

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

CHIEFTAIN ROYALTY COMPANY §  
and JACK LANCET §

Plaintiffs, §

v. §

Case 5:11-cv-00212-R

QEP ENERGY COMPANY §  
(including affiliated predecessors §  
and successors), §

Defendant. §

STATE OF OKLAHOMA )  
) ss.  
COUNTY OF )

**DECLARATION OF JACK LANCET**

I, JACK LANCET, of lawful age, first being duly sworn upon oath, and upon personal knowledge, state as follows:

1. I am one of the Named Plaintiffs and one of the Court-appointed Class Representatives in the above-referenced action (the "Action"). I have personal knowledge of the facts set forth in this Declaration based upon my personal involvement in this matter and/or based on information provided to me by Class Counsel.

2. I respectfully submit this Declaration in support of final approval of the Stipulation and Agreement of Settlement. I am also submitting this Declaration in support of Class Counsel's application for an award of attorneys' fees and reimbursement of expenses, and case contribution awards to Class Representatives.

3. By submitting this Declaration, I do not waive any protections available to

me under the attorney client privilege, work product privilege, or any other privileges I may have.

4. As a result of my examination of the Action and discussions with Class Counsel, I decided to join the Action against Defendant and to retain Barnes & Lewis LLP (“B&L”) and Nix Patterson & Roach LLP (“NPR”) (collectively “Class Counsel”) as counsel to prosecute the Action. As part of that decision, Class Counsel and I discussed the responsibilities of serving as an additional Named Plaintiff and proposed Class Representative, and my commitment to fulfilling those responsibilities.

5. I retained B&L and NPR because I believed these firms possessed the requisite expertise in complex, nationwide litigation and had sufficient legal and financial resources to vigorously prosecute this Action on behalf of all Class Members against a well-funded and well-defended opponent. Based on my evaluation of this complex Action, the risks associated with litigating the Action, the potentially significant expenses Class Counsel could be required to incur and the high level representation to be provided by Class Counsel, Class Counsel and I agreed that Class Counsel would represent me on a contingency fee not to exceed 40%. At the time this agreement was reached, I believed the ceiling of a 40% contingency fee to be at or below the market rate. Class Counsel and I executed a written agreement that Class Counsel could seek a fee of 40% of any gross recovery.

6. I began my participation in the Action on April 16, 2012, with the filing of the First Amended Complaint. By participating in this Action, I hoped to obtain a monetary recovery for myself and all other similarly situated royalty owners in the Class.

7. I have been informed, involved and active in the Action since I elected to become a Named Plaintiff, from the decision to file the First Amended Complaint, to producing documents, monitoring formal mediation sessions, and finally approving the terms of the Settlement. For example, upon joining the Action I reviewed and approved all amended Complaints and drafts of other substantive pleadings prior to filing, and consistently received periodic status reports from Class Counsel. I also actively supervised and monitored Class Counsel's work in this case and participated in all significant decisions since joining the Action, including the decision to enter into the Settlement. I conferred with Class Counsel throughout the Action and was advised of all significant matters in the Action.

8. I understand that this Action was litigated for over two years, including extensive discovery and production (consisting of approximately 12 gigabytes, 30,300 files, and 782,000 pages of digital data); taking and defending multiple depositions; preparing expert reports; briefing and arguing class certification; accounting review and analysis; land and lease examination and analysis; engineering evaluation and analysis; consulting with and preparing expert witnesses; multiple formal mediation sessions over the course of several month; settlement negotiations; and damages modeling.

9. As part of the litigation of this Action, I personally produced documents in response to Defendant's discovery requests and interrogatories.

10. I was also involved in the formal mediation process after joining the Action. In 2012, I agreed to mediation before Francis McGovern. Based on information provided to me and as stated in the Declaration of Mr. McGovern, it is my understanding

that the mediation process was extensive and in total encompassed months of negotiations, including face-to-face mediations, numerous telephone calls, and the submission of extensive mediation statements and damages calculations. After I joined the Action, Class Counsel kept me informed of the status of settlement negotiations during the mediation process. Throughout the negotiation process, Class Counsel kept me informed of each development that occurred and sought and obtained approval to negotiate on behalf of the Class, Chieftain and myself. Class Counsel acted at my direction and with my approval in all respects. After the parties reached an agreement in principle to settle this matter, Class Counsel reported back to me to obtain final approval, which was granted.

11. I believe the mediation process resulted in an excellent settlement, which provides \$115,000,000 in cash, plus immediate binding changes in QEP's royalty payment methodology for the Class Leases that have an estimated present value of at least \$40,000,000, which I believe is a significant benefit to the Class.

12. Through my involvement as one of the Class Representatives in this Action, as well as my frequent discussions with Class Counsel, I believe I understand the strengths and weaknesses of the Class' claims against Defendant in the Action. I am aware of the hurdles the Class would be required to overcome to prove liability and damages, and to recover damages in the event a judgment were obtained.

13. I believe that my understanding of the facts as they pertain to this litigation, as well as my extensive interaction with Class Counsel, enables me to recommend approval of the Settlement. I believe the Settlement is a substantial recovery for the Class

under circumstances where it was possible that no recovery at all would be obtained.

14. I am very pleased with the efforts of Class Counsel who at all times conducted themselves with professionalism and diligence while effectively advocating the interests of the Class, Chieftain and myself. I believe that without the skill of Class Counsel, this resolution would not have been achieved.

15. Class Counsel is collectively applying for an award of attorneys' fees out of the total Settlement value, as well as reimbursement of litigation costs and expenses reasonably and necessarily incurred in successfully prosecuting the claims in this Action. Class Counsel negotiated the amount of their request with me prior to my entry into the litigation and, as a result of their extensive, efficient and excellent work, I have approved Class Counsel's application for a fee award equal to thirty-three and one-third (33 and 1/3%) of the total settlement value of \$155 million, which is less than the 40% I approved before entering the Action. Also, I approve Class Counsel's request for reimbursement of reasonable costs and expenses. In the Notice, Class Counsel stated that they would request expenses of no more than \$1,350,000. I understand that if the award is granted, attorneys' fees plus interest and reimbursed expenses will be paid to Class Counsel out of the Gross Settlement Fund.

16. I support this request for attorneys' fees and expenses because it is consistent with, and actually lower than, my negotiated fee agreement with Class Counsel and I have been pleased with the manner in which Counsel conducted the Action, and more importantly, with the results achieved. Based on the information provided to me and my experience working with Class Counsel to date, I believe Class Counsel has

litigated this Action in an efficient manner in light of the complexities of the Action and has incurred reasonable and necessary expenses.

17. While I will only recover my *pro rata* share of the Net Settlement Fund, both myself and Chieftain, as Class Representatives, intend to seek case contribution awards for our representation of the Class, which will not exceed one-half of one percent (0.5%) of the Settlement Amount in the aggregate. I believe that such awards are justified in this case.

18. As set forth above, I actively and effectively fulfilled my obligations as a representative of the Class, complying with all demands placed on me during the prosecution and settlement of this Action. I reviewed draft pleadings and motions, responded to document requests and interrogatories, searched for and produced records and other responsive documents, reviewed filings, communicated regularly with Class Counsel, and was continuously involved in the litigation process. Based on these efforts and the benefits obtained for the Class, I submit that a case contribution award is fair and reasonable to compensate myself for the time and expense incurred in order to obtain this settlement on behalf of the Class.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge based on my personal experience in this matter, and the information known to and/or made available to me.

FURTHER AFFIANT SAYETH NOT.

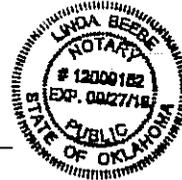
Dated this 19 day of April, 2013.

Jack Rancet  
Jack Rancet

Subscribed and sworn to before me this 19<sup>th</sup> day of April, 2013.

(SEAL)

Linda Beebe  
Notary Public



Commission Number 12009152  
My Commission Expires 9/27/2016

## Other Documents

[5:11-cv-00212-R Chieftain Royalty Company v. QEP Energy Company](#)

U.S. District Court

Western District of Oklahoma[LIVE]

### Notice of Electronic Filing

The following transaction was entered by Beckworth, Bradley on 4/25/2013 at 10:21 AM CDT and filed on 4/25/2013

**Case Name:** Chieftain Royalty Company v. QEP Energy Company

**Case Number:** [5:11-cv-00212-R](#)

**Filer:** Chieftain Royalty Company  
Jack Lancet

**Document Number:** [139](#)

#### Docket Text:

**[DECLARATION by All Plaintiffs Declaration of Jack Lancet. \(Beckworth, Bradley\)](#)**

#### **5:11-cv-00212-R Notice has been electronically mailed to:**

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**Document description:**Main Document

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