IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF OKLAHOMA

Marvin B. Dinsmore, et al., on behalf of themselves and all others similarly situated, Plaintiffs, v. Staghorn Petroleum II, LLC, Defendant.	Case No. 24-CV-369-JAR

JOINT DECLARATION OF CLASS COUNSEL IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND MOTION FOR APPROVAL OF PLAINTIFFS' ATTORNEYS' FEES, LITIGATION EXPENSES, ADMINISTRATION, NOTICE, AND DISTRIBUTION COSTS, AND CASE CONTRIBUTION AWARD

The undersigned Class Counsel jointly submit this declaration under penalty of perjury in support of the Motion for Final Approval of the Class Settlement and the Motion for Approval of Plaintiffs' Attorneys' Fees, Litigation Expenses, Administration, Notice, and Distribution Costs, and Case Contribution Award, which are filed contemporaneously with this declaration.[1] The statements made are based upon the personal knowledge and information for each of us.

BACKGROUND

Attorney Information

1. We have litigated many class actions and complex commercial litigations in the state and federal courts of Oklahoma, as well as in other state and federal courts.

2. We, Reagan E. Bradford and Ryan K. Wilson, are partners at the firm of Bradford & Wilson PLLC, which focuses on class actions and complex commercial litigation. We

[1] Capitalized terms not otherwise defined shall have the meaning ascribed to them in the Settlement Agreement (Doc. 17-1).

EXHIBIT 4

primarily litigate oil-and-gas class actions like this one and have successfully achieved recoveries for numerous classes on claims similar to those at issue in this case. *See, e.g.*, *Cecil v. BP Am. Prod. Co.*, No. 16-CV-410-KEW (E.D. Okla.); *Harris v. Chevron U.S.A., Inc.*, No.19-CV-355-SPS (E.D. Okla.); *McNeill v. Citation Oil & Gas Corp.*, No. 17-CIV-121-RAW (E.D. Okla.); *Bollenbach v. Okla. Energy Acquisitions LP*, No. 17-CV-134-HE (W.D. Okla.); *McKnight Realty Co. v. Bravo Arkoma*, No. 17-CV-308-KEW (E.D. Okla.); *Speed v. JMA Energy Co., LLC*, No. CJ-2016-59 (Okla. Dist. Ct. Hughes Cty.); *Henry Price Tr. v. Plains Mktg.*, No. 19-cv-390-KEW (E.D. Okla.); *Hay Creek Royalties, LLC v. Roan Res. LLC*, No. 19-CV-177-CVE-JFJ (N.D. Okla.); *Johnston v. Camino Nat. Res., LLC*, No. 19-CV-2742-CMA-SKC (D. Colo.); *Swafford v. Ovintiv Inc., et al.*, No. 21-CV-210-SPS (E.D. Okla.); *Pauper Petroleum , LLC v. Kaiser-Francis Oil Co.*, No. 19-CV-514-JFH-JFJ (N.D. Okla.); *Joanne Harris Deitrich Tr. A v. Enerfin Res. I Ltd. P'ship, et al.*, No. 20-CV-1199-F (E.D. Okla.); *Hay Creek Royalties, LLC v. Mewbourne Oil Co.*, No. 20-CV-084-KEW (W.D. Okla.); *Rounds, et al. v. FourPoint Energy, LLC*, No. 20-CV-52-P (W.D. Okla.); *McKnight Realty Co. v. Bravo Arkoma, LLC*, No. 20-CV-428-KEW (E.D. Okla.); *Wake Energy, LLC v. EOG Res., Inc.*, No. 20-CV-183-ABJ (D. Wyo.); *Cowan v. Devon Energy Corp., et al.*, No. 22-CV-220-JAR (E.D. Okla.); *Kunneman Props. LLC, et al. v. Marathon Oil Co.*, No. 22-CV-274-KEW (E.D. Okla.); *Hoog v. PetroQuest Energy, L.L.C., et al.*, No. 16-CV-463-KEW (E.D. Okla.); *Lee v. PetroQuest Energy, L.L.C., et al.*, No. 16-CV-516-KEW (E.D. Okla.); *Underwood v. NGL Energy Partners LP*, No. 21-CV-135-CVE-SH (N.D. Okla.); *Rice v. Burlington Res. Oil & Gas Co., LP*, No. 20-CV-431-GKF-SH (N.D. Okla.); *Dinsmore, et al. v. ONEOK Field Servs. Co., L.L.C.*, No. 22-CV-73-GKF-CDL (N.D. Okla.); *Dinsmore, et al. v. Phillips 66 Co.*, 22-CV-44-JFH (E.D. Okla.); *Ritter v. Foundation Energy Mgmt., LLC, et al.*, No. 22-CV-246-JFH (E.D. Okla.); *Cowan v. Triumph Energy Partners, LLC*, No. 23-CV-300-JAR (E.D. Okla.); *Indianola Res., LLC v. Calyx Energy, III, LLC*, No. 21-CV-235-GLJ (E.D. Okla.); *Dinsmore, et al. v. Scissortail Energy, LLC*, No. 22-CV-352-GLJ (E.D. Okla.); *Wright v. Devon Energy Prod. Co., L.P.*, No. 22-CV-213-KHR (D. Wyo.); *Dinsmore, et al. v. Oklahoma Petroleum Allies, LLC*, No. 23-CV-350-GLJ (E.D. Okla.). In addition to those prior recoveries, we are actively litigating

numerous other class claims related to oil-and-gas royalty payments. More information about us may be found on the firm website, www.bradwil.com.

3. Mr. White has practiced law in Oklahoma for over 50 years as a sole practitioner, partner in a large Oklahoma law firm, and as senior partner in his own firm. His litigation and transactional experience has been varied but mainly focused in energy related disputes and transactions. For example, as counsel he obtained a federal court verdict in favor of mineral and working interest owners for actual and punitive damages relating to gross negligence under a model form operating agreement, the first of its kind in Oklahoma. He also obtained a state district court verdict establishing misapplication by the operator of take-or-pay proceeds. Mr. White also served as general counsel for an Oklahoma based energy company, where, *inter alia*, he served as counsel to guide the successful monetization of $3.5 billion of energy properties ranging from Canada to the Gulf of Mexico. He has also directed or participated in numerous litigation matters in a number of venues. Further, Mr. White has previously been appointed Co-Lead Class Counsel in similar class actions related to PRSA interest. *See Henry Price Tr. v. Plains Mktg.*, No. 19-cv-390-KEW (E.D. Okla. 2021); *Joanne Harris Deitrich Tr. A v. Enerfin Res. I Ltd. P'ship, et al.*, No. 20-CV-1199-F (E.D. Okla.); *Underwood v. NGL Energy Partners LP*, No. 21-CV-135-CVE-SH (N.D. Okla.); *Dinsmore, et al. v. ONEOK Field Servs. Co., L.L.C.*, No. 22-CV-73-GKF-CDL (N.D. Okla.); *Dinsmore, et al. v. Phillips 66 Co.*, 22-CV-44-JFH (E.D. Okla.); *Dinsmore, et al. v. Scissortail Energy, LLC*, No. 22-CV-352-GLJ (E.D. Okla.); *Dinsmore, et al. v. Oklahoma Petroleum Allies, LLC*, No. 23-CV-350-GLJ (E.D. Okla.).

4. The Court has appointed Reagan E. Bradford and Ryan K. Wilson as Co-Lead Class Counsel, and James U. White, Jr. as Additional Class Counsel. Doc. 21 at 4, ¶ 4.

5. As Class Counsel, the foregoing have achieved an outstanding result, obtaining a settlement with a total cash value of $1,500,000.00.

Work Completed Before Filing Suit

6. Before filing the Litigation, Class Counsel extensively investigated the payment practices of Defendant Staghorn Petroleum II, LLC ("Staghorn" or "Defendant").

7. We reviewed and analyzed the documents and information available to us, including correspondence, legal instruments, other litigation, and publicly available information about Staghorn.

8. We also reviewed prior and pending cases related to the claims at issue in this case, and we relied upon our experience in cases of this kind.

9. Based on our review and analysis, and after discussing the same with our clients ("Plaintiffs" or "Class Representatives"), we filed a Complaint against Staghorn in the United States District Court for the Northern District of Oklahoma.

Work Done After Filing

10. **Litigation Efforts.** Plaintiffs initiated this case with the filing of their Original Complaint on July 7, 2023, in which they alleged that Staghorn failed to pay statutory interest owed on late payments under Oklahoma's Production Revenue Standards Act ("PRSA"). *Dinsmore, et al. v. Staghorn Petroleum II, LLC*, No. 23-CV-282-JDR-JFJ, Doc. 2, (N.D. Okla. July 7, 2023) (the "NDOK Action").

11. Staghorn answered on August 3, 2023. NDOK Action at Doc. 13.

12. The parties then conferred over and filed a joint status report on September 5, 2023, proposing, *inter alia*, a schedule to govern class certification. NDOK Action at Doc. 19. A scheduling order and protective order were then entered and discovery ensued. NDOK Action at Docs. 20, 22.

13. On August 10, 2022, Plaintiffs issued their First Set of Written Discovery to Staghorn, and Staghorn responded to those requests on September 18, 2023. The parties met and conferred over Staghorn's discovery responses on numerous occasions, including on

October 4, 2023, on a lengthy video conference. Ultimately, Staghorn produced thousands of pages of documents and information in response to Plaintiffs' discovery requests.

14. During discovery, the parties first focused on the accounting data necessary to evaluate potential damages. To fully evaluate the data, Plaintiffs' counsel also engaged consultants who are regularly retained to analyze and testify as to damages for late payment of oil and gas proceeds under Oklahoma law.

15. The parties further agreed to explore resolution of the case through mediation, and they ultimately engaged Robert G. Gum as mediator, who has considerable experience mediating similar oil-and-gas late-payment class actions.

16. **Resolution Efforts.** In the months leading up to mediation, the parties shared data and analysis aimed at narrowing the factual issues ahead of mediation. Staghorn produced voluminous accounting data, which Plaintiffs' consultants analyzed to evaluate potential damages.

17. The parties attended a day-long mediation with Mr. Gum on August 19, 2024, in Oklahoma City.

18. The mediation resulted in the parties agreeing to a proposed class settlement, subject to execution of a complete settlement agreement.

19. The parties then worked to draft and finalize the definitive settlement agreement, which the parties ultimately executed on September 30, 2024.

20. As part of the Settlement Agreement, the parties agreed to dismiss the NDOK Action without prejudice and to file this action to effectuate the terms of the Settlement Agreement.

21. Class Counsel filed the motion for Preliminary Approval on October 17, 2024. Doc. 17. The Court entered the Preliminary Approval Order on November 7, 2024. Doc. 21.

22. **Notice Campaign and Plan of Allocation.** Class Counsel then worked with the Settlement Administrator to carry out the Notice campaign, which is detailed in the Settlement Administrator's Declaration (Doc. 24-5), and to formulate the Initial Plan of

Allocation (Doc. 24-6). These efforts required extensive communication and effort to effectuate the Notice campaign and to formulate the Initial Plan of Allocation in accordance with the Court's Preliminary Approval Order and the terms of the Settlement Agreement.

The Positive Reaction to the Settlement

23. Since the Notice campaign was effectuated, and at the time this declaration was executed, one request for exclusion has been received and there have been no objections. *See* Doc. 24-5, Keough Decl. at 4–5, ¶¶ 14–17. Because this declaration is required to be filed before the deadline for filing objections or requesting exclusion (January 28, 2025), Class Counsel will update the Court regarding any additional requests for exclusion or objections submitted or filed after the Court imposed deadline.

24. The vast majority of Class Members have indicated approval of the terms of the Settlement Agreement by choosing to participate in the Settlement.

25. In Class Counsel's judgment, the Settlement is fair, reasonable, and adequate, as indicated by the overwhelming support of Class Members.

26. The Settlement was also the result of an arm's length, heavily negotiated process, carried out by experienced counsel. This further supports the fairness and reasonableness of the Settlement.

Plaintiffs' Attorney's Fees

27. Class Counsel is seeking a 35% contingency fee from the up-front cash value of $1.5 million, which is less than the customary fee of 40% in these cases. Notably, this amount is also less than the 40% fee noticed to the Class during the notice campaign, to which no objections have been received.

28. Class Representatives negotiated a contract to prosecute this case on a fully contingent basis, with a fee arrangement of 40% of any recovery obtained for the putative class after the filing of the Litigation.

29. Numerous state and federal courts in Oklahoma, including this Court, have recognized that a 40% contingent fee is standard in Oklahoma oil-and-gas class action litigation. *See, e.g., Cowan v. Devon Energy Corp., et al.*, No. 22-CV-220-JAR, Doc. 30 at 9 (E.D. Okla. Jan. 17, 2023) ("I find a 40% fee is consistent with the market rate for high quality legal services in class actions like this."); *Allen v. Apache Corp.*, No. 22-CV-63-JAR, Doc. 37 at 14 (E.D. Okla. Nov. 16, 2022) ("I find this fee [40%] is consistent with the market rate and is in the range of the 'customary fee' in oil and gas class actions in Oklahoma state courts over the past fifteen (15) years."); *Chieftain Royalty Co. v. Newfield Exploration Mid-Continent Inc.*, No. 17-CV-336-KEW, Doc. 71 at 14 (E.D. Okla. Mar. 3, 2020) (same).

30. Based upon our experience, knowledge, education, study, and professional qualifications, we believe that the 40% contingent fee agreed to with Class Representatives is the market rate for this case and is fair and reasonable. *See* Decl. of Steven S. Gensler, *Hay Creek Royalties, LLC v. Roan Res. LLC*, No. 19-CV-177-CVE-JFJ, Doc. 64-7 at 24–25 (N.D. Okla. Apr. 7, 2021) ("[T]he typical fee agreement in similar royalty class actions in Oklahoma is a contingency fee of 40% . . . The 40% fee request in this case is consistent with what many federal and state courts in Oklahoma have awarded in other oil-and-gas royalty class actions.").

31. Because a contingent fee is set in the marketplace and is definitive evidence of the reasonable and fair percentage fee at the time the risk is undertaken and largely unknown, courts often focus on the contingent fee class action agreement to set the fee for the entire class.

32. Courts consider the *Johnson* factors to determine whether the requested fee is reasonable. *See Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974).

33. **The time and labor required**: The first consideration is not prominent in a contingent fee case such as this. *See Indianola*, No. 21-CV-235-GLJ, Doc. 68 at 4 (E.D. Okla. Mar. 27, 2024) ("This Court, and other federal courts in Oklahoma, have acknowledged the Tenth Circuit's preference for the percentage method and declined application of a lodestar analysis

or lodestar cross check."). Our efforts in this matter are discussed *supra*. In sum, we believe our litigation efforts demonstrate the time and labor we invested in this matter. This factor supports the fee request.

34. **The novelty and difficulty of the questions presented by the litigation**: While oil-and-gas class actions are not necessarily novel in Oklahoma, they are incredibly difficult and complex, which is proven by the sheer fact that very few law firms undertake them. *Id.* at 6 ("Class actions are known to be complex and vigorously contested. The Court finds that this case presented novel and difficult issues. The legal and factual issues litigated in this case involved complex and highly technical issues."). The continued difficulty of this area of the law, both in an oil-and-gas context and in a class action context, is also evident from the various positions taken by various judges, some denying class certification altogether. This factor supports the fee request.

35. **The skill required to perform the legal services properly**: Class actions are inherently difficult and generally hard fought, as is oil-and-gas litigation. Combined, the two areas of law require substantial skill and diligence. Very few firms even undertake such litigation. *Id.* at 6 ("I find the Declarations and other undisputed evidence submitted demonstrate that this matter called for Class Counsel's considerable skill and experience in oil-and-gas and complex class action litigation to bring it to such a successful conclusion, requiring investigation and mastery of complex facts and data.").

36. **The preclusion of other employment by the attorney due to the acceptance of the case**: While not a critical factor, it is common knowledge that the longer a case goes on the more other legal business it precludes since a lawyer and a law firm only have a finite amount of time to offer. *Id.* at 7 ("The Declarations and other undisputed evidence prove that Class Counsel necessarily were hindered in their work on other cases due to their dedication of time and effort to the prosecution of this matter.").

37. **The customary fee**: As shown above, the customary fee is 40%, and Class Counsel is seeking less than that amount by seeking a fee of 35%. *See supra* ¶¶ 27–31.

Sometimes more is awarded if counsel must go through trial or handle the case on appeal. Sometimes less is awarded if the case is a mega fund case. This Litigation is neither. This factor supports the fee request.

38. **Whether the fee is fixed or contingent**: This factor is the only one in the disjunctive—fixed "or" contingent. It is important to preserve the parties' expectations in their representation agreement. In a contingent fee context, a poor result means a poor fee (regardless of how long or hard the attorney worked, or how much skill displayed). A loss means no fee and usually the attorney "eats" the out-of-pocket expenses too. *See Indianola*, No. 21-CV-235-GLJ, Doc. 68 at 8 (E.D. Okla. Mar. 27, 2024) ("Class Counsel undertook this matter on a purely contingent fee basis (with the amount of any fee being subject to Court approval), assuming a risk that the matter would yield no recovery and leave them uncompensated. Courts consistently recognize that the risk of receiving little or no recovery is a major factor in considering an award of attorneys' fees."). When successful, a contingent fee must significantly exceed an hourly fee to recognize the risk of a substantial financial loss if the plaintiff is unsuccessful. Both types of fee structures are used in different settings, and both are ethical, legal, and reasonable. The fee in this case was a contingent fee case. This factor supports the fee request.

39. **Time limitations imposed by the client or the circumstances**: This was not a factor in this case and should not influence the Court one way or the other.

40. **The amount in controversy and the results obtained**: The Parties had varying damage models, as is customary. The $1.5 million in up-front cash represents a significant amount of the damages calculated by Plaintiffs' expert. The result obtained in a contingent fee case is by far the most important factor in determining the fee to award. *See Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983) (the "critical factor is the degree of success obtained"). Many class actions have settled for a lower proportionate recovery of actual damages recovered here, and in Oklahoma, some class actions have failed altogether. This factor supports the fee request.

41. **The experience, reputation, and ability of the attorney**: We have extensive experience with both class actions and royalty underpayment and late payment suits, as this Court has previously found. *See supra* ¶¶ 2–3. We believe our experience and skill have served the Class Members well, meriting an award of fees as requested. Moreover, in this case, we faced opposition from experienced counsel from a well-respected law firm regularly hired by oil-and-gas companies. This factor supports the fee request.

42. **The undesirability of the case**: Very few attorneys have the desire to take on the risks involved in class actions. That is even more so in oil-and-gas class actions, where a litigation battle is waged against a sophisticated oil-and-gas company. *See Indianola*, No. 21-CV-235-GLJ, Doc. 68 at 8 (E.D. Okla. Mar. 27, 2024) ("Compared to most civil litigation, this matter fits the "undesirable" test and no other law firms or plaintiffs have asserted these class claims against Defendant. Few law firms risk investing the time, trouble, and expenses necessary to prosecute this matter."). This factor supports the fee request.

43. **The nature and length of the professional relationship with the client**: This factor has little if any relevance here, but still supports the requested award. We worked with Class Representatives throughout the Litigation to prosecute these claims and Class Representatives zealously represented the Settlement Class. This factor supports the fee request.

44. **Awards in similar cases**: As shown above, the usual fee in the context of oil-and-gas class action litigation like this is 40%—and, here, Class Counsel seeks less than that customary fee. This factor supports the fee request.

45. Overall, the factors, and certainly the most important factors, support the fee request for a fee of 35%, which is less than the customary fee.

Litigation Expenses

46. The books and records of Bradford & Wilson PLLC reflect the expenses incurred for this case. Based on our oversight of the work in connection with the Litigation and our review of these records, we, Reagan E. Bradford and Ryan K. Wilson, believe them to

constitute an accurate record of the expenses actually incurred by our firm in connection with the Litigation, and that all of the expenses were necessary to the successful conclusion of this case. The total expenses paid by Bradford & Wilson PLLC to date are $31,042.81.

47. The expenses will increase as we prepare for the Final Fairness Hearing, including preparation of a preliminary allocation under the Initial Plan of Allocation and a Final Plan of Allocation and Distribution Order. Also, expenses will increase to the extent that bills for expenses have not yet arrived and been catalogued into the presently available number. At this time, we anticipate that we will incur an additional $20,000 in Litigation Expenses or Administration, Notice, and Distribution Costs through the conclusion of this Litigation.

Administration, Notice, and Distribution Costs

48. The court-appointed Settlement Administrator, JND, has incurred $28,710.79 in Administration, Notice, and Distribution Costs as of December 31, 2024. *See* Doc. 24-5, Keough Decl. at 5, ¶ 18. Under the Settlement Agreement, these Administration, Notice, and Distribution Costs are to be paid from the Gross Settlement Fund.

49. JND estimates that it will require an additional $60,289.21 in Administration, Notice, and Distribution Costs to complete the settlement process, for an overall total cost of $89,000.00 in Administration, Notice, and Distribution Costs. *Id.*

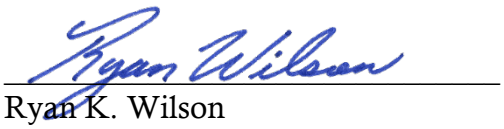
Case Contribution Award

50. Class Representatives were crucial in this Litigation. *See* Doc. 24-3, Class Reps. Decl. Class Representatives engaged experienced counsel, significantly assisted with the Litigation, with the negotiation of the settlement, and with the process for completing and seeking approval of the Settlement. Additionally, Class Representatives searched and collected documents from their own records. When reason and common sense suggested mediating a resolution, Class Representatives assisted in the process to ensure it was fair, reasonable, fully

adversarial, and non-collusive. Class Representatives have earned a Case Contribution Award, and 1–2% is common in oil-and-gas class actions in Oklahoma. *See, e.g., Harris v. Chevron U.S.A., Inc., et al.*, No. 19-CV-355-SPS, Doc. 40 at 17 (E.D. Okla. Feb. 27, 2020) (The class representative's "request for an award of two percent is consistent with awards entered by Oklahoma state and federal courts, as well as federal courts across the country."); *Indianola*, No. 21-CV-235-GLJ, Doc. 68 at 11 (E.D. Okla. Mar. 27, 2024) ("The request for an award of 2% is consistent with awards entered in similar cases.").

51. Here, as set forth in the Notice, Class Representatives seek an overall case contribution award totaling $30,000.00 which amounts to 2% of the Gross Settlement Fund. Having worked with Class Representatives throughout the Litigation, we fully support this request and believe the time and effort expended by Class Representatives merits a Case Contribution Award of this value.

Reagan E. Bradford



Ryan K. Wilson

James U. White, Jr.