

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 19-cv-00495-DDD-NRN

JOLLEY POTTER RANCHES ENERGY CO.
LLC, individually and on behalf of the certified
class,

Plaintiffs,

v.

TEP ROCKY MOUNTAIN LLC,

Defendant.

**ORDER GRANTING FINAL APPROVAL OF
CLASS SETTLEMENT AGREEMENT
AND FINAL JUDGMENT**

This is a class action lawsuit brought by Plaintiff Jolley Potter Ranches Energy Co., LLC (“Jolley Potter”), on behalf of itself and a certified class of royalty owners described below (together, the “Class”) against Defendant TEP Rocky Mountain LLC (“TEP”) for the alleged underpayment of royalties on natural gas produced from wells located in Garfield County, Colorado during the Class Period.¹ Effective February 28, 2025, the Parties entered into a class Settlement Agreement [Dkt. # 189-1] (the “Settlement Agreement”). The Settlement Agreement, together with the documents referenced therein and exhibits thereto, set forth the terms and conditions for proposed settlement of the Civil Action.

¹ Capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Settlement Agreement.

On April 11, 2025, the Court preliminarily approved the Settlement Agreement and issued an Order Granting Preliminary Approval of Class Action Settlement [Dkt. # 198] (the “Preliminary Approval Order”), approving the form and manner of notice, establishing objection procedures, and setting a date for a Final Fairness Hearing. In the Preliminary Approval Order, the Court, *inter alia*:

- a. preliminarily found: (i) the proposed Settlement Agreement resulted from extensive arm’s-length negotiations; (ii) the proposed Settlement Agreement was agreed to only after Class Counsel had conducted legal research and discovery regarding the strengths and weaknesses of the Class’ claims; (iii) the Class Representative and Class Counsel have concluded that the proposed Settlement Agreement is fair, reasonable, and adequate; and (iv) the proposed Settlement Agreement is sufficiently fair, reasonable, and adequate to warrant sending notice of the proposed Settlement Agreement to the Class;
- b. preliminarily approved the Settlement Agreement as fair, reasonable, and adequate and in the best interest of the Class;
- c. preliminarily approved the form and manner of the proposed Notices to be communicated to the Class, submitted to the Court on April 10, 2025 [Dkt. #197-1 and #197-2], finding specifically that such Notices, among other information: (i) described the terms and effect of the Settlement Agreement; (ii) notified the Class that Class Counsel will seek attorneys’ fees, reimbursement of litigation expenses and administration, notice, and distribution costs; (iii) notified the Class of the time and place of the Final Fairness Hearing; (iv) notified the Class that,

because putative class members were previously provided with an opportunity to exclude themselves from the Class, there is no additional right to exclude themselves from the Settlement Agreement; and (v) described the procedure for objecting to the Settlement Agreement or any part thereof;

- d. instructed Class Counsel to disseminate the approved Notices to the Class in accordance with the Settlement Agreement and in the manner approved by the Court;
- e. established the deadline for the Parties' submission of their joint motion for final approval of the Settlement Agreement and Class Counsels' request for an award of attorneys' fees and expenses;
- f. set the date and time for the Final Fairness Hearing as August 1, 2025, at 10:00 A.M. in the United States District Court for the District of Colorado; and
- g. set out the procedures and deadlines by which Class members could properly object to the Settlement Agreement or any part thereof.

After the Court issued the Preliminary Approval Order, due and adequate notice by means of the Mailed Notice and Publication Notice was given to the Class, notifying them of the Settlement Agreement and the upcoming Final Fairness Hearing. *See* Aff. of Jacqueline English (4/17/25) [Dkt. # 199].

On August 1, 2025, in accordance with the Preliminary Approval Order and the Notices, the Court conducted a Final Fairness Hearing to, *inter alia*:

- a. determine whether the Settlement Agreement should be approved by the Court as fair, reasonable, and adequate and in the best interests of the Class;

- b. determine whether the notice methods utilized by Class Counsel: (i) constituted the best practicable notice under the circumstances; (ii) constituted notice reasonably calculated under the circumstances to apprise Class members of the pendency of the Civil Action, the Settlement Agreement, their right to object to the Settlement Agreement or any part thereof, and their right to appear at the Final Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to such notice; and (iv) meets all applicable requirements of the Federal Rules of Civil Procedure and any other applicable law;
- c. determine whether to approve the Final Distribution Schedule to Class members who were not excluded from the Class;
- d. determine whether a Judgment should be entered pursuant to the Settlement Agreement, *inter alia*, (i) dismissing the Class Claims against TEP, and TEP's counterclaim against the Class, with prejudice, (ii) dismissing any non-Class Claims without prejudice, and (iii) extinguishing, releasing, and barring all Class Claims against all TEP Released Parties in accordance with the Settlement Agreement;
- e. determine whether the applications for Class Counsels' attorneys' fees, reimbursement for litigation expenses and administration, notice, and distribution costs, are fair and reasonable and should be approved;² and
- f. rule on such other matters as the Court deems appropriate.

² The Court will issue separate orders on Class Counsels' request for attorneys' fees, reimbursement of litigation expenses, and administration, notice, and distribution costs.

The Court, having reviewed the Settlement Agreement, and all related pleadings and filings, and having heard the evidence and argument presented at the Final Fairness Hearing, now **FINDS, ORDERS, and ADJUDGES** as follows:

1. The Court, for purposes of this Final Judgment (the “Judgment”), adopts all defined terms as set forth in the Settlement Agreement and incorporates them as if fully set forth herein.

2. The Court has jurisdiction over the subject matter of this Civil Action and all matters relating to the Settlement Agreement, as well as personal jurisdiction over Defendant and the Class members.

3. The Class, certified by the Court pursuant to Fed. R. Civ. P. 23(b), is defined as follows:

The class of all royalty owners under oil and gas leases (and their successors and assigns) who received royalty payments for one or more production months during the period August, 2011 to December, 2020 from non-federal oil and gas leases in Garfield County, Colorado, which, as of December 31, 2020, were owned in whole or part by TEP Rocky Mountain LLC, and whose production was gathered on the Grand Valley Gathering System; and excluding from such class:

(1) NYSE or NASDAQ listed entities (together with their subsidiaries and affiliates) engaged in oil and gas exploration and production;

(2) any person or entity to the extent that their interest is derived from the following leases: (A) that certain Oil and Gas Lease, dated July 20, 2005, with Mary Anne Bosely, et al, as lessors, whose memorandum is recorded at Reception No. 680846 in the records of the Clerk and Recorder of Garfield County, Colorado; (B) that certain Oil and Gas Lease, dated May 9, 2006, with Jonathon H. Wellendorf et ux, as lessors, whose memorandum is recorded at Reception No. 697889 in such records; (C) that certain Oil and Gas Lease, dated April 14, 2002, with Theo Ertl, as Trustee for the Jann Ertl Trust, under Trust dated January 25, 1964, as lessor, whose lease is recorded at Reception No. 610354 in such records; (D) that

certain Memorandum of Oil and Gas Lease, dated November 1, 2011, with The Ranch at Parachute, LLC, as lessor, which is recorded at Reception No. 811051 in such records; (E) that certain Oil and Gas Lease, dated June 7, 2006, with Pavillion Land Development, LLC, as lessor, whose lease is recorded at Reception No. 701520 in such records; (F) that certain Oil and Gas Lease, dated April 27, 1998, with NationsBank of Texas, N.A., Agent for the First Church of Christ, Scientist Agency #1221900 as lessor, whose lease is recorded at Reception No. 531029 in such records; and (G) that certain Oil and Gas Lease, dated December 5, 1997, with Colorado National Bank as Trustee of the Ann F. Dickerson Irrev. T/A Family Trust as lessor, whose lease is recorded at Reception No. 517758 in such records.

4. The Court finds that the persons and entities identified on Exhibit 2 to the Joint Motion for Preliminary Approval, and Exhibit B to the Settlement Agreement, have submitted valid Requests for Exclusion and are hereby excluded from the foregoing certified Class, will not participate in or be bound by the Settlement Agreement, or any part thereof, as set forth in the Settlement Agreement, and will not be bound by or subject to the releases provided for in this Judgment and the Settlement Agreement. *See* Elections of Exclusion [Dkt. # 189-2].

5. At the Final Fairness Hearing on August 1, 2025, the Court performed its duties to independently evaluate the fairness, reasonableness, and adequacy of, *inter alia*, the Settlement Agreement and the Notices provided to the Class, considering not only the pleadings and arguments of the Class and TEP and their respective Counsel, but also the concerns of any objectors and the interests of all absent Class members. In so doing, the Court has been mindful to consider possible arguments that could reasonably be made against, *inter alia*, approving the Settlement Agreement and the Notices, even if such argument was not actually presented to the Court by pleading or oral argument.

6. The Court further finds that due and proper notice, by means of the Notices, was given to the Class in conformity with the Settlement Agreement and Preliminary Approval Order. Specifically, Notice was mailed to the Class based on the names and last known addresses available for current and former royalty owners who received royalty payments from TEP during the Class Period, pursuant to paragraph 6(b) of the Settlement Agreement, which reasonably assumes these are the correct payees, including for any interest held by a predecessor due to assignment, sale, inheritance, or other transfer. To the extent these assumptions are not correct in relation to a particular transfer of interest, paragraph 16 of this Judgment orders the Class member who receives payment to make payment to the proper party or return payment to Class Counsel. Notice was also published in *Glenwood Springs Post Independent*, a newspaper of general circulation in Garfield County, Colorado. The form, content, and method of communicating the Notices disseminated to the Class and published pursuant to the Settlement Agreement and the Preliminary Approval Order: (a) constituted the best practicable notice under the circumstances; (b) constituted notice reasonably calculated, under the circumstances, to apprise Class members of the pendency of the Civil Action, the Settlement Agreement, that there would be no additional right to exclude themselves from the Settlement Agreement, their right to object to the Settlement Agreement or any part thereof, and their right to appear at the Final Fairness Hearing; (c) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to such notice; and (d) met all applicable requirements of the Federal Rules of Civil Procedure, the Due Process Clause of the United States Constitution, the Due Process protections of the State of Colorado, and any other applicable law. Therefore, the Court approves the form, manner, and content of the Notices used by the Parties. The Court further finds that all Class members have been afforded a

reasonable opportunity to object to the Settlement. The Court further finds that because the Class was previously certified as a class action and putative class members were previously provided with an opportunity to exclude themselves from the Class, no additional exclusion opportunity is necessary or appropriate.

7. Pursuant to and in accordance with Federal Rule of Civil Procedure 23, the Settlement Agreement, including, without limitation, the consideration paid by TEP, the proposed distribution schedule, the covenants not to sue, the releases, and the dismissal with prejudice of the Class Claims against the TEP Released Parties and of TEP's counterclaim, is finally approved as fair, reasonable, and adequate and in the best interests of the Class. The Settlement Agreement was entered into between the Parties at arm's length and in good faith after substantial negotiations free of collusion. The Settlement Agreement fairly reflects the complexity of the Class Claims, the duration of the Civil Action, the extent of discovery, and the balance between the benefits the Settlement Agreement provides to the Class and the risk, cost, and uncertainty associated with further litigation and trial. Serious questions of law and fact remain contested between the Parties. The Settlement Agreement provides a means of gaining immediate valuable and reasonable compensation and forecloses the prospect of uncertain results after many more months or years of additional discovery and litigation. The considered judgment of the Parties, aided by experienced legal counsel, supports the Settlement Agreement.

8. By agreeing to settle the Civil Action, TEP does not admit, and instead specifically denies, any and all wrongdoing and liability to the Class, Class Representative, and Class Counsel.

9. The Court finds that on March 21, 2025, TEP caused notice of the Settlement Agreement to be served on the appropriate state official for each state in which a Class member

resides, and the appropriate federal official, as required by and in conformance with the form and content requirements of 28 U.S.C. § 1715. *See* Notice of Service Under Class Action Fairness Act [Dkt. # 193]. In connection therewith, the Court has determined that, under 28 U.S.C. § 1715, the appropriate state official for each state in which a Class member resides was and is the State Attorney General for each such state, and the appropriate federal official was and is the Attorney General of the United States. Further, the Court finds it was not feasible for TEP to include on each such notice the names of each of the Class members who reside in each state and the estimated proportionate share of each such Class member to the entire Settlement Agreement as provided in 28 U.S.C. § 1715(b)(7)(A); therefore, each notice included a reasonable estimate of the number of Class members residing in each state and the value of the gross Settlement Amount. No appropriate state or federal official has entered an appearance or filed an objection to the entry of final approval of the Settlement Agreement. Thus, the Court finds that all requirements of 28 U.S.C. § 1715 have been met and complied with and, as a consequence, no Class member may refuse to comply with or choose not to be bound by the Settlement Agreement and this Court's Orders in furtherance thereof, including this Judgment, under the provisions of 28 U.S.C. § 1715.

10. In accordance with the Settlement Agreement, the Class Claims, and the counterclaim to the Class Claims, are hereby dismissed with prejudice, and any non-Class Claims are dismissed without prejudice. All Class members (a) are hereby deemed to have finally, fully, and forever conclusively released, relinquished, and discharged all of the Class Claims against the TEP Released Parties, and (b) are barred and permanently enjoined from, directly or indirectly, on any Class member's behalf or through others, suing, instigating, instituting, or asserting against

the TEP Released Parties any claims or actions on or concerning the Class Claims. Neither Party will bear the other Party's litigation costs, costs of court, or attorneys' fees.

11. Nothing in this Judgment shall bar any action or claim by Jolley Potter, the Class, or TEP to enforce or effectuate the terms of the Settlement Agreement or this Judgment.

12. Neither the Settlement Agreement, nor any document referred to herein, nor any action taken to carry out the Settlement Agreement is, may be construed as, or may be used as, evidence of or an admission or concession by TEP of any fault, wrongdoing, or liability whatsoever with respect to the claims and allegations in the Civil Action. Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related thereto, and the Settlement Agreement itself, are not, and shall not be construed as, or deemed to be evidence of, an admission or concession by any of the Parties to the Settlement Agreement and shall not be offered or received as evidence in any action or proceeding by or against any party hereto in any court, administrative agency, or other tribunal for any purpose whatsoever other than to enforce the provisions of the Settlement Agreement between TEP and any Class member(s), the provisions of the Settlement Agreement, or the Judgment, or to seek an Order barring or precluding the assertion of Class Claims in any proceeding.

13. The allocation methodology is approved as fair, reasonable and adequate, and Class Counsel are directed to administer the Settlement Agreement accordingly.

14. The Court finds that Jolley Potter, TEP, and their Counsel have complied with the requirements of the Federal Rules of Civil Procedure as to all proceedings and filings in this Civil Action. The Court further finds that Jolley Potter and Class Counsel adequately represented the Class in entering into and implementing the Settlement Agreement.

15. Except as provided in the Settlement Agreement, neither TEP nor its Counsel shall have any liability or responsibility to Jolley Potter, Class Counsel, or the Class with respect to the gross Settlement Amount or its administration, including but not limited to any distributions made by the Escrow Agent. No Class member shall have any claim against Jolley Potter, Class Counsel, the Escrow Agent, or any of their respective designees or agents based on the distributions made substantially in accordance with the Settlement Agreement and other orders of the Court.

16. Any Class member who receives a distribution check that he/she/it is not legally entitled to receive is hereby ordered to either (a) pay the appropriate portion(s) of the distribution check to the person(s)/entity(ies) legally entitled to receive such portion(s), or (b) return the distribution check uncashed to Class Counsel.

17. All matters regarding the administration of the Escrow Account and the taxation of funds in the Escrow Account or distributed from the Escrow Account shall be handled in accordance with the Settlement Agreement.

18. Any order approving the application by Class Counsel for an award of attorneys' fees or reimbursement of litigation expenses and administration, notice, and distribution costs shall be handled in accordance with the Settlement Agreement and the documents referenced therein.

19. In the event the Settlement Agreement is terminated as the result of a successful appeal of this Judgment or does not become Final and Non-Appealable in accordance with the terms of the Settlement Agreement for any reason whatsoever, then this Judgment and all orders previously entered in connection with the Settlement Agreement shall be rendered null and void and shall be vacated. The provisions of the Settlement Agreement relating to termination of the

Settlement Agreement shall be complied with, including the refund of amounts in the Escrow Account to TEP.

20. Without affecting the finality of this Judgment in any way, the Court (along with any appellate court with power to review the Court's orders and rulings in the Civil Action) reserves exclusive and continuing jurisdiction to enter any orders as necessary to administer the Settlement Agreement, including jurisdiction to determine any issues relating to the payment and distribution of the Net Settlement Amount, to issue additional orders pertaining to, *inter alia*, Class Counsels' request for attorneys' fees and reimbursement of reasonable litigation expenses and administration, notice, and distribution costs, and to enforce the Settlement Agreement and this Judgment. Notwithstanding the Court's jurisdiction to issue additional orders in this Litigation, this Judgment fully disposes of all claims that were certified by the Court as to the TEP Released Parties, with prejudice, and any non-Class Claims without prejudice, and is therefore a final appealable judgment. The Court further hereby expressly directs the Clerk of the Court to file this Judgment as a final order and final judgment in this Civil Action.

IT IS SO ORDERED this 4th day of August, 2025.

A handwritten signature in black ink, appearing to read 'Daniel D. Domenico', is written over a horizontal line.

Honorable Daniel D. Domenico
United States District Judge