

DISTRICT COURT OF GARFIELD COUNTY, COLORADO

There is a Proposed Settlement in a class action  
brought against TEP Rocky Mountain LLC on  
behalf of certain royalty owners.

**You may be able to obtain benefits**

*A court authorized this notice. This is NOT a solicitation from an attorney.*

A Proposed Settlement (“JPR 2019 Settlement”) has been reached in a class action lawsuit against TEP Rocky Mountain LLC (“TEP”). The lawsuit is about the alleged underpayment of royalty payments made by TEP on the production of natural gas from wells in Garfield County, Colorado. The Court previously certified this case as a class action. This Notice is being sent to you because you may be a member of the JPR 2019 Class who is eligible to receive monetary benefits from the JPR 2019 Settlement. Please read this Notice carefully.

A SUMMARY OF YOUR RIGHTS AND CHOICES	
<b>REMAIN A JPR 2019 CLASS MEMBER</b>	To remain a member of the JPR 2019 Class, you do not need to take any action. JPR 2019 Class members will receive money from the JPR 2019 Settlement as outlined in Section 4 of this Notice.  <b>Due Date: <u>Automatic Distribution</u></b>
<b>OBJECT OR COMMENT ON THE PROPOSED JPR 2019 SETTLEMENT</b>	If you are a JPR 2019 Class member, you can object to or comment on the JPR 2019 Settlement on your own or through your attorney. <i>See</i> Section 7 of this Notice.  <b>Due Date: <u>Post-marked on or before August 15, 2025</u></b>

## 1. WHY YOU RECEIVED THIS NOTICE.

Records show that you have received a royalty payment from TEP between February 1, 2013, and December 31, 2021, from wells in Garfield County, Colorado due to an ownership interest in certain oil and gas leases. This Notice is sent to you to inform you about the proposed settlement of a class action lawsuit, captioned *Jolley Potter Ranches Energy, LLC v. TEP Rocky Mountain LLC*, Case No. 2019-CV-30036, in the District Court of Garfield County, Colorado (the “Lawsuit”), brought on behalf of certain royalty payees who received royalty payments from TEP for natural gas (“Gas”) produced in Garfield County, Colorado due to an ownership interest in certain oil and gas leases. The settlement has been preliminarily approved by the Court as being fair, reasonable, and adequate. As explained below, you may be entitled to monetary benefits under the JPR 2019 Settlement if the JPR 2019 Settlement is finally approved by the Court.

You may be a member of the class of royalty payees defined below who are covered by a proposed settlement of the Lawsuit. In this Notice, the settlement is referred to as the “JPR 2019 Settlement” and the class of TEP gas royalty payees covered by the Settlement is referred to as the “JPR 2019 Class.” The JPR 2019 Class includes the following:

The persons or entities who own oil and gas leases of the type categorized as Category 2 Royalty Instruments in *Lindauer v. Williams Production RMT Company*, Case No. 2006cv317 filed in the District Court in and for Garfield County, Colorado and have received royalty or overriding royalty payments on behalf of TEP Rocky Mountain LLC (TEP) from sales of natural gas produced in Garfield County during and after the production month of February 2013 until December 2021; whether or not such persons or entities are included in the certified *Lindauer* Class; and excluding from such Class:

- (1) TEP, WPX Energy Rocky Mountain, LLC, Williams Production RMT Company, LLC, Williams Production RMT Company, and any of their affiliates;
- (2) NYSE or NASDAQ listed entities (together with their subsidiaries and affiliates) engaged in oil and gas exploration and production; and
- (3) those owners to the extent their interests are subject to the class-action settlement entered into in *Sefcovic v. TEP Rocky Mountain, LLC*, Case No. 17-cv-01990-MSK-MEH filed in the United States District Court for the District of Colorado.

The Court has appointed the Plaintiff in the Lawsuit as class representative for the JPR 2019 Class, and the Plaintiff’s attorneys as counsel for the JPR 2019 Class (“Class Counsel”).

This Notice outlines the terms of the JPR 2019 Settlement, who is a JPR 2019 Class member, how JPR 2019 Settlement monies will be paid, and how to comment on, or object to, the proposed JPR 2019 Settlement. This Notice also explains that the Court will hold a Final Fairness Hearing to decide whether to approve the JPR 2019 Settlement on August 29, 2025, at 9:00 a.m., in Courtroom C of the District Court of Garfield County Courthouse, 109 8th St., Suite 104, Glenwood Springs, Colorado, 81601.

## 2. WHAT IS A CLASS ACTION?

A class action is a type of lawsuit in which a named Plaintiff brings a suit on behalf of all of the members of a similarly-situated group to recover damages and other relief for the entire group, without the necessity of each member filing an individual lawsuit, incurring expenses or appearing as an individual plaintiff. Class actions are used

by the courts when the claims raise issues of law or fact that are common, making it fair to bind all class members to the orders and judgments in the case, without the necessity of multiple lawsuits involving hearing the same claims over and over.

### 3. THE LAWSUIT.

Plaintiff, on behalf of itself and all other similarly situated royalty payees, filed the Lawsuit against TEP on February 19, 2019, in the District Court of Garfield County, Colorado. The Lawsuit seeks monetary relief against TEP for a class of natural gas royalty payees, except for certain payees who are excluded from the class. The Lawsuit has been pending before the Honorable Anne K. Norrdin, District Judge of the District Court of Garfield County, Colorado. On June 30, 2022, the Court certified the JPR 2019 Class defined in Section 1 above.

Plaintiff has alleged that, at various times from February 1, 2013, until December 31, 2020, TEP underpaid royalties by deducting certain gathering costs when calculating royalties paid on the production and sale of natural gas from February 2013 through December 2020 (the “Disputed Amounts”) in breach of the JPR 2019 Class’s oil and gas leases (the “Class Claims”).

TEP has disputed the Class Claims. Class Counsel has extensively reviewed and analyzed information and documents regarding TEP’s calculation of royalties paid to the members of the JPR 2019 Class. The Parties also have engaged in continuous negotiations over the resolution of the Class Claims. The JPR 2019 Settlement described in this Notice is the result of those negotiations.

Class Counsel and the Plaintiff believe that the issues before the Court are complex, and there is uncertainty as to the outcome of the Lawsuit should it proceed to trial. TEP denies all of the Class Claims and continues to deny any wrongdoing or liability to Plaintiff or any member of the JPR 2019 Class in connection with the Class Claims. TEP contends that the Class Claims have no merit, and that TEP would prevail at trial in the Lawsuit, including any necessary appeal.

Class Counsel and the Plaintiff have considered both the monetary benefits of the proposed JPR 2019 Settlement and the risks of proceeding if the JPR 2019 Settlement was rejected. Class Counsel and the Plaintiff have concluded that the proposed JPR 2019 Settlement provides members of the JPR 2019 Class with substantial monetary benefits, resolves disputed issues without prolonged litigation and expense, avoids the delay and expense of likely appeals, eliminates inherent risks of litigation, and is in the best interests of the JPR 2019 Class. Plaintiff and Class Counsel have concluded that the proposed JPR 2019 Settlement is fair, reasonable, and adequate.

### 4. THE SETTLEMENT.

TEP has agreed to pay the sum of \$900,962.00 in order to settle the Lawsuit (the “Settlement Fund”), paid into an interest-bearing escrow account on June 2, 2025. The amount of the Settlement Fund that will be available for distribution to each member of the JPR 2019 Class will be determined by each member’s proportionate share of the Disputed Amounts.

The method to be used to allocate the Settlement Fund to each JPR 2019 Class member is set out in the JPR 2019 Settlement, which is available to you on the website of Class Counsel, online at [www.dwmk.com](http://www.dwmk.com). The website of Class Counsel ([www.dwmk.com](http://www.dwmk.com)) also will include a spreadsheet on which you can identify, by your TEP Owner Number, the gross amount allocated to you if the JPR 2019 Settlement is approved prior to reduction for attorney fees and expenses as approved by the Court.

The Court has preliminarily approved the JPR 2019 Settlement.

**The expenses and attorneys’ fees of Class Counsel, as approved by the Court, will be subtracted from the Settlement Fund to determine the net amount to be distributed to the members of the JPR 2019 Class.** Class Counsel will request that the Court award attorneys’ fees of one-third of the net Settlement Fund, plus accrued interest on that amount. Class Counsel will also seek to be reimbursed for out-of-pocket expenses Class Counsel has expended

in prosecuting this action, and for additional expenses related to the notice and administration of the JPR 2019 Settlement (with such notice and administration expenses to be paid first out of the interest accrued on the Settlement Fund in the Escrow Account) prior to the distribution to the JPR 2019 Class members. You may review a copy of Class Counsel's application for attorney fees and expenses on the website of Class Counsel ([www.dwmk.com](http://www.dwmk.com)), which will contain the total amount of attorneys' fees and expenses requested by Class Counsel.

Upon final Court approval, eligible members of the JPR 2019 Class will receive the monetary benefits of the JPR 2019 Settlement and will be bound by the resulting Order in the Lawsuit, barring them from bringing any claims, demands, or causes of action arising from the Class Claims.

For more detailed information regarding the terms of the JPR 2019 Settlement, please read the JPR 2019 Settlement, which you may review online at [www.dwmk.com](http://www.dwmk.com) or you may obtain a copy of the JPR 2019 Settlement by contacting Class Counsel as identified in Section 9 of this Notice.

#### **5. THE COURT HAS CONDITIONALLY APPROVED THE SETTLEMENT.**

The Court has provisionally determined that the JPR 2019 Settlement is fair, reasonable, and adequate. On June 30, 2022, the Court ordered that this case may proceed as a class action. This does not mean that Plaintiff would be successful if the case went to trial. The Court has made no final determination as to the merits of the Lawsuit. This Notice and the proposed JPR 2019 Settlement do not imply that TEP is liable to Plaintiff or to any member of the JPR 2019 Class for any of the Class Claims.

#### **6. REMAINING A MEMBER OF THE JPR 2019 CLASS.**

**As a member of the JPR 2019 Class, you do not need to take any action.** Plaintiff and Class Counsel will represent your interests as a member of the JPR 2019 Class. You will not be charged for their services or any expenses other than the payment of attorney fees and expenses from the Settlement Fund that are approved by the Court. You may enter an appearance in the Lawsuit by yourself or through your attorney, at your own expense. You will be bound by the judgment and final disposition of the Lawsuit, and if eligible, you should receive a distribution check for your share of the Settlement Fund approximately 14 days after the Approval Event specified in the JPR 2019 Settlement Agreement. If you are a JPR 2019 Class member and the JPR 2019 Settlement is approved, you will be barred from bringing any further legal action against TEP, its affiliates, and its predecessors, arising from the Class Claims.

Should the JPR 2019 Settlement be approved, you will:

- 1) Receive your allocated share of the Settlement Fund (after payment of attorney fees and expenses approved by the Court).
- 2) Release the Class Claims.

#### **7. RIGHT TO OBJECT TO THE JPR 2019 SETTLEMENT.**

The Court has determined that, because JPR 2019 Class members were previously provided with an opportunity to exclude themselves from the JPR 2019 Class, there is no additional right for JPR 2019 Class members to exclude themselves from the proposed JPR 2019 Settlement.

You may, however, object to the proposed JPR 2019 Settlement and/or to Class Counsel's application for attorney fees and expenses. **All objections shall be in writing and must be filed on or before August 15, 2025, which is 14 days before the date of the Final Fairness Hearing**, with the Court at the address of the District Court Clerk as it appears below. Your objection must set forth your full name, current address, and telephone number. In addition, your objection must include **a written statement of the position that you wish to assert**. Your objection also must be mailed to each of the following and postmarked on or before August 15, 2025:

***Class Counsel***

Nathan A. Keever  
DUFFORD WALDECK  
744 Horizon Court, Suite 300  
Grand Junction, CO 81506

***Counsel for TEP***

Christopher A. Chrisman  
Michelle R. Seares  
HOLLAND & HART LLP  
555 Seventeenth Street, Suite 3200  
Denver, CO 80201-8749

You or your attorney may appear at the Final Fairness Hearing, but are not required to do so. **In order to be heard at the Final Fairness Hearing you must file a Notice of Intent to Appear at the Final Fairness Hearing with the Court on or before August 22, 2025.** Any JPR 2019 Class member who does not file a notice of intent to appear at the Final Fairness Hearing may be prohibited from participating at that Hearing.

**8. FINAL FAIRNESS HEARING.**

**A Final Fairness Hearing will be held on August 29, 2025, at 9:00 a.m. in Courtroom C of the District Court of Garfield County Courthouse, located at 109 8th St., Suite 104, Glenwood Springs, Colorado, 81601.** The purpose of the Hearing will be to finally determine whether the proposed JPR 2019 Settlement is fair, reasonable, and adequate, and whether a final judgment approving the JPR 2019 Settlement should be entered. The amount of attorney fees and expenses to be paid from the Settlement Fund to Class Counsel, will also be considered at the Final Fairness Hearing. The Hearing may be continued or adjourned without further notice to the JPR 2019 Class.

If the JPR 2019 Settlement is approved, Plaintiff and each member of the JPR 2019 Class will be bound by the JPR 2019 Settlement. Additionally, the respective heirs, executors, administrators, representatives, agents, successors, and assigns of the JPR 2019 Class members will be deemed bound by the JPR 2019 Settlement as to that member's interests. Likewise, the JPR 2019 Settlement will bind TEP and its successors and assigns.

**9. ATTORNEYS FOR THE PARTIES.**

***Attorneys for the Plaintiff and the JPR 2019 Class ("Class Counsel")***

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***ANY QUESTIONS CONCERNING THE SETTLEMENT SHOULD BE DIRECTED TO CLASS COUNSEL.***

In any written correspondence with the attorneys or submissions to the Court, it is important that the envelope and any documents inside contain the following case name and identifying number:

*Jolley Potter Ranches Energy, LLC v. TEP Rocky Mountain LLC*, Case No. 2019-CV-30036

In addition, you must include your full name, address, and telephone number.

**10. IF YOU WANT TO INSPECT THE COURT FILE.**

The complaints, answers, pleadings, court orders, and other documents, including the JPR 2019 Settlement, are available online at [www.dwmk.com](http://www.dwmk.com). In addition, all pleadings are on file in this case and may be inspected at the following address:

**District Court of Garfield County, Colorado  
Garfield County Courthouse  
109 8th St., Suite 104  
Glenwood Springs, Colorado 81601**

**DO NOT WRITE OR TELEPHONE THE CLERK'S OFFICE** if you have any questions about this Notice or the TEP Settlement. Please address any questions regarding this Notice or the proposed JPR 2019 Settlement in writing to Class Counsel, at the address identified in Section 9 of this Notice, or by telephone to Class Counsel, at the telephone number identified in Section 9 of this Notice.

***DO NOT CALL THE COURT OR THE COURT CLERK***

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