

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

ANGELO R. RESCIGNO, SR., AS
EXECUTOR OF THE ESTATE OF
CHERYL B. CANFIELD,

Plaintiff,

vs.

STATOIL USA ONSHORE
PROPERTIES INC., STATOIL
NATURAL GAS LLC and STATOIL
ASA,

Defendants.

) Case No. 3:16-cv-00085-MEM

)
) STIPULATION AND AGREEMENT
) OF SETTLEMENT

This CLASS ACTION SETTLEMENT AGREEMENT (“Settlement Agreement”) is entered into by, between, and among, Lead Plaintiffs Angelo R. Rescigno, Sr., As Executor of the Estate of Cheryl B. Canfield, Donald Keith Stine and Mary Stine, for themselves and on behalf of the putative Class defined below (“Lead Plaintiffs”) and Defendant Statoil USA Onshore Properties Inc. (“Statoil” or “Defendant”) in *Rescigno v. Statoil USA Onshore Properties Inc., et al.*, Case No. 3:16-cv-00085-MEM (M.D. Pa.) (the “Action”).

This Settlement Agreement is entered into to effect a full and final settlement and dismissal with prejudice of all claims in the Action as to Defendant in connection with the payment of royalties and/or the interpretation of royalty provisions of certain oil and gas leases, on the terms set forth below, subject to the approval of the Court.

I. RECITALS

1. Lead Plaintiffs and the Class, as lessors, and Statoil, as lessee, are parties to oil and gas leases governing leaseholds in the Northern region of the Commonwealth of Pennsylvania. The leases obligate Statoil to make Royalty payments to Lead Plaintiffs and the Class on Gas produced and sold by Statoil.

2. Lead Plaintiffs allege that Defendant underpaid Royalties to Lead Plaintiffs and the Class by, among other things, using an Index Pricing Methodology rather than a Resale Price. Defendant denies the claims and further seeks offsets for the deduction of post-production expenses from Royalties.

3. Class Counsel and Defendant engaged in arm's-length negotiations in the interest of resolving this dispute. Lead Plaintiffs and Class Counsel have concluded that it is in the best interests of Lead Plaintiffs and the Class to enter into this Settlement Agreement to avoid the uncertainties of litigation, particularly complex litigation such as this. Defendant has agreed, despite its belief that it is not liable for the claims asserted and has good defenses and offsets thereto, and without admission of any wrongdoing of any kind, to enter into this Settlement Agreement in order to avoid the time, expense and uncertainty of litigation and to further its relationship with its lessors.

4. In light of the investigations undertaken and conclusions reached by the Parties, the Parties agree, subject to approval by the Court, to fully and finally compromise, settle, extinguish and resolve the Settled Claims and to dismiss with prejudice the Action under the terms and conditions set forth in this Settlement Agreement.

II. AGREEMENT FOR SETTLEMENT PURPOSES ONLY

This Settlement Agreement is for settlement purposes only. Neither the fact of nor any provision contained herein, nor any negotiations or proceedings related thereto, nor any action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim or any fact alleged by Lead Plaintiffs in the Action or of any wrongdoing, fault, violation of law, breach of contract, or liability of

any kind on the part of Defendant; any admission by Defendant of any claim or allegation made in any demand of, action against, or proceeding against Defendant; or as a waiver of any applicable defense, including, without limitation, any applicable statute of limitations, the right to challenge class certification, and the right to insist on individual arbitration or litigation of Lead Plaintiffs' and each Class Member's dispute. This Settlement Agreement and its exhibits shall not be offered or be admissible in evidence against Lead Plaintiffs or Defendant or Class Members in any action or proceeding in any forum for any purpose whatsoever, except in any action or proceeding brought to enforce its terms.

III. SETTLEMENT AGREEMENT

In consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lead Plaintiffs, on behalf of themselves and as the class representatives, and Defendant hereby contract, covenant and agree that the Settled Claims are fully resolved, settled, compromised, extinguished and dismissed on the merits and with prejudice, subject to the approval of the Court, on the following terms and conditions:

1. Definitions.

When used in this Settlement Agreement, unless otherwise specifically indicated, the following terms shall have the respective meanings assigned to them:

1.1 “Action” means *Rescigno v. Statoil USA Onshore Properties Inc., et al.*, Case No. 3:16-cv-00085-MEM (M.D. Pa.).

1.2 “Class” means Royalty Owners in Northern Pennsylvania who have entered into oil and gas leases, regardless of the type of lease, that provide that the Royalty Owner is to be paid Royalties and to whom Statoil has (or had) an obligation to pay Royalties on production attributable to Statoil’s working interest. Excluded from the Class are the following:

- (a) Statoil, Statoil’s affiliates, and their respective predecessors and successors;
- (b) any person or entity who owns a working interest in the Relevant Leases;
- (c) the interest of any Royalty Owner to the extent and for any time period in which that Royalty Owner receives its Royalty in kind;
- (d) the interest of any Royalty Owner to the extent and for any time period in which that interest was transferred or assigned to another;
- (e) any Royalty Owner who has previously released Statoil from any liability concerning or encompassing any or all Settled Claims;
- (f) the federal government;
- (g) the Commonwealth of Pennsylvania;
- (h) legally-recognized Indian Tribes; and

(i) any person who serves as a judge in this Action and his/her spouse.

1.3 “Class Counsel” means the following attorneys:

Douglas A. Clark
The Clark Law Firm, P.C.
1563 Main Street
Peckville, PA 18452

Francis P. Karam
Robbins Geller Rudman
& Dowd LLP
58 South Service Rd., Suite 200
Melville, NY 11747

John F. Harnes
Law Offices of John F. Harnes
PLLC
750 Lexington Avenue, 9th Floor
New York, NY 10022

1.4 “Class Member” means a member of the Class, and any of their respective past, present, or future officers, directors, stockholders, agents, employees, legal or other representatives, partners, associates, trustees, subsidiaries, divisions, affiliates, heirs, executors, administrators, purchasers, predecessors, successors, and assigns, who does not submit a valid Request for Exclusion pursuant to the Notice or is otherwise excluded pursuant to ¶1.2.

1.5 “Court” means the United States District Court for the Middle District of Pennsylvania.

1.6 “Defendant” means Statoil USA Onshore Properties Inc.

1.7 “Defendant’s Counsel” means the following attorneys:

David A. Higbee
Shearman & Sterling LLP
401 9th Street NW, Suite 800
Washington, DC 20004

Robert L. Theriot
Liskow & Lewis
1001 Fannin Street, Suite 1800
Houston, TX 77002

John G. Dean
Elliott Greenleaf & Dean
201 Penn Avenue, Suite 202
Scranton, PA 18503

1.8 “Effective Date” shall be the date when each and all of the following conditions have occurred:

- (a) The Settlement Agreement has been fully executed;
- (b) The Preliminary Approval Order has been entered by the Court certifying a Class, granting preliminary approval of this Settlement Agreement, and approving the Notice;
- (c) The Court-approved Notice has been mailed as ordered by the Court;
- (d) The Court has approved and entered the Judgment, thereby approving this Settlement Agreement and dismissing the Settled Claims with prejudice; and
- (e) The Judgment has become Final as defined in ¶1.11, below.

1.9 “Escrow Account” means the segregated escrow account maintained by the Escrow Agent.

1.10 “Escrow Agent” means the law firm of Robbins Geller Rudman & Dowd LLP or its successor.

1.11 “Final” means that (a) the Judgment is a final, appealable order; and (b) either (i) no appeal has been taken from the Judgment as of the date on which all times to appeal therefrom have expired, or (ii) an appeal or other review proceeding of the Judgment having been commenced, such appeal or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or argument, petitions for rehearing *en banc*, petitions for writ of certiorari, or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the Judgment in all material respects.

1.12 “Final Awards” means the amount distributed to Class Members from the Net Settlement Fund as described in ¶¶9.1 and 9.2.

1.13 “Gas” or “Natural Gas” means natural gas, including entrained liquid hydrocarbons, which is separated at the well and delivered from the well and sold as natural gas.

1.14 “Index Pricing Methodology” means the methodology currently used (as has been adjusted previously from time to time) by Statoil for valuing or pricing Natural Gas produced by Statoil from Northern Pennsylvania and sold to its affiliated purchaser and for purposes of determining Royalty value or price. For purposes of this Agreement and prospectively, it is defined as the method for calculating and

determining the price or value for Natural Gas produced by Statoil and delivered for sale to its purchaser (including any affiliated purchaser) at any point between the well and the interconnect of the gathering system to the mainline interstate transmission line and which uses reference to published prices (as adjusted for MMBtu) reported in Platt's *Inside FERC* publication (or, should Platt's discontinue such publication, then the industry accepted replacement for such) for Natural Gas delivered into the interstate pipeline segment or segments into which Statoil or its purchaser delivers Natural Gas from the specific gathering system to which the wells of the Royalty Owner are connected.

1.15 "Judgment" means the Judgment and Order of Dismissal with Prejudice to be entered by the Court, substantially in the form attached hereto as Exhibit C, upon final approval of the Settlement. It is understood and agreed that the Judgment shall have no *res judicata*, collateral estoppel, or other preclusive effect as to any claims other than the Settled Claims.

1.16 "Lead Plaintiffs" means Angelo R. Rescigno, Sr., As Executor of the Estate of Cheryl B. Canfield, Donald Keith Stine and Mary Stine.

1.17 "Lease Form 29" means leases that include the following, or substantially the same, express language governing the valuation of Royalty on Natural Gas:

To pay Lessor on gas and casinghead gas produced from the leased premises, percentages of proceeds . . . based on: (1) the Gross Proceeds paid to Lessee from the sale of such gas and casinghead gas when sold

by Lessee in an arms-length sale to an unaffiliated third party, or (2) the Gross Proceeds, paid to an Affiliate of Lessee, computed at the point of sale, for gas sold by lessee to an Affiliate of Lessee

1.18 “Net Settlement Fund” means the Settlement Fund less Notice and Administration Costs, any attorneys’ fees, expenses, any incentive award granted to Lead Plaintiffs, to the extent awarded by the Court, and less Taxes, Tax Expenses and any other Court-approved deductions.

1.19 “Northern Pennsylvania” means the area of Pennsylvania in which Statoil owns working interests in oil and gas leases and from which it produces and sells Natural Gas production for delivery into Rome, Liberty, Allen, Meadow, Warrensville, Seely, Canoe Run, Tombs Run, and PVR Wyoming gathering systems and includes oil and gas leases owned in whole or part by Statoil in the following counties: Bradford, Lycoming, Sullivan, Susquehanna, and Wyoming.

1.20 “Notice” means the Notice of Proposed Settlement of Class Action, substantially in the form attached hereto as Exhibit A-1, or such other comparable notice(s) approved by the Court, which is to be given to the Class as provided in ¶¶8.1-8.3, below.

1.21 “Notice and Administration Costs” means expenses incurred in carrying out the terms of the Settlement Agreement, including fees and expenses by the Settlement Administrator in administering and carrying out the terms of the Settlement Agreement, including expenses for printing and mailing of the Notice, post

office box rental costs, responding to inquiries by persons receiving or reading the Notice, implementing the Plan of Administration, and costs of the Escrow Account. Notice and Administration Costs shall not include Taxes, Tax Expenses, Class Counsel's attorneys' fees and litigation expenses, or any incentive award the Court may grant for Lead Plaintiffs.

1.22 "Parties" means Lead Plaintiffs, the Class and Defendant.

1.23 "Pennsylvania" means the Commonwealth of Pennsylvania.

1.24 "Plan of Administration" means the Plan of Administration and Distribution as set forth in Exhibit B hereto, describing the specific procedures and processes for the administration and distribution of the Net Settlement Fund to Class Members.

1.25 "Plan of Allocation" means the methodology pursuant to which the Net Settlement Fund will be allocated among Class Members as provided in the separately filed Plan of Administration.

1.26 "Preliminary Approval Order" means the order entered by the Court pursuant to the motion for preliminary approval, as described in ¶7 below and in the form attached hereto as Exhibit A, preliminarily approving the Settlement, approving the form and manner of the Notice, and setting a date certain for the Settlement Hearing.

1.27 “Record Date” means the last day of the most recent production month for which Statoil is reasonably able to determine from its royalty accounting payment records the Royalty Volume for each Class Member at the time such information must be provided to the Settlement Administrator for purposes of computing the Plan of Allocation and implementing the Plan of Administration.

1.28 “Related Parties” means Statoil’s past and present parents, subsidiaries, affiliates, officers, directors, employees, and assigns (including, but not limited to, Statoil ASA and Statoil Natural Gas LLC).

1.29 “Released Persons” means Statoil and its Related Parties.

1.30 “Relevant Leases” means each and every oil and gas lease in Northern Pennsylvania owned in whole or part by Statoil from which Statoil produces and sells Natural Gas and pays a Royalty to Royalty Owners.

1.31 “Request for Exclusion” means a timely and properly submitted written request to be excluded from the Class. A Request for Exclusion is not timely and properly submitted unless it is in writing, is signed by the person or entity requesting exclusion, is mailed in a postage-paid envelope to the Settlement Administrator, postmarked no later than the due date established by the Court in the Preliminary Approval Order, and otherwise complies with the instructions contained in the Notice. The Request for Exclusion must be personally signed by any natural person requesting exclusion; it cannot be signed by that person’s lawyer or other agent, unless the person

is incapacitated. Requests for Exclusion may not be made on a class or representative basis. If the entity requesting exclusion is a corporation, partnership, or other legal entity, the request must be personally signed by a duly-authorized officer, partner, or managing agent. A Request for Exclusion is also not properly submitted or valid if it requests a qualified or partial exclusion or any other qualification.

1.32 “Resale Price” means the net weighted average sales price (net of mainline interstate pipeline tariffs, fees and costs) received on Gas sold by Statoil Natural Gas LLC (“SNG”) (or another purchaser affiliated with Statoil) to unaffiliated third parties, which Gas was acquired in whole or in part from Statoil production in Northern Pennsylvania. The Resale Price shall be computed separately for each gathering system.

1.33 “Royalty” means the amount owed to a lessor by Statoil pursuant to an oil and gas lease (including any fractional interest therein) or an overriding royalty derived from the lessor’s interest in such an oil and gas lease.

1.34 “Royalty Owner” means any person who owns a Royalty interest in the Relevant Leases and is entitled to receive payment on such Royalty from Statoil.

1.35 “Royalty Volume” shall mean the volume of Natural Gas attributable to each Class Member, measured in McF on the same basis as which Statoil reports Royalty to the Royalty Owners, and measured for each month of production, commencing with the first production month for which Statoil paid Royalty to the

Class Member and concluding on the Record Date. “Total Royalty Volume,” for purposes of this Agreement, the Plan of Administration and the parties’ Supplemental Agreement Regarding Requests for Exclusion, shall mean the total sum of all Royalty Volumes attributable to every Class Member.

1.36 “Settled Claims” means any and all claims, as well as any known or unknown claims, that (a) were asserted in or that could have been asserted in any complaint (including any amended complaint) in this Action, or that in any way relate to the Index Pricing Methodology used by Statoil to calculate Royalties prior to the Effective Date for Royalty Owners within the Class, and (b) involve the methodology for determining or valuing the Royalty price paid on Natural Gas produced from Class Members’ wells and attributable to and taken by Statoil’s working interest for sale, subject to the exceptions articulated immediately below. Settled Claims shall include Statoil’s use of the Resale Price to calculate Royalties going forward for Class Members who have a Lease Form 29, discussed at ¶2.4, and Statoil’s use of an Index Price through the Sunset Date for other owners, discussed at ¶2.5. Settled Claims shall not include:

- (a) claims concerning post-production expense deductions;
- (b) ordinary and prior period adjustments to Royalty payments not related to the pricing methodologies settled in this Agreement (*e.g.*, due to title issues, decimal interests, purely mathematical computations, clerical issues, measurement issues, or corrected invoices from pipelines or purchases);

(c) claims involving Royalty payments made separately by any co-working interest owner of Statoil for production taken and sold by such co-working interest owner, except that, to the extent that claims against Statoil for production taken and marketed by Statoil are released by this Agreement, Class Members shall not seek to recover such claims against other co-owners under a theory of vicarious liability, joint and several liability, or otherwise; and

(d) non-Royalty-related claims such as claims for property damage, contamination, or personal injury.

1.37 “Settlement” means the settlement embodied in this Settlement Agreement and the Judgment.

1.38 “Settlement Administrator” means the firm of Gilardi & Co. LLC.

1.39 “Settlement Agreement,” “Stipulation,” or “Agreement” means this Stipulation and Agreement of Settlement, including all exhibits hereto.

1.40 “Settlement Amount” means the principal amount of \$7,000,000.00 to be paid pursuant to ¶2.1 of this Settlement Agreement.

1.41 “Settlement Fund” means the Settlement Amount plus all interest and accretions thereto.

1.42 “Settling Parties” means Statoil and the Released Persons, Lead Plaintiffs, and any Class Member who does not submit a valid Request for Exclusion or who is not otherwise excluded from the Class pursuant to ¶1.2.

1.43 “Statoil” means Statoil USA Onshore Properties Inc.

1.44 “Sunset Date” means the last day of the production month following the five (5) year anniversary of the Effective Date.

1.45 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority.

1.46 “Tax Expenses” means expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) Tax returns described in ¶4, below.

2. The Settlement

2.1 The Settlement Amount. Defendant shall cause the Settlement Amount to be paid or deposited into the Escrow Account within 20 calendar days after notice of entry of the Preliminary Approval Order.

2.2 Records of Class Members. Defendant shall provide such records and information, including electronic data, in its possession, custody, or control, as may be reasonably necessary for the Settlement Administrator to prepare a list of the members of the Class, mail the Notice to the members of the Class, allocate the Net Settlement Fund among the Class Members in accordance with the Plan of Allocation, and

otherwise properly administer the Settlement in accordance with the Plan of Administration set forth in Exhibit B.

2.3 No Further Payment Obligations. Upon paying the Settlement Amount required under ¶2.1 and under the Plan of Administration attached as Exhibit B, Defendant shall have no further payment obligations to Class Members, Class Counsel, or any other person whatsoever under this Settlement Agreement.

2.4 Pricing under Lease Form 29 Subsequent to the Effective Date. In exchange for the consideration set forth in this Agreement, including, but not limited to, the release set forth in ¶5, the Parties agree, and the Judgment shall so reflect, that as to Class Members who have a Lease Form 29, beginning effective retroactively to the first full production month following the date of preliminary approval of this Agreement by the Court and continuing for the duration of Statoil's obligation to pay Royalties pursuant to such a lease form, Statoil agrees that should it sell Natural Gas production to SNG or another affiliated purchaser then Statoil will value and pay such Royalties based on the Resale Price applicable to the gathering system to which that Royalty Owner's Natural Gas is delivered. The Class Members operating under Lease Form 29 agree to release the Released Persons from any claims or liability associated with the use of the Resale Price to calculate Royalties.

2.5 Pricing under other Lease Forms Subsequent to the Effective Date. To the extent Class Members have any lease form other than Lease Form 29, the Parties

agree that Statoil may use the Index Pricing Methodology to calculate and pay Royalties for a period continuing until the Sunset Date. The Class Members operating under such lease forms agree to release the Released Persons from any claims or liability associated with use of the Index Pricing Methodology to calculate Royalties through the Sunset Date.

2.6 Nothing in this Settlement addresses or affects the Parties' rights concerning deductions from the price of Royalty for post-production costs, including the Parties' respective rights and positions as to whether "market enhancement," "ready for sale or use," or similar clauses allow for deductions of post-production costs, and no compromise, settlement, or release is intended by any Party as to prior or future taking of post-production cost deductions.

3. The Escrow Agent

3.1 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶2.1 hereof in United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government or an Agency thereof, or fully insured by the United States Government or an Agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund and the Released Persons shall have no responsibility

for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

3.2 The Escrow Agent shall not disburse the Settlement Fund except as provided in the Settlement Agreement, by an order of the Court, or with the written agreement of counsel for Defendant.

3.3 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Settlement Agreement, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of the Settlement Agreement. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

3.4 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Settlement Agreement and/or further order(s) of the Court.

3.5 Prior to the Effective Date and without further order of the Court, up to \$250,000 of the Settlement Fund may be used by Class Counsel to pay Notice and Administration Costs. After the Effective Date, Class Counsel may pay all further reasonable Notice and Administration Costs, regardless of amount, without further order of the Court.

3.6 It shall be Class Counsel's sole responsibility to disseminate the Notice to the Class in accordance with this Settlement Agreement and as ordered by the Court, and to respond to all inquiries from Class Members related thereto. Class Members shall have no recourse as to the Released Persons with respect to any claims they may have that arise from any failure of the notice process.

4. Taxes

4.1 The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶4.1, including the "relation-back election" (as defined in Treas. Reg. §1.468B-1) 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.

4.2 For the purpose of §1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund

(including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in ¶4.1 hereof) shall be consistent with this ¶4.2 and in all events shall reflect that all Taxes (including any estimated Taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶4.3 hereof.

4.3 All (a) Taxes (including any estimated Taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (b) expenses and costs incurred in connection with the operation and implementation of this ¶4.3 (including, without limitation, Tax Expenses), shall be paid out of the Settlement Fund; in all events the Released Persons and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Escrow Agent, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent

shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Class Members any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(l)(2)); neither the Released Persons nor their counsel are responsible nor shall they have any liability for any Taxes or Tax Expenses. The Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶4.3.

5. Releases

5.1 Upon the Effective Date, Lead Plaintiffs and each member of the Class shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged all Settled Claims against the Released Persons. Claims to enforce this Settlement Agreement are not released.

5.2 Upon the Effective Date, all Class Members and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting the Settled Claims against any of the Released Persons.

5.3 The Parties acknowledge and agree that the relief afforded under this Settlement Agreement fully and completely compromises the Class Members' claims for relief in the Action against the Released Persons.

5.4 Upon the Effective Date, the Released Persons hereby release, relinquish and discharge Lead Plaintiffs and each and all of the Class Members and Class Counsel from any and all claims and causes of action of every nature and description (including unknown claims) related to: (i) Statoil's use of an Index Pricing Methodology for purposes of calculating Royalty payments, including any affirmative defense Statoil could assert related to such claims; and (ii) the institution, prosecution or settlement of the claims against Defendant. Claims to enforce this Settlement Agreement are not released.

6. Best Efforts to Garner Settlement's Approval

6.1 The Parties and Class Counsel agree to recommend that the Court approve the Settlement and further agree to undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement and any other reasonable steps and efforts that may be necessary or appropriate to implement the terms of this Settlement Agreement and to garner final approval.

6.2 The Parties agree that they will not take any steps to suggest or recommend that members of the Class should opt out of or elect to be excluded from

this Settlement Agreement. However, nothing shall prevent Statoil from engaging in discussions related to previously asserted claims.

6.3 Lead Plaintiffs agree that they will not elect or seek to opt out of or exclude themselves from the Class.

7. Motion for Preliminary Approval

Lead Plaintiffs shall submit to the Court a motion for preliminary approval of the Settlement, which shall include a request for entry of the Preliminary Approval Order in the form attached hereto as Exhibit A and a request to stay all proceedings in the Action until the Court has approved this Settlement Agreement and entered the Judgment. It is expressly understood that by entering into this Settlement Agreement and by filing a paper supporting Lead Plaintiffs' motion for preliminary approval of the Settlement, Defendant does so for settlement purposes only. Defendant expressly reserves the right to oppose certification of a litigation class in the event the Court denies Lead Plaintiffs' motion for preliminary approval. The motion for preliminary approval also shall include the proposed Notice in the form attached hereto as Exhibit A-1.

8. Notice of Settlement

8.1 By the date set forth in the Court's Preliminary Approval Order, or a date otherwise established by the Court, the Settlement Administrator shall provide the Notice to the Class by mailing the Notice by first-class mail, postage pre-paid, to

individuals and entities who are in the Class and for whom Defendant has addresses available from its business records, or such other manner as the Court shall order. To the extent that any Notice is returned because an individual or entity who is a Class Member does not reside at the address provided, the Settlement Administrator shall take reasonable steps to obtain a valid address and re-mail the Notice.

8.2 Class Counsel, or any person acting on behalf of Class Counsel, shall not publish any form of written notice except for posting the Notice and other Settlement-related documents on the Settlement website (www.statoilsettlement.com) or as otherwise provided for herein without prior written approval of the content of such notice by Defendant, other than any information provided to any court in furtherance of this Settlement Agreement.

8.3 Defendant shall send a timely and proper notice(s) of this Settlement to all appropriate federal and state officials as required by the Class Action Fairness Act of 2005 (“CAFA”), including under 28 U.S.C. §1715, if necessary.

9. Administration and Calculation of Final Awards and Supervision and Distribution of the Settlement Fund

9.1 The Settlement Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the Final Awards to Class Members and shall oversee distribution of the Net Settlement Fund to Class Members.

9.2 The Settlement Fund shall be applied as follows:

- (a) to pay all Notice and Administration Costs;
- (b) to pay the Taxes and Tax Expenses;
- (c) to pay attorneys' fees and expenses of Class Counsel and to pay any incentive awards granted for Lead Plaintiffs, if and to the extent allowed by the Court; and
- (d) after the Effective Date, to distribute the Net Settlement Fund in the form of Final Awards to Class Members as allowed by the Settlement Agreement, the Plan of Allocation, or the Court.

9.3 Any returned or uncashed Final Award payments shall be paid to the following non-profit organization: Environmental Defense Fund.

10. Class Counsel's Attorneys' Fees and Expenses

10.1 Class Counsel may submit an application or applications (the "Fee and Expense Application") for: (a) an award of attorneys' fees; plus (b) expenses or charges in connection with prosecuting the Action; plus (c) any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court.

10.2 The attorneys' fees and expenses, as awarded by the Court (the "Fee and Expense Award"), shall be paid to Class Counsel, as ordered, immediately after the

Court executes the Judgment and an order awarding such attorneys' fees and expenses.

10.3 In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Settlement Agreement is canceled or terminated for any other reason, and such reversal, modification, cancellation or termination becomes final and not subject to review, and in the event that the Fee and Expense Award has been paid to any extent, then Class Counsel shall within five (5) business days from receiving notice from the Defendant's Counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Each Class Counsel law firm receiving fees and expenses, as a condition of receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

10.4 Lead Plaintiffs may submit an application for incentive awards for representing the Class in the prosecution of the Action.

10.5 The procedure for and the allowance or disallowance by the Court of any applications by Class Counsel for an award of attorneys' fees and expenses, or

incentive awards for Lead Plaintiffs, to be paid out of the Settlement Fund, are not part of the Settlement set forth in the 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 set forth in the Settlement Agreement, and any order or proceeding relating to the Fee and Expense Application, or Lead Plaintiffs' incentive awards application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Settlement Agreement, or affect or delay the finality of the Judgment approving the Settlement Agreement and the Settlement of the Action set forth therein.

10.6 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. Defendant and its Related Parties shall have no responsibility for any payment of attorneys' fees and/or expenses to Class Counsel, and in no event shall Statoil be required to pay more than the Settlement Amount.

11. Walk Away Rights

Statoil shall have the option to terminate the Settlement in the event that persons who would otherwise be Class Members, representing more than a certain percentage of Total Royalty Volume (on an McF basis), exclude themselves from the Class, as set forth in a separate agreement (the "Supplemental Agreement") executed between Class Counsel and Statoil, by and through their counsel. If the Court requires

that the Supplemental Agreement be filed, the parties shall request that it be filed under seal.

12. Termination

12.1 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within five (5) business days after written notification of such event is sent by Defendant's Counsel or Class Counsel to the Escrow Agent, the Settlement Fund (including accrued interest), less expenses which have either been disbursed pursuant to ¶¶3.5 and 4.3 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶3.5 and 4.3 hereof, shall be refunded by the Escrow Agent pursuant to written instructions from Defendant's Counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Amount and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, pursuant to written instructions from Defendant's Counsel.

12.2 In the event that the Stipulation is not approved by the Court or the Settlement set forth in the Stipulation is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Action as of October 23, 2017. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶3.5, 4.3, 12.1-12.3, 14, and 15 hereof, shall have no further force and effect with respect to the Settling Parties and

shall not be used in this Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, expenses, and interest awarded by the Court to any of Class Counsel or incentive awards to Lead Plaintiffs shall operate to terminate or cancel this Stipulation or constitute grounds for cancellation or termination of the Stipulation.

12.3 If the Effective Date does not occur, or if the Stipulation is terminated pursuant to its terms, neither Lead Plaintiffs nor any of Class Counsel shall have any obligation to repay any amounts disbursed pursuant to ¶¶3.5 or 4.3. In addition, any expenses already incurred pursuant to ¶¶3.5 or 4.3 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of the Stipulation prior to the balance being refunded in accordance with ¶12.1 hereof.

13. Order, Judgment, and Dismissal

If the Court finally approves this Settlement Agreement, then the Parties jointly and promptly shall seek entry of the Judgment in the form attached hereto as Exhibit C.

14. No Admission

Nothing in this Settlement Agreement, whether or not consummated, and no information provided by Statoil in the course of the settlement process will constitute or be asserted to be an admission of any kind by Statoil. The Settlement Agreement, all negotiations and discussions regarding the Settlement Agreement, and all information provided in the settlement process will be treated in all respects as confidential settlement material pursuant to Federal Rule of Evidence 408 and all state law analogues. Without limiting the foregoing, this Settlement Agreement, whether or not consummated, will not be offered against Statoil as evidence of, or construed as or deemed to be evidence of, any presumption, concession, or admission by Statoil regarding any issue whatsoever, including: (i) whether the proposed class was appropriate for class certification; (ii) the validity of any allegation or claim that was, could have been, or will be asserted against Statoil; (iii) liability, negligence, fault, or wrongdoing of any kind; (iv) the appropriate methodology for calculating Royalty payments; (v) the appropriate approach to deductions; or (vi) the existence or scope of any damages.

15. Confidentiality

The Parties agree to keep confidential the fact and contents of their settlement negotiations, their agreement to enter into a settlement, and the existence of this Settlement Agreement, unless and until: (a) all the Parties jointly determine and agree

in writing to disclose such information for an agreed-upon purpose; or (b) any Party is required by law or regulation to disclose any such information, in which case the disclosing Party will provide the non-disclosing Party with three (3) business days advance written notice before making such disclosure. The Parties agree not to disclose the substance of the negotiations that led to the Settlement, including the merits of any position taken by any Party except as necessary, in their mutual agreement, to provide the Court with information necessary to consider approval of the Settlement and to provide the Class information needed for purposes of the Settlement or approval thereof.

16. Conditions Precedent to Agreement's Effect

This Settlement Agreement shall become final, binding and effective upon the Effective Date, and not before then.

17. Modifications

Any modification to this Settlement Agreement or its exhibits, whether modified by the Parties or any court, must be approved in writing signed by the Parties or their authorized representatives to be binding.

18. Authority and Capacity to Execute

Each person signing this Settlement Agreement on behalf of a Party represents that such signatory has the full and complete power, authority and capacity to execute and deliver this Settlement Agreement and any documents to be executed pursuant

hereto, that all formalities necessary to authorize execution of this Settlement Agreement so as to bind the principal, limited liability company, trust, partnership or corporation have been undertaken, and that upon the occurrence of the Effective Date, this Settlement Agreement will constitute the valid and legally binding obligation of each such Party hereto, enforceable by and against that Party in accordance with its terms.

19. Successors and Assigns

This Settlement Agreement is binding upon and will inure to the benefit of each of the Parties hereto and their respective agents, officers, directors, shareholders, employees, consultants, heirs, devisees, legal representatives, attorneys, successors and assigns.

20. Construction

The language of all parts of this Settlement Agreement and its exhibits will in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any Party. All Parties have participated in the preparation of this Settlement Agreement and its exhibits and no presumptions or rules of interpretation based upon the identity of the Party preparing or drafting this Settlement Agreement or its exhibits, or any part thereof, shall be applied or invoked.

21. Survival of Covenants and Representations

All covenants and representations contained in this Settlement Agreement are contractual in nature, are not mere recitals, and will survive the execution of this Settlement Agreement.

22. Miscellaneous

22.1 Governing Law. This Settlement Agreement is and will be governed by the laws of the Commonwealth of Pennsylvania.

22.2 Severability. In the event that a court of competent jurisdiction enters a final judgment or decision holding invalid any nonmaterial provision of this Settlement Agreement, the remainder of this Settlement Agreement will be fully enforceable. If a court of competent jurisdiction holds invalid or materially modifies any material provision of this Settlement Agreement, including, but not limited to, the provisions set forth in ¶2, either Party shall be entitled to dissolve this Settlement Agreement and withdraw from the Settlement.

22.3 Counterparts. This Settlement Agreement may be executed by facsimile or electronic signatures and in counterparts, all of which will have full force and effect between the Parties, subject to all conditions precedent and subsequent set forth herein.

22.4 Integration. This Settlement Agreement and its exhibits constitute the entire agreement of the Parties and a complete merger of all prior negotiations and agreements.

22.5 Headings. The headings of the paragraphs and subparagraphs herein are intended solely for convenience or reference and will not control or influence the meaning or interpretation of any of the provisions of this Settlement Agreement.

22.6 Extensions of Time. The Parties reserve the right, subject to the Court's approval, to mutually agree to any reasonable extension of time that might be necessary to carry out any of the provisions of this Settlement Agreement.

AGREED TO AND DATED AS OF THE 6th DAY OF MARCH, 2020.

THE CLARK LAW FIRM
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Attorney I.D. PA 76041


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Counsel for Defendant
Statoil USA Onshore Properties Inc.

EXHIBIT A

EXHIBIT A

WHEREAS, an action pending before this Court is styled *Rescigno v. Statoil USA Onshore Properties Inc., et al.*, Case No. 3:16-cv-00085-MEM (M.D. Pa.) (the “Action”);

WHEREAS, the Lead Plaintiffs have made an unopposed motion, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Action, in accordance with a Stipulation and Agreement of Settlement, dated March __, 2020 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement of the Action between the Settling Parties and for dismissal of the Action against the Defendant and the Released Persons with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, unless otherwise defined, all terms used herein have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court has reviewed the Stipulation, finds that the Stipulation resulted from arm’s-length negotiations, and does hereby preliminarily approve the Stipulation and Settlement set forth therein as being fair, reasonable and adequate to Class Members subject to further consideration at the hearing described in ¶5 below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for purposes of this Settlement only, the Action is hereby preliminarily certified as a class action on behalf of Royalty Owners in Northern Pennsylvania who have entered into oil and gas leases, regardless of the type of lease, that provide that the Royalty Owner is to be paid Royalties and to whom Statoil has (or had) an obligation to pay Royalties on production attributable to Statoil's working interest. Excluded from the Class are: (a) Statoil, Statoil's affiliates, and their respective predecessors and successors; (b) any person or entity who owns a working interest in the Relevant Leases; (c) the interest of any Royalty Owner to the extent and for any time period in which that Royalty Owner receives its Royalty in kind; (d) the interest of any Royalty Owner to the extent and for any time period in which that interest was transferred or assigned to another; (e) any Royalty Owner who has previously released Statoil from any liability concerning or encompassing any or all Settled Claims; (f) the federal government; (g) the Commonwealth of Pennsylvania; (h) legally-recognized Indian Tribes; and (i) any person who serves as a judge in this Action and his/her spouse.

3. The Court preliminarily finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Lead Plaintiffs are typical of

the claims of the Class they seek to represent; (d) Lead Plaintiffs and Class Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiffs are preliminarily certified as the class representatives and Class Counsel are preliminarily certified as class counsel.

5. A hearing shall be held before this Court on _____, 2020, at _____.m. (a date that is at least 100 calendar days from the date of this Order) (the “Settlement Hearing”), at the United States District Court for the Middle District of Pennsylvania, William J. Nealon Federal Building & U.S. Courthouse, 235 N. Washington Ave., Scranton, PA 18503, to determine whether the proposed Settlement is fair, reasonable, and adequate to the Class and should be approved by the Court; to determine whether the Final Judgment as provided in ¶1.15 of the Stipulation should be entered; to determine whether the proposed Plan of Administration and Distribution (“Plan of Administration”) should be approved; to determine the amount of fees and expenses that should be awarded to Class Counsel; to determine any awards to Lead Plaintiffs; to hear any objections by Class Members to: (i) the Settlement or Plan of Administration; (ii) any awards to Lead Plaintiffs; and/or (iii) the award of fees and

expenses to Class Counsel; and to consider such other matters the Court deems appropriate.

6. The Court approves the form, substance, and requirements of the Notice of Proposed Settlement of Class Action (“Notice”), substantially in the form annexed hereto as Exhibit A-1.

7. The firm of Gilardi & Co. LLC (“Settlement Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the Plan of Administration as more fully set forth below.

8. Not later than _____, 2020 (a date fourteen (14) calendar days after the Court signs and enters this Order), the Settlement Administrator shall cause a copy of the Notice, substantially in the form annexed hereto, to be mailed by First-Class Mail to all Class Members who can be identified with reasonable effort and to be posted on its website at www.statoilsettlement.com.

9. Not later than _____, 2020 (a date seven (7) calendar days prior to the Settlement Hearing), Class Counsel shall serve on Defendant’s Counsel and file with the Court proof, by affidavit or declaration, of such mailing.

10. The form and content of the Notice described herein and the methods set forth herein for notifying the Class of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of Administration meet the requirements of Rule 23 of the Federal Rules of Civil Procedure and due process, constitute the best

notice practicable under the circumstances, and shall constitute due and sufficient notice to the Class.

11. All fees, costs, and expenses incurred in notifying Class Members shall be paid from the Settlement Fund. All members of the Class (except Persons who request exclusion pursuant to ¶14 below) shall be bound by all determinations and judgments in the Action concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Class, regardless of whether such Class Members obtain any distribution from the Settlement Fund or the Net Settlement Fund.

12. Pending final determination by the Court as to whether the Settlement, as set forth in the Stipulation, is fair, reasonable and adequate and should be finally approved and whether the Judgment dismissing the Action with prejudice should be approved, no Class Member, either directly, representatively or in any other capacity, shall assert, commence or prosecute against the Defendant or any of the Released Persons any of the Settled Claims in this Action, or in any other proceeding or forum. This injunction is necessary to protect and effectuate the Settlement, this Order, and the Court's flexibility and authority to effectuate the Settlement and to enter judgment when appropriate, and is ordered in aid of the Court's jurisdiction and to protect its judgments.

13. Any Class Member may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Class Counsel.

14. Any person falling within the definition of the Class may, upon request, be excluded or “opt out” from the Class. Any such person must submit to the Settlement Administrator a request for exclusion (“Request for Exclusion”), by First-Class Mail such that it is postmarked no later than _____, 2020 (a date twenty-one (21) calendar days before the Settlement Hearing). A Request for Exclusion must be signed and state: (a) the name, address, and telephone number of the person requesting exclusion; and (b) that the person wishes to be excluded from the Class. All persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

15. Class Counsel shall cause to be provided to Defendant’s Counsel copies of all Requests for Exclusion and a list of all Class Members who have requested exclusion, and any written revocation of Requests for Exclusion, as expeditiously as possible and in any event no later than _____, 2020 (a date fourteen (14) calendar days prior to the Settlement Hearing).

16. Any Class Member may appear and object if he, she, or it has any reason why the proposed Settlement of the Action should not be approved as fair, reasonable and adequate, why a judgment should not be entered thereon, why the Plan of Administration should not be approved, why attorneys' fees and expenses should not be awarded to Class Counsel or incentive awards awarded to Lead Plaintiffs; provided, however, that no Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Administration, or any attorneys' fees and expenses to be awarded to Class Counsel or incentive awards to Lead Plaintiffs, unless written objections and copies of any papers and briefs are received by Robbins Geller Rudman & Dowd LLP, Theodore J. Pintar, 655 West Broadway, Suite 1900, San Diego, CA 92101, and Shearman & Sterling LLP, David A. Higbee, 401 9th Street NW, Suite 800, Washington DC 20004, no later than _____, 2020 (a date twenty-one (21) calendar days before the Settlement Hearing) and said objections, papers and briefs are filed with the Clerk of the United States District Court for the Middle District of Pennsylvania, no later than _____, 2020. Any Class Member who does not make his, her, or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the

proposed Settlement as incorporated in the Stipulation, to the Plan of Administration, and to the award of fees and expenses to Class Counsel or incentive awards to Lead Plaintiffs, unless otherwise ordered by the Court. Attendance at the Settlement Hearing is not necessary. However, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Administration, and/or the application for an award of attorneys' fees and expenses are required to indicate in their written objection their intention to appear at the hearing. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval of the Settlement.

17. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

18. All papers in support of the Settlement, Plan of Administration, and any application by Class Counsel for attorneys' fees and expenses and any incentive awards to Lead Plaintiffs shall be filed and served no later than _____, 2020 (a date thirty-five (35) calendar days prior to the Settlement Hearing) and any reply papers shall be filed and served no later than _____, 2020 (a date seven (7) calendar days prior to the Settlement Hearing).

19. At or after the Settlement Hearing, the Court shall determine whether the Plan of Administration proposed by Class Counsel, and any application for attorneys' fees and expenses, should be approved.

20. All reasonable expenses incurred in identifying and notifying Class Members as well as administering the Settlement Fund shall be paid as set forth in the Stipulation. In the event the Court does not approve the Settlement, or it otherwise fails to become effective, neither Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶¶3.5 or 4.3 of the Stipulation.

21. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the members of the Class, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth in ¶5 above, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

22. If the Settlement fails to become effective as defined in the Stipulation or is terminated, then, in any such event, the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Order shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and

may not be introduced as evidence or used in any actions or proceedings by any person or entity against the Settling Parties, and they shall be deemed to have reverted to their respective litigation positions in the Action as of October 23, 2017.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE MALACHY E. MANNION
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

EXHIBIT A-1

There is a proposed Settlement of a class action brought against Statoil on behalf of certain royalty owners.

You may be able to obtain benefits.

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

A proposed Settlement has been reached in a lawsuit against Statoil USA Onshore Properties Inc. (“Statoil”).¹ The lawsuit alleges that Statoil engaged in the underpayment of royalty payments on the production of natural gas in Pennsylvania. Statoil denies these allegations and intends to oppose such allegations in the absence of this Settlement. Statoil enters into this Settlement in an effort to further its relationship with its lessors and resolve the claims alleged.

You are a member of the Class if you fall within the Class definition described under Question 4, below.

A SUMMARY OF YOUR RIGHTS AND CHOICES	
REMAIN A CLASS MEMBER	<p>To remain a member of the Class, you do not need to take any action. Class Members will be able to get money from the proposed Settlement as outlined in Question 6.</p> <p>Due Date: <u>Automatic Distribution</u></p>
EXCLUDE YOURSELF FROM THE PROPOSED SETTLEMENT	<p>You can exclude yourself from (opt out of) the proposed Settlement and not be bound by the Court’s rulings. You will also not share in the distribution of monetary relief. See Questions 9 and 10.</p> <p>Due Date: <u>Postmarked on or before</u> _____, 2020</p>
OBJECT OR COMMENT ON THE PROPOSED SETTLEMENT	<p>If you are a Class Member, you can appear and object to or comment on the proposed Settlement on your own or through your own lawyer. See Questions 15 and 18.</p> <p>Due Date: <u>Received on or before</u> _____, 2020</p>

¹ In May 2018, Statoil changed its name to and is now known as Equinor USA Onshore Properties Inc. (“Equinor”). All references to Statoil herein should also be construed to apply to Royalty agreements made with Equinor.

1. Why did I receive this Notice?
--

Records show that you (or someone in your family) have received, currently receive, or potentially will receive royalty payments from Statoil from wells in Northern Pennsylvania.

The Court sent you this Notice to inform you of a proposed Settlement of a class action lawsuit styled *Rescigno v. Statoil USA Onshore Properties Inc., et al.*, Case No. 3:16-cv-00085-MEM, United States District Court for the Middle District of Pennsylvania. This Notice outlines the terms of the proposed Settlement, and how to exclude yourself from the Class.

Judge Malachy E. Mannion of the United States District Court for the Middle District of Pennsylvania is overseeing this class action.

The persons who brought the Action are the “Plaintiffs” and the party being sued is the “Defendant.”

The term “Statoil” in this Notice means Statoil USA Onshore Properties Inc.

The term “Royalty” or “Royalties” means the amount owed to a lessor by Statoil pursuant to an oil and gas lease (including any fractional interest therein) or an overriding royalty derived from the lessor’s interest in such an oil and gas lease.

2. What is this lawsuit about?

Plaintiffs claim that Statoil underpaid Royalties relating to gas produced from wells located in Pennsylvania pursuant to certain provisions of oil and gas leases. The Action alleges that Statoil inappropriately used an Index Pricing Methodology on which to base its Royalty payments rather than a Resale Price. Plaintiffs sought monetary damages and prejudgment interest.

Statoil contends that it correctly calculated its Royalty payments. Statoil denies Plaintiffs’ claims but has agreed to settle the Action considering the time and expense of continuing the lawsuit and in the interest of furthering its relationship with the lessors.

A more complete description of the Action is available in the file for the Action maintained by the United States District Court for the Middle District of Pennsylvania. See Question 19, below. Additionally, should you have questions

regarding the Action, such questions can be submitted in writing to Class Counsel at the address provided under Question 19 of this Notice.

3. Does this Settlement involve or relate to deduction of post-production expenses by Statoil?

Claims regarding deduction of post-production expenses were not brought in this case and are not released through this Settlement.

4. How do I know if I am a member of the Class?
--

The Class is defined as Royalty Owners in Northern Pennsylvania who have entered into oil and gas leases, regardless of the type of lease, that provide that the Royalty Owner is to be paid Royalties and to whom Statoil has (or had) an obligation to pay Royalties on production attributable to Statoil's working interest.

Excluded from the Class are the following:

1. Statoil, Statoil's affiliates, and their respective predecessors and successors;
2. any person or entity who owns a working interest in the Relevant Leases;
3. the interest of any Royalty Owner to the extent and for any time period in which that Royalty Owner receives its Royalty in kind;
4. the interest of any Royalty Owner to the extent and for any time period in which that interest was transferred or assigned to another;
5. any Royalty Owner who has previously released Statoil from any liability concerning or encompassing any or all Settled Claims;
6. the federal government;
7. the Commonwealth of Pennsylvania;
8. legally-recognized Indian Tribes; and
9. any person who serves as a judge in this Action and his/her spouse.

Some persons included in the Class definition may be deceased ("Deceased Class Members"). In order to assist the Settlement Administrator in the allocation

and distribution of monies attributable to the interests of Deceased Class Members, this Notice is accompanied by an Heirship/Beneficiary Information Form (“Heirship Form”). If a Class Member believes that he or she is entitled to receive all or some portion of the Settlement funds allocable to a Deceased Class Member, then the Class Member is requested, but not required, to mail to the Settlement Administrator a completed Heirship Form.

Some corporations, partnerships, or other entities included in the Class definition may now be dissolved. If you have succeeded to the interest of such a dissolved corporation, partnership, or other entity, you should immediately contact the Settlement Administrator at the following address and/or telephone number:

Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901
Tel: 866-826-0491

If you are a Class Member and the Judge approves the proposed Settlement, you will be bound by all orders and judgments of the Court and by the Court’s final resolution of the Class claims in the Action. See Question 15 of your right to comment on or object to the proposed Settlement.

5. How do I know if my well or lease is included in the proposed Settlement?

You are included in the proposed Settlement if you fall within the Class definition under Question 4, above, and you are not excluded from the Class for any of the reasons described under Question 4, above.

If you have any questions about whether you are part of the Class, please contact the Settlement Administrator toll-free at 866-826-0491, or contact the following Class Counsel: Theodore J. Pintar, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Tel: 800-449-4900, email: tedp@rgrdlaw.com.

Please do not contact the Court.

6. What does the proposed Settlement provide?
--

The proposed Settlement will result in the creation of a \$7 million cash Settlement Fund. Going forward Statoil will continue to use the Index Pricing Methodology to calculate Royalties for approximately 93% of leases. The release

that allows Statoil to continue to use this Methodology sunsets five (5) years from the Effective Date of the Settlement. For the remaining 7% of the Class, whose leases contain a specific clause (as described in the Settlement) referring to gas sales to an affiliate, going forward, Statoil will stop using the Index Pricing Methodology and will calculate Royalties based on a Resale Price starting with the first month following preliminary approval of the Settlement by the Court.

In exchange for the benefits received by the Class, Statoil and its Related Parties will be released from any and all claims Class Members may have against Statoil or its Related Parties based on the calculation, payment, and/or reporting of Royalties based on an Index Pricing Methodology pursuant to a relevant lease, including the going forward release of five (5) years from the Effective Date of the Settlement, in accordance with the Settlement Agreement.

The Settlement affects only Statoil and/or its Related Parties and does not affect how any other entity calculates and/or pays Royalties.

The Net Settlement Fund will be distributed to Class Members according to the Plan of Administration and Distribution approved by the Court. For the 7% of the Class, whose leases contain a specific clause (as described in the Settlement) referring to gas sales to an affiliate, the Plan of Administration and Distribution will result in approximately 18% of the Net Settlement Fund being proportionately distributed to each member based on their historic Royalty volumes and values. For the remaining 93% of the Class, the approximate balance of 82% of the Net Settlement Fund will be distributed proportionately based on their historic Royalty volumes and values.

The “Net Settlement Fund” is the Settlement Fund, *i.e.*, the \$7 million payment by Statoil plus interest, less Notice and Administration Costs, any attorneys’ fees, expenses, any incentive awards granted to Plaintiffs and less Taxes, Tax Expenses and any other Court-approved deductions.

7. What am I giving up by staying in the Class?
--

If you do not make a valid and timely request in writing to be excluded from the Class, you will be bound by any and all determinations or judgments in the Action in connection with the proposed Settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Settled Claims against the Released Persons.

“Settled Claims” means any and all claims, as well as any known or unknown claims, that (a) were asserted in or that could have been asserted in any complaint (including any amended complaint) in this Action, or that in any way relate to the Index Pricing Methodology used by Statoil to calculate Royalties prior to the Effective Date for Royalty Owners within the Class, and (b) involve the methodology for determining or valuing the Royalty price paid on Natural Gas produced from Class Members’ wells and attributable to and taken by Statoil’s working interest for sale, subject to the exceptions articulated immediately below. Settled Claims shall not include: (a) claims concerning post-production expense deductions; (b) ordinary and prior period adjustments to Royalty payments not related to the pricing methodologies settled in the Settlement Agreement (*e.g.*, due to title issues, decimal interests, purely mathematical computations, clerical issues, measurement issues, or corrected invoices from pipelines or purchases); (c) claims involving Royalty payments made separately by any co-working interest owner of Statoil for production taken and sold by such co-working interest owner, except that, to the extent that claims against Statoil for production taken and marketed by Statoil are released by the Settlement Agreement, Class Members shall not seek to recover such claims against other co-owners under a theory of vicarious liability, joint and several liability, or otherwise; and (d) non-Royalty-related claims such as claims for property damage, contamination, or personal injury.

8. What do I need to do to remain a Class Member?

If you want to remain a Class Member, **you do not need to take any action whatsoever.** Class Counsel will represent your interests as a member of the Class.

9. Can I get out of the Class?

If you do not want to be in the Class and you want to keep the right to sue Statoil or its affiliates about the same claims on your own, you must take steps to get out of the Class. This is called excluding yourself from or “opting out of” the Class. By excluding yourself, you keep the right to file your own lawsuit. If you exclude yourself from the Class, you will not receive any benefits from the Settlement.

10. How do I get out of the proposed Settlement?

To exclude yourself from (“opt out of”) the Class, you must send a letter personally signed by you that includes all of the following:

Your name, address, and telephone number;

Your Statoil owner number(s) (if you know it);

The following Case Number: 3:16-cv-00085-MEM

A statement that you want to be excluded from the Class.

Your request for exclusion must be mailed first class, postage pre-paid, **postmarked on or before** _____, 2020 to:

Gilardi & Co. LLC
EXCLUSIONS
3301 Kerner Blvd.
San Rafael, CA 94901

You cannot exclude yourself from only part of the Settlement or Class. You must either remain a Class Member or exclude yourself from the entire Settlement. Also, please remember that you cannot exclude yourself by phone or by sending an email.

11. Do I have lawyers representing my interests in the case?

The Court ordered that the following law firms represent the Class Members, including you: The Clark Law Firm, P.C., Robbins Geller Rudman & Dowd LLP, and Chitwood Harley Harnes LLP. These lawyers are called “Class Counsel.” If you want to be represented by your own lawyer, and to have that lawyer appear in court, you may hire one at your own expense.

12. How will the lawyers be compensated?

Class Counsel will request that the Court award attorneys’ fees of 25% of the Settlement Amount and expenses in an amount not to exceed \$125,000, plus interest on both amounts as earned on the Settlement Fund. The Court, at its own discretion, may award less than these requested amounts without further notice to Class Members. Any attorneys’ fees and expenses awarded by the Court will be paid from the Settlement Fund. Again, if you choose to hire our own attorney, you will be responsible for that attorney’s fees and expenses.

13. Should I get my own lawyer?
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You do not need to hire your own lawyer but you may elect to do so. If you want your own lawyer to speak for you or to appear in Court, you or your lawyer must file a Notice of Appearance. (*See* Question 18 to find out how to submit a Notice of Appearance.) If you hire a lawyer to appear for you in the lawsuit, you will have to pay that lawyer on your own.

14. Who are the Class Representatives and how are they compensated?

The Court has appointed Plaintiffs, Angelo R. Rescigno, Sr., As Executor of the Estate of Cheryl B. Canfield, Donald Keith Stine and Mary Stine, as Class Representatives. The Class Representatives work with Class Counsel on behalf of all Class Members to present the views of typical Class Members to Class Counsel and the Court. The Class Representatives may be entitled to incentive awards not to exceed \$5,000 each.

15. Can I object or comment on the proposed Settlement?

If you have comments about, or disagree with, any aspect of the proposed Settlement, including the requested attorneys' fees or expenses or the requested incentive awards to the Class Representatives, you may express your views to the Court through a written response to the proposed Settlement. Only Class Members who have not opted out can comment on or object to the proposed Settlement. The written comment or objection should include your name, address, telephone number, and Statoil owner number(s) (if known). In addition, any objection must include: (a) a written statement of your objection, (b) a written statement of the grounds or reasons for your objection, and (c) copies of any papers, briefs, or other documents supporting your objection. The document must be signed to ensure the Court's review. In order to be considered by the Court, your comment or objection must be *received on or before* _____, **2020**, and mailed to:

Clerk of the Court
United States District Court, Middle District of Pennsylvania
William J. Nealon Federal Building & U.S. Courthouse
235 N. Washington Ave.
Scranton, PA 18503

Your comment or objection must clearly state that it relates to the following Case Number: 3:16-cv-00085-MEM.

The comment or objection ***must*** also be mailed to the following attorneys:

Counsel for the Class:

Theodore J. Pinter
Robbins Geller Rudman &
Dowd LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Statoil:

David A. Higbee
Shearman & Sterling LLP
401 9th Street NW, Suite 800
Washington, DC 20004

16. Will there be a hearing on the proposed Settlement?

The Court will hold a Settlement Hearing on _____, **2020**, at _____, to consider whether the proposed Settlement is fair, reasonable, and adequate. The Settlement Hearing will be at the William J. Nealon Federal Building & U.S. Courthouse, 235 N. Washington Ave., Scranton, PA 18503. At the Settlement Hearing, the Court will decide whether to approve the proposed Settlement and the motion for attorneys' fees and expenses. If comments or objections have been received, the Court will consider them at this time.

Note: The Settlement Hearing may be postponed to a different date without additional notice.

17. Must I attend the hearing?

Attendance is not required, even if you properly mailed a written objection or comment. Class Counsel are prepared to answer the Court's questions on your behalf. If you or your lawyer still want to attend the Settlement Hearing, you are welcome to come at your own expense. However, it is not necessary that you attend. If you filed an objection to the Settlement, as long as the objection was received before the deadline, the Court will consider it, regardless of whether you or your privately-retained attorney appear at the Settlement Hearing.

18. May I speak at the hearing?

If you want to speak or have your own lawyer speak at the Settlement Hearing, you must give the Court a paper that is called a "Notice of Appearance." The Notice of Appearance must refer to *Rescigno v. Statoil USA Onshore Properties Inc., et al.*, Case No. 3:16-cv-00085-MEM, United States District Court for the Middle District of Pennsylvania, and state that you or your lawyer wish to enter an appearance at the Settlement Hearing. It must also include your name, address, telephone number, and signature. Your "Notice of Appearance" must be **received no later than _____, 2020**. You cannot speak at the Settlement Hearing if you asked to be excluded from the Class.

The Notice of Appearance must be filed with the Court at the address provided under Question 15 above and also mailed to the attorneys listed in Question 15 above.

In addition, your document must clearly state that it relates to the following Case Number: 3:16-cv-00085-MEM.

19. How do I get more information about the proposed Settlement?

This Notice summarizes the proposed Settlement and your rights and options as a Class Member. To find out more information, call 866-826-0491, check the website: www.statoilsettlement.com, or write to:

Gilardi & Co. LLC
3301 Kerner Blvd.
San Rafael, CA 94901

If you have a question about whether or not you are in the Class, or about your rights and options as a Class Member, you may contact Class Counsel at: Theodore J. Pintar, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Tel: 800-449-4900, email: tedp@rgrdlaw.com.

All court records, including the Settlement Agreement and other documents for the Action, may be examined in person and copied at the United States District Court, Middle District of Pennsylvania, William J. Nealon Federal Building & U.S. Courthouse, 235 N. Washington Ave., Scranton, PA 18503.

**PLEASE DO NOT TELEPHONE THE COURT, THE CLERK OF
THE COURT, OR STATOIL.**

EXHIBIT B

UNITED STATES DISTRICT COURT

MIDDLE DISTRICT OF PENNSYLVANIA

ANGELO R. RESCIGNO, SR., AS
EXECUTOR OF THE ESTATE OF
CHERYL B. CANFIELD,

Plaintiff,

VS.

STATOIL USA ONSHORE
PROPERTIES INC., STATOIL
NATURAL GAS LLC and STATOIL
ASA,

Defendants.

Case No. 3:16-cv-00085-MEM

PLAN OF ADMINISTRATION AND DISTRIBUTION

EXHIBIT B

1. Plan of Allocation

(a) Each Class Member's claim will be calculated (prior to adjustments for fees, costs, expenses, interest, and other approved deductions under the Stipulation and Agreement of Settlement ("Settlement Agreement"), and without consideration of any offsets asserted by Statoil) based on the Resale Price that Statoil achieved, and the Index Methodology price on which Statoil actually calculated Royalties paid to Class Members under the Northern Pennsylvania leases from inception of production and payments by Statoil through the month in which the Effective Date occurs.

(b) Each Class Member in each allocation group shall be paid the percentage of the Net Settlement Fund that each Class Member's claim, as calculated in accordance to the provisions herein, bears to the total of the claims of all Class Members in that same allocation group, *i.e.*, their *pro rata* share of the Net Settlement Fund. Payment in this manner shall be deemed conclusive against all Class Members.

(c) To implement the Plan of Allocation, Statoil shall use its reasonable efforts to prepare and provide a schedule (the "Distribution Schedule") of (a) all Class Members, (b) the allocation group in which their interest belongs, and (c) a calculation of their total claim based on the sum of (i) the monthly spread between the Resale Price and the Index Methodology price for their gathering system multiplied by (ii) their monthly Royalty volume. For purposes of allocation only, the

schedule used for allocation shall be calculated from inception of payment through the production date of July 2017.

(d) Two allocation groups shall be identified by Statoil from its land records: (i) those Royalty Owners with interests under Lease Form 29 (“Lease Form 29 Group”); and (ii) those Royalty Owners with interests under all other lease forms (“Other Lease Group”).

(e) The Net Settlement Fund shall be allocated as follows, in the following manner:

(i) Class Members in the Lease Form 29 Group, which comprise 7% of the Class, will be allocated 18% of the Net Settlement Fund proportionately, based on the ratio by which their calculated claim (not less than zero) bears to the total calculated claims of the other Class Members in the Lease Form 29 Group (but not less than a minimum payment of \$10).

(ii) Class Members in the Other Lease Group, which comprise 93% of the Class, will be allocated the balance, or 82%, of the Net Settlement Fund proportionately, based on the ratio by which their calculated claim (not less than zero) bears to the total calculated claims of other Class Members in the Other Lease Group (but not less than a minimum payment of \$10).

(f) Statoil will apply the above allocation formula to each Class Member’s claim calculations in the Distribution Schedule, and provide same to the

Settlement Administrator for purposes of implementing this Plan of Administration and Distribution. The Distribution Schedule shall remain confidential (to protect the financial privacy of the Class Members), and if required to be submitted to the Court, shall be submitted only under seal.

(g) The Settlement affects only Statoil and/or its affiliates and does not affect how any other entity calculates and/or pays Royalties.

2. Heirship Notification Form. Certain Class Members may now be deceased (“Deceased Class Members”). In order to assist the Settlement Administrator in the allocation and distribution of funds attributable to the interests of Deceased Class Members, the Notice will include an Heirship/Beneficiary Information Form (“Heirship Form”), which will be substantially in the form of the document attached hereto as Exhibit 1. If a Class Member believes that he or she is entitled to receive all, or some portion, of the Net Settlement Fund allocable to a Deceased Class Member under the Plan of Allocation, then the Class Member will be requested, but not required, to mail to the Settlement Administrator a completed Heirship Form containing the information and documents requested therein.

The provision of an Heirship Form will be requested as an aid to the Settlement Administrator in the distribution of the Net Settlement Fund, but shall not constitute a required proof of claim form, nor be a condition precedent to the allocation and distribution of Settlement monies attributable to a Deceased Class Member. In the

absence of an Heirship Form, the Settlement Administrator may, but will not be required to, review records in Defendant's possession, including division orders, transfer orders, probate records, payment records, and like documents, and reasonably attempt to allocate and distribute the Deceased Class Member's portion of the Net Settlement Fund to that Deceased Class Member's successor-in-interest. The Settlement Administrator may also allocate and distribute that portion of the Net Settlement Fund to the estate of the Deceased Class Member, with any such payment to be sent to such mailing address as may be readily ascertainable by the Settlement Administrator.

3. Distribution of Settlement Proceeds

(a) Following the Effective Date, the Settlement Administrator shall utilize the allocated share of the Net Settlement Fund as calculated in accordance with the Plan of Allocation and Distribution Schedule as provided above, and issue checks to those Class Members to whom a payment is owed.

(b) The amount of money to be disbursed to each Class Member will be the Class Member's allocated share of the Net Settlement Fund.

(c) Not less than one year after the Effective Date, the Settlement Administrator shall determine the total dollar amount of all Settlement distribution checks payable to Class Members, who, for whatever reason, failed or refused to

negotiate his, her or its distribution check. All such unclaimed monies shall be donated to a non-profit organization agreed to by Lead Plaintiffs and Defendant.

4. Disputed Claims. Any dispute between persons who are, or who purport to be, Class Members concerning their allocated share of the Net Settlement Fund, as determined herein, will be submitted to the Court for resolution. The person(s) involved in such dispute must submit their dispute to the Court within thirty (30) days after being notified of the Class Member's allocated share of the Net Settlement Fund, if any. Such dispute shall in no way affect, delay, or interfere with, the approval of the Settlement or any distribution to any persons not involved in the dispute, including any distribution to other Class Members. Notwithstanding the above, should the amount in dispute be \$1,000.00 or less, Class Counsel and Defendant's Counsel may agree as to the resolution or compromise of the dispute, in their sole discretion, and direct the Settlement Administrator to pay accordingly.

5. No Class Member shall have any claim against the Lead Plaintiffs, Class Counsel, the Settlement Administrator, or Defendant based on distributions made substantially in accordance with the Settlement Agreement, this Plan of Administration and Distribution, or orders of the Court, or in good faith reliance on any public records or records provided by Defendant or any other person or entity.

6. Definitions. All terms defined in the Settlement Agreement shall have the same meaning when used in this Plan of Administration and Distribution except as otherwise specified herein.

EXHIBIT C

ANGELO R. RESCIGNO, SR., AS) Case No. 3:16-cv-00085-MEM
EXECUTOR OF THE ESTATE OF)
CHERYL B. CANFIELD,)
) [PROPOSED] JUDGMENT AND
Plaintiff,) ORDER OF DISMISSAL WITH
) PREJUDICE
)
vs.) EXHIBIT C
)
STATOIL USA ONSHORE)
PROPERTIES INC., STATOIL)
NATURAL GAS LLC and STATOIL)
ASA,)
)
Defendants.)
)
_____)

This matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement and Providing for Notice (“Preliminary Approval Order”) dated _____, 2020, on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation and Agreement of Settlement dated March __, 2020 (the “Stipulation”). Due and adequate notice having been given to the Class as required in the Preliminary Approval Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Judgment and Order of Dismissal with Prejudice (“Order and Judgment” or “Judgment”) incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.

2. This Court has jurisdiction over the subject matter of the Action and over all Settling Parties to the Action, including all Class Members.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby affirms its determinations in the Preliminary Approval Order and finally certifies for purposes of settlement only, a Class defined as Royalty Owners in Northern Pennsylvania who have entered into oil and gas leases, regardless of the type of lease, that provide that the Royalty Owner is to be paid Royalties and to whom

Statoil has (or had) an obligation to pay Royalties on production attributable to Statoil's working interest. Excluded from the Class are the following:

- (a) Statoil, Statoil's affiliates, and their respective predecessors and successors;
- (b) any person or entity who owns a working interest in the Relevant Leases;
- (c) the interest of any Royalty Owner to the extent and for any time period in which that Royalty Owner receives its Royalty in kind;
- (d) the interest of any Royalty Owner to the extent and for any time period in which that interest was transferred or assigned to another;
- (e) any Royalty Owner who has previously released Statoil from any liability concerning or encompassing any or all Settled Claims;
- (f) the federal government;
- (g) the Commonwealth of Pennsylvania;
- (h) legally-recognized Indian Tribes; and
- (i) any person who serves as a judge in this Action and his/her spouse.

4. For purposes of settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order and finds that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the Class Members are so numerous that joinder of all Class

Members in the class action is impracticable; (b) there are questions of law and fact common to the Class which predominate over any individual question; (c) the claims of the Lead Plaintiffs are typical of the claims of the Class; (d) Lead Plaintiffs and their counsel have fairly and adequately represented and protected the interests of the Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the Class Members in individually controlling the prosecution of the separate actions, (ii) the extent and nature of any litigation concerning the controversy already commenced by Class Members, (iii) the desirability or undesirability of concentrating the litigation of these claims in this particular forum, and (iv) the difficulties likely to be encountered in the management of the class action.

5. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the Settlement set forth in the Stipulation and finds that said Settlement is, in all respects, fair, reasonable, and adequate to the Class.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court finds that the Settlement is fair, reasonable, and adequate as to each of the Settling Parties, and that the Settlement set forth in the Stipulation is hereby finally approved in all respects, and the Settling Parties are hereby directed to perform its terms.

7. Accordingly, the Court authorizes and directs implementation of the terms and provisions of the Stipulation, as well as the terms and provisions hereof.

The Court hereby dismisses with prejudice and without costs, the Action and all claims contained therein and all of the Settled Claims as against the Released Persons, except as and to the extent provided in the Stipulation and herein.

8. Upon the Effective Date hereof, and as provided in the Stipulation, Lead Plaintiffs and each and all of the Class Members, and anyone claiming through or on behalf of any of them, including, but not limited to, their predecessors, agents, representatives, attorneys, affiliates, heirs, executors, administrators, successors, and assigns, shall be deemed to have, and by operation of this Order and Judgment shall have, fully, finally, and forever waived, released, relinquished, and discharged all Settled Claims (including, without limitation, unknown claims) against the Released Persons, except that claims relating to the enforcement of the Settlement shall not be released.

9. Upon the Effective Date hereof, and as provided in the Stipulation, each of the Released Persons shall be deemed to have, and by operation of this Order and Judgment shall have, fully, finally, and forever released, relinquished, and discharged Lead Plaintiffs, each and all of the Class Members, and Class Counsel from any and all claims and causes of action of every nature and description (including unknown claims) relating to: (i) Statoil's use of an Index Pricing Methodology for purposes of calculating Royalty payments, including any affirmative defense Statoil could assert related to such claims; and (ii) the institution, prosecution or settlement of the claims

against Defendant, except that claims relating to the enforcement of the Settlement shall not be released.

10. Upon the Effective Date hereof, and as provided in the Stipulation, Lead Plaintiffs, each and all of the Class Members, and anyone claiming through or on behalf of any of them, including, but not limited to, their predecessors, agents, representatives, attorneys, affiliates, heirs, executors, administrators, successors, and assigns, are forever barred and enjoined from commencing, instituting, asserting, maintaining, enforcing, prosecuting, or continuing to prosecute any action or proceeding in any forum (including, but not limited to, any state or federal court of law or equity, any arbitral forum, any tribunal, administrative forum, or the court of any foreign jurisdiction, or any other forum of any kind), any of the Settled Claims (including, without limitation, unknown claims) against any or all of the Released Persons, except that claims relating to the enforcement of the Settlement shall not be released.

11. The terms of the Stipulation and of this Order and Judgment shall be forever binding on Lead Plaintiffs, all other Class Members, and Defendant, as well as their respective, heirs, executors, administrators, predecessors, successors, and assigns.

12. The Escrow Agent shall maintain the Settlement Fund in accordance with the requirements set forth in the Stipulation. No Released Person shall have any

liability, obligation, or responsibility whatsoever for the administration of the Settlement or disbursement of the Net Settlement Fund.

13. The Notice of Proposed Settlement of Class Action given to the Class in accordance with the Preliminary Approval Order entered on _____, 2020, including the individual notice to all Class Members who could be identified through reasonable effort, was the best notice practicable under the circumstances, to all persons entitled to such notice, of those proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation. Said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and all other applicable law and rules.

14. Separate orders shall be entered regarding the proposed Plan of Administration and Distribution and Class Counsel's motion for attorneys' fees and expenses as allowed by the Court. Any plan of allocation submitted by Class Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

15. Neither this Order and Judgment, the Stipulation, the Supplemental Agreement, nor any of their terms or provisions, nor any of the negotiations, discussions, proceedings connected thereto, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or

may be deemed to be or may be used as an admission of, or evidence of, the validity of any of the allegations in the Action or of the validity of any Settled Claim, or of any wrongdoing or liability of the Released Persons; or (b) is, or shall be deemed to be, or shall be used as an admission of any fault or omission of any Released Person in any statement, release, or written documents issued, filed, or made; or (c) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal, or administrative proceeding in any court, arbitration proceeding, administrative agency, or forum or tribunal in which the Released Persons are or become parties; or (d) is or may be deemed to be or may be used as an admission or evidence that any claims asserted by Lead Plaintiffs were not valid or that the amount recoverable was not greater than the Settlement Amount, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Released Persons, Lead Plaintiffs, Class Members, and their respective counsel may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties may file the Stipulation and/or this Judgment in any proceedings that may be necessary to consummate or enforce the Stipulation, the Settlement, or the Judgment.

16. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over: (a) implementation of this Settlement and the distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses and interest in the Action; and (d) all Settling Parties hereto for the purpose of construing, enforcing, and administering the Stipulation.

17. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

18. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants as required under the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

19. Without further approval from the Court, the parties are hereby authorized to agree and to adopt such amendments or modifications of the Stipulation

or any exhibits attached thereto to effectuate the Settlement that: (i) are not materially inconsistent with this Order and Judgment; and (ii) do not materially limit the rights of Class Members in connection with the Settlement. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

20. The Court directs immediate entry of this Judgment by the Clerk of the Court.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE MALACHY E. MANNION
UNITED STATES DISTRICT JUDGE