarding past

In addition, absent Class Members have executed affidavits in support of Class Counsel's Expense Request. See Affidavits of Absent Class Members Chieftain Royalty Company, Castlerock Resources, Inc., and Sagacity, Inc., attached as Exhibits 5-7 to the Final Approval Memorandum.

B. The request for approval of Administration, Notice, and Distribution Costs is reasonable and should be approved.

In the Notice to the Settlement Class, Class Counsel stated they would request approval of Administration, Notice, and Distribution Costs associated with effectuating the Settlement in an amount not to exceed \$300,000.00 to be paid from the Gross Settlement Fund. See JND Decl. at Exhibits A & C. These costs will include those of the Settlement Administrator JND, accounting expert Barbara Ley, and land experts. As with the Litigation Expenses, Class Counsel will only seek approval of payment of Administration, Notice, and Distribution Costs actually incurred, and in no event will their request exceed the noticed amount of \$300,000.00. Such costs for the necessary administration, notice, and distribution costs have frequently been approved in analogous cases. See, e.g. *White Family Minerals, LLC v. EOG Resources, Inc.*, Case No. 19-cv-409-RAW (E.D. Okla. November 12, 2021) (awarding costs up to \$150,000.00) (Dkt. No. 60); *Donald D. Miller Revocable Family Trust v. DCP Operating Co., LP, et al.*, No. CIV-18-0199-JH (E.D. Okla. June 29, 2021) (awarding costs up to \$300,000.00) (Dkt. No. 97); *McClintock v. Enterprise Crude Oil, LLC*, No. CIV-16-136-KEW (E.D. Okla. March 26, 2021) (awarding costs up to \$225,000.00) (Dkt. No. 121); *Reirdon v. Cimarex Energy Co.*, No. 6:16-cv-113-KEW (E.D. Okla. Dec. 18, 2018) (awarding costs up to \$250,000.00) (Dkt. No. 104); *Reirdon v. XTO Energy*

litigation expenses of \$263,586.63) (Dkt. No. 74); *Reirdon v. Cimarex Energy Co.*, No. 6:16-cv-113-KEW (E.D. Okla. Dec. 18, 2018) (awarding \$174,191.50 in past litigation expenses and future expenses up to \$250,000.00) (Dkt. No. 104); and *Reirdon v. XTO Energy Inc.*, No. 6:16-00087-KEW (E.D. Okla. Jan. 29, 2018) (awarding \$223,056.78 in past litigation expenses and future expenses up to \$300,000.00) (Dkt. No. 125).

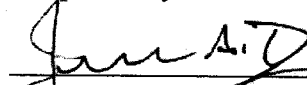
Inc., No. 6:16-00087-KEW (E.D. Okla. Jan. 29, 2018) (awarding costs up to \$300,000.00) (Dkt. No. 125).

IV. CONCLUSION

For the foregoing reasons, Class Counsel respectfully request the Court (1) award the Expense Request of \$85,574.30, *plus* any additional amount Class Counsel actually incur after the filing of this Memorandum, not to exceed the noticed amount of \$100,000.00, and (2) approve payment of Administration, Notice, and Distribution Costs in an amount not to exceed the noticed amount of \$300,000.00.

DATED: August 18, 2023.

Respectfully submitted,



Patrick M. Ryan, OBA No. 7864

Jason A. Ryan, OBA No. 18824

Paula M. Jantzen, OBA No. 20464

Chance L. Pearson, OBA No. 22269

**RYAN WHALEY COLDIRON JANTZEN PETERS
& WEBBER PLLC**

400 N. Walnut Ave.

Oklahoma City, OK 73104

Telephone: 405-239-6040

Facsimile: 405-239-6766

pryan@ryanwhaley.com

jryan@ryanwhaley.com

pjantzen@ryanwhaley.com

cpearson@ryanwhaley.com

Bradley E. Beckworth, OBA No. 19982

Jeffrey Angelovich, OBA No. 19981

Lisa Baldwin, OBA No. 32947

Drew Pate, OBA No. 34600

Trey Duck, OBA No. 33347

Cody Hill, TX State Bar No. 24095836

NIX PATTERSON, LLP

8701 Bee Cave Road

Building 1, Suite 500
Austin, TX 78746
Telephone: (512) 328-5333
Facsimile: (512) 328-5335
bbeckworth@nixlaw.com
jangelovich@nixlaw.com
dpate@nixlaw.com
tduck@nixlaw.com
codyhill@nixlaw.com

Susan Whatley, OBA No. 30960
NIX PATTERSON, LLP
P.O. Box 178
Linden, Texas 75563
Telephone: (903) 215-8310
swhatley@nixlaw.com

Robert N. Barnes, OBA No. 537
Patranell Lewis, OBA No. 12279
Emily Nash Kitch, OBA No. 22244
BARNES & LEWIS, LLP
208 N.W. 60th Street
Oklahoma City, OK 73118
Telephone: (405) 843-0363
Facsimile: (405) 843-0790
rbarnes@barneslewis.com
plewis@barneslewis.com
ekitch@barneslewis.com

CLASS COUNSEL

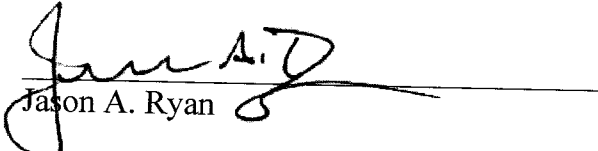
Michael Burrage, OBA No. 1350
WHITTEN BURRAGE
512 N. Broadway Ave., Suite 300
Oklahoma City, OK 73103
Telephone: (405) 516-7800
Facsimile: (405) 516-7859
mburrage@whittenburragelaw.com

LIAISON LOCAL COUNSEL

CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2023, a true and correct copy of the foregoing document was sent, via first class mail and/or electronic mail, to the following counsel of record:

Robert P. Costello
Paul D. Trimble
Trimble Law Group, PLLC
5510 N. Francis Ave.
Oklahoma City, OK 73118
Telephone: (405) 594-7100
bcostello@trimblelawgroup.com
ptrimble@trimblelawgroup.com


Jason A. Ryan