

<b>Judicial Arbiter Group, Inc.</b> <b>1601 Blake Street, Suite 400</b> <b>Denver, CO 80202</b> <b>Phone: 303-572-1919</b> <b>Facsimile: 303-571-1115</b>	
<b>In Re the Arbitration of:</b>  <b>Kenneth &amp; Vanda Vaughters and David &amp; Sandra Conner, as Co-Trustees of the Sandra K. Conner Trust and as Co-Trustees of the David C. Conner Trust, on behalf of themselves and the defined Class, Claimants,</b>  <b>v.</b>  <b>Crestone Peak Resources Holdings, LLC, Respondents.</b>	<b>JAG No.: 2018-0067</b>  <b>Arbitrator – Ann B. Frick</b>
<b>CLASS ACTION SETTLEMENT AGREEMENT</b>	

This Class Action Settlement Agreement (the “Class Settlement Agreement”) is entered into effective August 25, 2023, by and between Kenneth and Vanda Vaughters and David and Sandra Conner, as Co-Trustees of the Sandra K. Conner Trust and the David K. Conner Trust (the “Claimants”), on behalf of themselves and the Class Members on the one hand, and Crestone on the other hand. Claimants and Crestone may each be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

A. Claimants, the Class, and Crestone’s predecessor in interest, Ovintiv USA Inc. f/k/a EnCana Oil and Gas (USA) Inc. (“EnCana”), were parties to a class-action settlement agreement approved by the District Court for the City and County of Denver, Colorado in a case styled *Miller, et al. v. EnCana Oil and Gas (USA) Inc.*, 05 CV 2753 (Denver District Court) (the “Miller Settlement Agreement”). Pursuant to the *Miller* Settlement Agreement, EnCana agreed to settle the *Miller* Class members’ claim for declaratory relief regarding EnCana and its successors’ method for calculating royalties to the *Miller* Class members on and after January 1, 2009, by agreeing to a future royalty calculation method as set forth in Paragraph 10 of the *Miller* Settlement Agreement.

B. Claimants and the Class own royalty and/or overriding royalty interests in Natural Gas<sup>1</sup> produced subject to the Class Leases. EnCana owned the lessees’ interest in the Class Leases

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<sup>1</sup> The Parties intend this settlement to resolve claims related to Natural Gas as that term is defined in the *Miller* Settlement Agreement.

until EnCana sold its interest in the Class Leases to Crestone. Crestone has owned the lessees' interest in the Class Leases at issue in this arbitration since that transaction, and continues to own the lessees' interest in those Class Leases today.

C. On January 26, 2018, Claimants filed a demand for arbitration against Kerr-McGee, Oil and Gas OnShore, LP ("KMG") with the Judicial Arbitrator Group, Inc. ("JAG") (JAG No. 2018-0067A), wherein Claimants alleged that KMG had and was continuing to underpay the royalties owed to members of the *Miller* Class.

D. After the Arbitrator dismissed KMG as a respondent in the Arbitration because KMG was not a successor to EnCana under the Class Leases and therefore there was no agreement to arbitrate between the Class Members and KMG, Claimants amended their arbitration demand to include EnCana and Crestone as respondents.

E. In their arbitration demands against EnCana and Crestone, Claimants alleged that, as the owners of the lessees' interest in the Class Leases, EnCana, prior to April 1, 2015, and Crestone, after April 1, 2015, are liable for any alleged royalty underpayments made by KMG on non-operated wells which were drilled subject to the Class Leases.

F. Claimants then engaged in extensive discovery, including obtaining voluminous documents and information from KMG, related to KMG's production and sale of the Natural Gas at issue from the non-operated wells drilled subject to the Class Leases. Claimants also obtained the royalty payment detail related to KMG's calculation and payment of the royalties associated with Natural Gas produced from the non-operated wells to each of the Class Members on EnCana's and Crestone's behalf. Class Counsel engaged a royalty accounting expert to assist them in reviewing the production and sales data and analyzing the relevant royalty accounting methodology employed by KMG.

G. In March 2022, Claimants and EnCana reached an agreement to settle the information produced by KMG and negotiate a full and final resolution of Claimants' claims against EnCana. On March 16, 2022, EnCana and Claimants filed their Joint Motion for Approval of their Class Action Settlement. EnCana's and Claimants' Class Settlement Agreement resolved the claims of the Class Members, and their successors, who received royalty payments from KMG in connection with oil and gas leases owned by EnCana through April 1, 2015 and bound by the *Miller* Settlement Agreement.

H. On March 17, 2022, after conducting a hearing related to EnCana's and Claimants' Motion for Approval of Class Settlement Agreement, the Arbitrator concluded the class settlement agreement to be fair, reasonable, and adequate, and approved the class settlement agreement entered into between Claimants, the Class, and EnCana.

I. After the class settlement agreement between Claimants and EnCana was approved, Claimants proceeded to prosecute their royalty underpayment claims against Crestone by obtaining extensive discovery from KMG and Crestone and taking the Rule 30(b)(6) depositions of both Crestone and KMG. Claimants also retained two expert witnesses in the case, a landman expert to analyze the Class Leases and the successor lessors under those leases, and a royalty accounting

expert to extensively analyze the Natural Gas production, Natural Gas sales, and royalty accounting data produced by KMG, both of which were identified as expert witnesses in the case and who were deposed by Crestone.

J. Claimants and Crestone participated in a 5-day hearing from January 9-13, 2023, at the JAG office located in Denver, Colorado. The hearing was conducted before the Arbitrator.

K. During the hearing, both parties provided opening statements, presented fact and expert witness testimony, cross-examined the fact and expert witnesses, submitted designated deposition testimony, and gave closing arguments.

L. On February 8, 2023, the parties submitted their post-hearing briefs as requested by the Arbitrator. On April 20, 2023, the Arbitrator entered her Interim Award.

M. On July 20, 2023, the Arbitrator issued her Final Award.

N. On July 21, 2023, the Claimants submitted their revised proposed order regarding the Declaratory Judgment consistent with the Arbitrator's Final Award. On July 24, 2023, the Arbitrator issued the Declaratory Judgment.

O. Since receiving the Final Award and Declaratory Judgment, the Parties have engaged in settlement discussions, and have been able to negotiate an agreed upon settlement of the Claimants and the Class Members' award for royalty underpayments and a slight modification of the Declaratory Judgment.

P. Crestone has at all times disputed, and continues to dispute, Claimants' and the Class's allegations in the Arbitration and denied any liability for any of the claims that have or could have been raised by Claimants or the Class, but believes that the comprehensive resolution of the issues in this Arbitration as provided in this Settlement Agreement will avoid the substantial cost and disruption of continued litigation, is in the best interest of the Class, and is in the best interest of Crestone and its affiliates, and is the most effective and least costly resolution of the Arbitration.

Q. The Parties understand, acknowledge, and agree that this Agreement constitutes the compromise of disputed claims and that it is their mutual desire and intention that the Arbitration be settled and dismissed, on the merits with prejudice as set forth below, and that the Released Claims be finally and fully settled and dismissed, subject to and according to the below terms and conditions.

## AGREEMENT

### 1. Definitions.

a. "Arbitration" means the arbitration pending as of the date of this Agreement with the Judicial Arbitrator Group in Denver, Colorado, JAG Case No. 2018-0067A, entitled *Vaughters, et al. v. Crestone Peak Resources, LLC*.

b. "Agreement" or "Class Settlement Agreement" means this settlement agreement and the exhibits attached hereto.

c. "Arbitrator" means the Honorable Ann B. Frick (Ret.).

d. "Claimants" mean Sandra K. Conner and David C. Conner, each as Co-Trustees of the Sandra K. Conner Trust and the David C. Conner Trust; Kenneth Vaughters, and Vanda Vaughters.

e. "Class Counsel" means Stacy Burrows and George Barton of the law firm Barton & Burrows, LLC.

f. "Class Leases" means the 241 oil and gas leases subject to the *Miller* Settlement Agreement identified in the attached **Exhibit A**.

g. "Class Member" means all persons who are original or successor *Miller* Class members and who, since January 1, 2009, have owned or currently own a royalty or overriding royalty interest in one or more of the Class Leases.

h. "Crestone" means Crestone Peak Resources, LLC and its successors, predecessors, assigns, affiliates, subsidiaries, shareholders, officers, directors, agents, insurers, attorneys, and employees.

i. "Released Claims" as to Claimants and all members of the Class means all claims released pursuant to the waiver and release set forth in Section 8(a) and 8(b) of this Agreement.

j. "Releasees" means (a) Crestone together with its predecessors and successors in interest, parents, subsidiaries, affiliates, and assigns; and (b) Crestone's past, present, and future officers, directors, agents, representatives, servants, employees, attorneys, and insurers.

2. Joint Motion for Approval of Class Settlement. As soon as practicable after executing this Class Settlement Agreement, Claimants and Crestone agree to prepare and file their Joint Motion for Approval of Class Settlement Agreement (the "Joint Motion"). The Joint Motion shall seek approval of the settlement of the claims brought by the Class Members against Crestone in this arbitration, and the damages awarded to the Claimants and the Class Members in the Final Award. The Parties agree and stipulate that Arbitrator Frick retains jurisdiction for the sole purpose of resolving the Joint Motion and approval of a distribution schedule to be prepared by Claimants' royalty accounting expert, which will be the net amount to be distributed to the Class Members after reduction of the settlement funds by the attorneys' fees already awarded by the Arbitrator in the amount of two million forty thousand dollars (\$2,040,000), reimbursement of Class Counsel's out-of-pocket litigation expenses awarded in the amount of one hundred thirty thousand one hundred eighteen dollars and fifty cents (\$130,118.50), and incentive awards to be paid to the Claimants in the amount of five thousand five hundred dollars (\$5,500). The Parties shall cooperate with one another and make their best efforts to obtain approval of this Class Settlement Agreement.

3. Settlement Amount. Within twenty-one (21) days of the date of the Arbitrator entering an order approving this Class Settlement Agreement, Crestone will deposit into the trust account for Barton and Burrows, LLC, a total of Five Million One Hundred Thousand Dollars (\$5,100,000.00).

4. Schedule of the Class Members and Their Damages. Claimants' expert has identified 444 Class Members who are entitled to receive a distribution from the net settlement amount consistent with the Arbitrator's June 20, 2023 Final Award and this Class Settlement Agreement.

Claimants will provide an updated distribution schedule (the "Distribution Schedule") based on the net settlement proceeds to be distributed to the Claimants and the 444 Class Members after reimbursement and payment of litigation expenses and attorneys' fees to Class Counsel and the payment of incentive awards to the Claimants. The Distribution Schedule will include the last known addresses of each of the Class Members as provided for in the royalty payment detail provided by KMG at Bates No. KMOG0001-86 in this arbitration proceeding. To facilitate Claimants' distribution of the net settlement proceeds to the Class Members, Crestone agrees to assist the Claimants in obtaining any tax identification numbers and/or current addresses for the Class Members that have not been produced by KMG or Crestone in this arbitration proceeding, whether that be by searching its own royalty payment or title records or assisting Claimants in obtaining that information from KMG, the party regularly making the royalty payments to the Class Members.

5. No Notice to the Class Members is Required. Pursuant to the Colorado Court of Appeals decision in *EnCana Oil and Gas (USA), Inc. v. Miller*, 405 P.3d 488 (Colo. App. 2017) and the Arbitrator's prior orders in the Arbitration, Claimants assert, and Crestone does not contest, that no additional notice of the Class Settlement Agreement will be sent to the Class Members.

6. Satisfaction of Claims Against Crestone. The approval of this Class Settlement Agreement and Crestone's payment of Five Million One Hundred Thousand Dollars (\$5,100,000.00) into Class Counsel's Trust Account shall satisfy all claims that Claimants and the Class did bring or could have brought in this Arbitration, including but not limited to claims regarding Crestone's royalty or overriding royalty obligations under the 241 Class Leases through the date of approval of this Class Settlement Agreement.

7. Agreement to Modify the Declaratory Judgment. The Parties agree, for clarification purposes only, that the Declaratory Judgment issued by the Arbitrator on July 24, 2023, shall be revised as set forth in **Exhibit B** to include the following additional language:

Further, no royalty or overriding royalty interest derived from the 241 Class Leases is entitled to payments or any other relief under the terms of the 2005 *Boulter v. Kerr-McGee* Settlement Agreement, Final Judgment and Order Of Dismissal With Prejudice, or supplemental Order recorded in the Weld County, Colorado real property records at Reception No. 3373560.

A proposed revised Declaratory Judgment Order, which has been approved by the Parties, is attached hereto as **Exhibit B**.

Crestone agrees that if the Arbitrator amends the Declaratory Judgment as set forth in Exhibit B, Crestone will ensure the Declaratory Judgment is filed with the Clerk and Recorder's office of Weld County, Colorado within thirty (30) days after the Arbitrator approves the Class Settlement Agreement.

8. Release.

a. Claimants and the Class Members do forever release, acquit, and discharge Releasees from all manner of actions, causes of action, administrative claims, demands, debts, damages costs, attorney fees, obligations, judgments, expenses, or liabilities for loss, in law or in equity, contingent or absolute, that Claimants or any Class Members now have against Releasees, by reason of any act, omission, harm, matter, cause, or event whatsoever that has occurred at any time up to and including the date the Arbitrator approves this Class Settlement Agreement relating in any way to the calculation and/or payment of royalties or overriding royalties to Claimants and/or the Class pursuant to one or more Class Lease.

b. Crestone releases Claimants and the Class Members, as well as their predecessors, successors, assigns, and their past, present, and future officers, directors, affiliates, employees, agents, servants, and representatives from any and all liabilities, rights, claims, demands, obligations, damages (including claims for or award of costs and/or expenses, court costs, and attorneys' fees), losses, causes of action, whether known or unknown, in law or in equity relating to the calculation and/or payment of royalties or overriding royalties to Claimants and/or the Class pursuant to one or more Class Lease from any time up to and including the date the Arbitrator approves this Class Settlement Agreement.

9. Other Matters.

a. Nothing in this Agreement shall be construed as an admission by or on behalf of any Party of any wrongful acts or liabilities whatsoever.

b. The Parties represent and warrant to one another that the individual who executes this Class Settlement Agreement has the right and legal authority to execute such document on behalf of the Party for whom it acts.

c. The Parties expressly acknowledge that they have had the opportunity to consult additional professionals of their choice, including lawyers, accountants, and others regarding any and all damages, losses, costs, expenses, liabilities, claims, and the consequences thereof, of whatsoever kind and nature, which they may have incurred or which they may or will incur, whether suspected or unsuspected, known or unknown, foreseen or unforeseen. The Parties have relied upon their own counsel's advice in entering into this Class Settlement Agreement and not upon the advice of any other Party's counsel.

d. The Parties and their counsel have mutually contributed to the preparation of this Class Settlement Agreement. No provision of this Class Settlement Agreement shall be construed for or against any Party because that Party or its counsel drafted the provision. No Party

has made any representation, promise, or agreement of any kind to do or refrain from doing any act or thing or pay any money or other consideration not expressly set forth herein.

e. This Class Settlement Agreement may be amended or modified only by a written agreement signed by or on behalf of the Parties or their successors in interest.

f. This Class Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall constitute in the aggregate but one and the same document. Facsimile signatures and/or signatures transmitted by electronic mail shall be valid and binding as original signatures.

g. The provisions of this Class Settlement Agreement shall, where possible, be interpreted in a manner to sustain their legality and enforceability, except that the provisions of this Class Settlement Agreement cannot be severed and rendering any portion of the Class Settlement Agreement to be unenforceable shall render the entire agreement to be unenforceable.

h. This Class Settlement Agreement shall be construed and interpreted under the laws of the State of Colorado.

The Parties hereby execute this Agreement, effective this 25<sup>th</sup> day of August 2023.

**Crestone Peak Resources Holdings,  
LLC**

*M. Chris Doyle*

By: M. Chris Doyle

Title: **President and  
CEO**

**Claimants:**

*David Conner*

By: **David Conner**

Title: **Co-Trustee**

*Sandra Conner  
Sandra H. Conner*

By: **Sandra Conner**

Title: **Co-Trustee**

*Kenneth Vaughters*

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**By: Kenneth Vaughters**

*Vanda Vaughters*

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**By: Vanda Vaughters**

**Approved as to form:**

*Stacy Burrows*

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**By: Stacy Burrows**

*Joel S. Neckers*

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**By: Joel Neckers**





	LEASE DATE:	LESSOR:	LESSEE:	Weld County Rec. No.	EnCana Settlement Agreement (Exhibit B to Ex. 10) Page No. Where the Class Leases is Located	EnCana to Crestone Assignment and Conveyance (Attached Schedule to Ex. 13) Page Where the Class Leases Referenced
1	1/26/1970	George Grenemyer and Mabel Grenemyer	Tom Vessels	1541878	28	184
2	1/26/1970	Arnold Grenemyer and Irene Grenemyer	Tom Vessels	1541877	28	178
3	1/26/1970	John F. A. Wagner and Otilie Wagner	Tom Vessels	1541876	28	179, 180
4	1/26/1970	David and Carol Howard	Tom Vessels	1541879	28	184
5	1/26/1970	Ada Harkis	Tom Vessels	1541883	27	175
6	1/26/1970	Richard E. Harkis and Charlotte Louise Harkis	Tom Vessels	1541884	28	176
7	1/26/1970	Edith H. Whiteside	Tom Vessels	1541882	28	177
8	1/27/1970	Henry D. Bohlender, Carl A. Bohlender, Robert H. Bohlender, and dave bohlender d/b/a bohlender Bros.	Hal A. McVey	1543718	8	99, 100
9	2/5/1970	James S. Barclay and Winona R. Barclay	D. Kirk Tracy	1544054	9	101, 102
10	2/10/1970	Arthur H. Bell	Tom Vessels	1542461	28	183
11	2/19/1970	Elizabeth Moser and Norman Moser	Tom Vessels	1542846	28	178
12	3/5/1970	Edwin G. Grenemyer and Betty D. Grenemyer	Tom Vessels	1543403	28	178, 179
13	3/5/1970	Edith B. McClintock, First National Bank of Denver, T. E. McClintock	Tom Vessels	1543404	28	179
14	3/14/1970	Earl L. Crisman and Mary Crisman	T. S. Pace	1545796	9	102, 103
15	3/26/1970	John Horst and Mollie Horst	T. S. Pace	1544392	10	117
16	3/31/1970	Rocky Mount Fuel Co	T. S. Pace	1544576	10	120
17	3/31/1970	William H. Rhoades and Loretta M. Rhoades	T. S. Pace	1544610	10	123
18	4/1/1970	Conrad Cook, Adam Cook, Donald Cook	D. L. Parcell	1544678	26	169
19	4/3/1970	Jack O. Eckstine and Verna Lavone Eckstine	T. S. Pace	1544890	11	144, 145
20	4/6/1970	Donald Cook	D. L. Parcell	1544938	26	169
21	4/7/1970	The Farmers Reservoir and Irrigation Company	T. S. Pace	1547766	13	160
22	4/14/1970	Gordon M. Siert and Helen L. Siert	Martin J. Freedman	1545417	9	103
23	4/22/1970	Estate of Ackerson	T. S. Pace	1545940	9	105
24	5/15/1970	Edwin A. Anderson	T. S. Pace	1547384	23	43
25	5/26/1970	Alice L. Bangert	Martin J. Freedman	1548045	9	104
26	5/26/1970	Lee T. Murata	Martin J. Freedman	1548046	9	104
	3/31/1975	Lee T. Murata	Rodney P. Calvin	1659578	9	104
27	5/26/1970	Robert Y. Sakata	Tom Vessels	1548067	12	146
28	5/26/1970	Sophia B. ECHEVERRA and FIRST NATIONAL BANK GREELEY	Martin J. Freedman	1548029	9	105
29	5/26/1970	A. C. Sheley	Martin J. Freedman	1548044	10	122
30	5/26/1970	Alfred D. Sater and Lorraine R. Sater	Martin J. Freedman	1548047	26	168
31	5/26/1970	John F. Leonard and Mirth L. Leonard	Martin J. Freedman	1548058	10	117
32	5/26/1970	Harry W. Gumeson and Margaret L. Gumeson	Martin J. Freedman	1548053	10	118
33	6/1/1970	Gilbert P. Acord and Laura Acord	T. S. Pace	1546496	9	103
34	6/2/1970	Millard H. Ewing and Elizabeth I. Ewing	Michael E. Thrash	1548533	12	145

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35	6/10/1970	James Wallace Bergstrom, Doloris Bergstrom, Raymond J. Bergstrom, and Olga Bergstrom	Michael E. Thrash	1548865	11	145
36	6/10/1970	Willard C. Luhman and Aice V. Luhman	Michael E. Thrash	1548872	10	127
37	6/10/1970	Harold W. Luhman and Louise A. Luhman	Michael E. Thrash	1548871	10	126
38	6/11/1970	Mel Anderson and Ruth B. Anderson, Martha J. Richardson, Melvin C. Anderson, George A. Monson	Walter A. Ohmart, Jr.	1548965	11	131, 132, 133
39	6/16/1970	Robert O. Nelson	T. S. Pace	1547386	9	103
40	6/17/1970	Ann L. Farrell, John L. Farrell, Estate of J. L. Farrell	Energy Minerals Corp.	1549351	11	133
41	6/22/1970	Mattie L. Devore, Prudence M. Yount, and Martin Devore	Hanes M. Dawson	1549592	9	103
42	6/25/1970	Henry Kiyota and Mayrene Kiyota	T. S. Pace	1549945	9	106
43	6/26/1970	Delbert Parker and Jean M. Parker	Vessels Company	1548059	10	121
44	6/26/1970	Bob K. Kawakami	Martin J. Freedman	1548040	9	104
45	7/9/1970	Lena H. Neff (Cannot Find Any Lessees in data)	Energy Minerals Corp.	1550983	9	105
46	7/9/1970	Keith J. Bright and Jeraldine H. Bright	Energy Minerals Corp.	1550978	11	143
47	7/13/1970	Lee Martin and Susie May Martin	Martin J. Freedman	1551092	9	105, 106
48	7/16/1970	Ernest Glover and Daisy May Glover	Energy Minerals Corp.	1551392	11	133, 134
49	7/16/1970	Carl O. Walling	Energy Minerals Corp.	1551393	11	134
50	7/20/1970	Aaron W. Glover and Edna G. Glover	Leland S. Vance	1551635	12	145
51	7/24/1970	Archie M. Sprague	Martin J. Freedman	1551892	32	192
52	7/24/1970	Archie M. Sprague and Catherine C. Sprague	Martin J. Freedman	1551893	32	192
53	7/29/1970	Marjorie A. Parker	Energy Minerals Corp.	1552086	9	105
54	7/30/1970	Union Pacific	PAN AMERICAN PETROLEUM CORPORATION	1553460	16	164
55	7/31/1970	Carl A. Miller	TMS Co.	1552243	9	110, 111
56	7/31/1970	Muriel Mahoney	Guy J. Stumpff	1552241	9	111
57	7/31/1970	Issac Mellman	TMS Co.	1552242	9	111, 112
58	7/31/1970	Mitchel B. Johns	Andrew Dier, Jr.	1552248	9	112, 113
59	7/31/1970	George D. Locke	TMS Co.	1552245	9	113, 114
60	7/31/1970	Roger Gascoin	Andrew Dier, Jr.	1552246	9	114
61	7/31/1970	Elkhorn Company	Guy J. Stumpff	1552254	9, 13	114, 115
62	7/31/1970	Ira L. McCollister	Andrew Dier, Jr.	1552252	9	115
63	7/31/1970	James S. Haley and Carl E. Johnson	Tom Vessels	1552227	10	118, 119
64	8/5/1970	Edward Kerbs and Ileene Kerbs	Beaver Mesa Exploration Co.	1552424	12	145
65	8/12/1970	Edith B. McClintock, First National Bank of Denver	Terra Resources, Inc.	1552928	12	150
66	9/10/1970	Patricia Kugel, Vlasta J. Gillespie and Fred P. Gillespie	Colton & Colton Petroleum Center	1554434	11	143
67	9/14/1970	Helen M. Grant, Fern M. Wikstrand and Victor E. Wikstrand	Martin J. Freedman	1554542	10	120
68	9/14/1970	Carl A. Miller	Martin J. Freedman	1554539	10	12, 110, 111, 116, 119
69	9/14/1970	Charles W. Haley	Martin J. Freedman	1554536	11	128, 129
70	9/22/1970	Margaret Twombly, Lena Apel, Della Griffith	Leland S. Vance	1555017	11	137
71	10/6/1970	Joe H. Hamada	Martin J. Freedman	1555724	11	136

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72	10/26/1970	Frank A. Smith, Andrew Smith, and Helen A. Smith	Energy Minerals Corp.	1556575	11	145
73	11/27/1970	Betty Edwards, Justine M. Moore, Josephine B. Nix, Wilma J. Brown	Pan American Petroleum Corp.	1558105	10	117
74	11/27/1970	Milton H. Nelson and Helen C. Nelson	Anschutz Corporation, Inc.	1558072	15	18
75	12/3/1970	Edith B. McClintock, Estate of T. E. McClintock and First National Bank of Denver	Tom Vessels	1558350	28	180
	7/1/1970	Edith B. McClintock et al	Terra Resources, Inc.	1552928	12	150
76	12/3/1970	Don Dowdy and Irma Dowdy	Tom Vessels	1558349	27	174
77	12/11/1970	Robert F. Herbers	Jerry P. Hill	1558728	28	177, 178
78	12/21/1970	Union Pacific Railroad	Pan American Petroleum Corp.	1559254	23	165
79	12/24/1970	George H. Marcus and Marjorie J. Marcus	Tom Vessels	1559466	28	180
80	12/24/1970	Robert Lee Seltzer and Rex Alden Seltzer	Tom Vessels	1559467	28	184
81	12/24/1970	Colorado National Bank of Denver	Tom Vessels	1559452	10	117
82	12/29/1970	Union Pacific Railroad	Pan American Petroleum Corp.	1559660	16	164
83	1/15/1971	Earl R. Riley and Margaret H. Riley	Pan American Petroleum Corp.	1560548	12	145
84	1/15/1971	Max E. Serafini and Doris Ann Serafini	Robert A. Shaw	1560549	15	18
85	3/12/1971	Martin I Steinberg and Matali G Steinberg	Gen Oil Inc	1608900	32	58
86	2/1/1971	Margaret Boyle Jorgenson	Tom Vessels	1561399	10	117
87	2/4/1971	Carl A. Miller and Fern Miller Wikstrand	Pan American Petroleum Corp.	1561665	10	119
88	2/8/1971	William Kelly and Etella S. Kelly	Tom Vessels	1561772	10	117
89	2/8/1971	Isabel F. Smith and Hilda Smith	Tom Vessels	1561773	10	117
90	2/8/1971	Louise C. Buckingham	Tom Vessels	1561774	10	117
91	2/9/1971	Fred H. Pace, Allen Robb, Irene Pace	Ray O. Brownlie	1561995	9	115, 116
92	2/10/1971	Charles Dana Hamly, Catherine Hill Hamly, Rosemary Haskell Hamly, and Irene Hamly	Tom Vessels	1562044	10	117
93	2/10/1971	Harry C. Crawford	Tom Vessels	1562043	10	117
94	2/17/1971	Melbon Ranch, Inc.	Crest Oil Gas Company Inc.	1562325	28	99
95	2/26/1971	Charles Rasmussen, Leonard J. Rasmussen and Famuer Bruce Rasmussen	David L. Ott	1566550	22	39
96	3/11/1971	Dale E. Moore, Ella Mae Moore, Dick Wolfe, Shirley Wolfe	Energy Minerals Corp.	1563632	10	125
97	3/17/1971	Stanley W. Woempner	Energy Minerals Corp.	1564002	10	121
98	3/19/1971	Seventh Day Adventist Association	Energy Minerals Corp.	1564132	10	122
99	4/5/1971	Cecil Daniel Hingley, Dorothy Lucile Van Dyke, Alice Coral Kline, William E. Hingley, Dorothy Nell Westmoreland, Beverly Simmons, Jack H. Butefish, Patricia Lundstrom	Jerry P. Hill	1565157	28	185, 186

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100	4/13/1971	Glen Gibson and Vernice Gibson	Energy Minerals Corp.	1565592	11	130
101	4/29/1971	Valdemar M. Mark	Martin J. Freedman	1566622	28	186
102	5/6/1971	Ronald C. Succo and Betty J. Succo	Reed Gilmore	1567072	26	169
103	5/26/1971	Florence S. Waterbury	Tom Vessels	1568514	10	117
104	6/14/1971	Lewis E. Phillips and Venda M. Phillips	Reed Gilmore	1569643	27	175
105	7/9/1971	Public Service Company	Machii-Ross Petroleum Company	1571213	9	106
106	7/23/1971	Farmers Reservoir Irrigation Company	Bel Oil Corp.	1572094	11, 27	144, 171
107	7/26/1971	Charles Ocker and Esther M. Ocker	Reed Gilmore	1572160	27	176
108	7/26/1971	William Ocker and Barbara Ocker	Reed Gilmore	1572159	27	176
109	7/29/1971	Terao Michiko Hamada	Machii-Ross Petroleum Company	1572391	11	136
110	8/12/1971	Talmage W. Trapp	Reed Gilmore	1573198	27	175
111	8/25/1971	H. G. Rosenhoff	Machii-Ross Petroleum Company	1573973	10	119
112	8/26/1971	Earl Fiedler	Atelope Gas Products Company	1574030	27	175
113	9/2/1971	Estate of Barry Stewart Burkhardt, Cecilia A. Burkhardt	Tom Vessels	1574456	28	180, 181
114	9/2/1971	Helen M. BURKHARDT KOEPPEN and Bernard S. Koeppen	Tom Vessels	1574457	28	181, 182
115	9/2/1971	William C. Burkhardt and Kirby L. Burkhardt	Tom Vessels	1574455	28	182, 183
116	9/2/1971	James F. Burkhardt	Tom Vessels	1574458	28	182
117	9/2/1971	Ruth F. BURKHARDT DECKER	Tom Vessels	1574454	28	183
118	9/7/1971	G. D. Dowdy	Tom Vessels	1574645	27	174
119	9/7/1971	Ed Condrey	Tom Vessels	1574646	27	174
120	9/7/1971	Fay Turner	Tom Vessels	1574647	27	175
121	9/7/1971	Jim Dowdy, Ruth A. Whitney, Mick Dowdy, Jack Dowdy, and Lola Cordingly	Tom Vessels	1574648	27	175
122	9/7/1971	William Dowdy	Tom Vessels	1574649	27	175
123	9/7/1971	Patrick Dowdy	Tom Vessels	1574650	27	175
124	9/24/1971	Union Rural Electric Association Incs.	Machii-Ross Petroleum Company	1575757	9	106
125	2/22/1972	Herren-Strong Inc.	Energy Minerals Corp.	1584135	10	121
	2/10/1972	Herren-Strong Inc.	Energy Minerals Corporation	1583714	Duplicate of other Herren-Strong Lease	
126	3/2/1972	1415 Corp.	Amoco Production Co.	1584768	15	162
127	4/17/1972	Roy C. Mathews and Alice J. Mathews	Beaver Mesa Exploration Co.	1587763	27	176
128	9/12/1972	Edith Ann Jillson, Charla Rae Jillson, Muriel Ann Jillson, and Tammy Lynn Jillson	Benton R. Bullock and Patricia L. Bullock	1597374	11	12
129	8/27/1973	Anna Kaminsky	Michael E. Thrash	1620152	13	153
130	12/10/1973	Edith B. McClintock and the First National Bank of Denver, co-successor Testamentary Trustees of the Estate of T. E. McClintock	Machii-Ross Petroleum Company	1626211	13	154, 155
131	3/11/1974	Leonard R. Shallcross and Mary E. Shallcross	Ray O. Brownlie	1631731	9	116
132	3/22/1974	T. D. MCCarty, Longmont National Bank, Lorraine Miller, The Estate of Carl A. Miller	Ray O. Brownlie	1632504	9	116
133	6/12/1974	The Miller "640", a Partnership	Ray O. Brownlie	1638437	9	116

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134	6/16/1974	Thomas I. Musick and Wilma G. Musick	Amoco Production Co.	1636701	13	155
135	8/15/1974	The Platte Valley Irrigation Company	Machii-Ross Petroleum Company	1644444	9	105
136	4/3/1975	Union Central Life Insurance Company	Gen Oil Inc.	1657307	32	58
137	4/22/1975	Robert Y. Sakata	Gen Oil Inc.	1658667	12	145
138	8/12/1975	Vanette M. Gilbert	Energy Minerals Corp.	1667056	11	130
139	9/2/1975	Phillip S. McCoy	Machii-Ross Petroleum Company	1668715	11	136
140	9/10/1975	Horses Unlimited	Wilbur R. Hurt	1669489	11	137, 138, 139, 140, 141, 142
141	10/24/1975	Marcella Koll & Edwin L. Koll; Donald J. Zimmermand & Deane Zimmerman	W. B. Macey and Paul M. Marshon, Jr.	1674414	11	13, 14
142	10/24/1975	Frances X. McWilliams and Joy McWilliams	W. B. Macey and Paul M. Marshon, Jr.	1674413	11	14, 15
143	10/24/1975	Donna Schnitzen and Paul Schitzen	W. B. Macey and Paul M. Marshon, Jr.	1674412	11	16, 17
144	10/24/1975	Billie Gorce & Cecilia M. Gorce; Irene E. Zimmermand; Geroge Patrick Zimmermand & Marjorie Zimmerman; MargaretAnn Zimmerman	W. B. Macey and Paul M. Marshon, Jr.	1674411	11	13
145	2/23/1976	T. E. McClintock and First NationalBank of Denver	W. B. Macey and Paul M. Marshon, Jr.	1681797	13	155
146	3/7/1976	Stephen Root, Stephen Root Trust, Bessie Root Trust	Amoco Production Co.	1655596	15	161
147	3/16/1976	Edna Keener and James H. Keener	Martin J. Freedman	1683401	15	161
148	3/22/1976	Carl Moritzen and Elisabeth Moritzen	Martin J. Freedman	1684006	15	161
149	3/26/1976	Alice Mentz	Martin J. Freedman	1684317	15	161
150	4/26/1976	City of Ft. Lupton	W. B. Macey and Paul M. Marshon, Jr.	1686859	11	131
151	5/6/1976	Ray L. Nelson and Margaret E. Nelson	Martin J. Freedman	1688170	16	19
152	7/7/1976	Catherine E. McVean and H. C. McVean, Jr.	W. B. Macey and Paul M. Marshon, Jr.	1693046	10	124, 125
153	7/7/1976	N. J. McConahay and Olive McConahay	W. B. Macey and Paul M. Marshon, Jr.	1693045	10	125, 126
154	7/29/1976	Louis Dinner and Ida Dinner	Martin J. Freedman	1665952	16	164
155	8/4/1976	Public Service Company	W. B. Macey and Paul M. Marshon, Jr.	1695328	10	122, 123
156	8/30/1976	Archie M. Sprague	W. B. Macey and Paul M. Marshon, Jr.	1697438	10	121, 122
157	8/30/1976	Ruth Schlieker and James M. Schlieker	W. B. Macey and Paul M. Marshon, Jr.	1697439	10	122
158	10/27/1976	Charles Haley, James D. Haley, and John R. Haley	Hill Mac Production	1673110	11	12, 13
159	11/8/1976	Clyde G. Canino Company	John E. Elliff	1702979	32	58, 59
160	12/16/1976	Department Highways	W. B. Macey and Paul M. Marshon, Jr.	1676758	11	17
161	2/21/1977	Paul G. Dawkins, Cecelia K. Dawkins	Macey Mershon Oil Inc.	1739265	12	146
162	4/14/1977	Public Service Co	Macey Mershon Oil Inc.	1716381	11	142, 143
163	5/5/1977	Danny J. Turner and Janie B. Turner	W. B. Macey and Paul M. Marshon, Jr.	1718268	11	134
164	5/12/1977	Charles H. Starks and Maries A. Starks	Thomas G. Vessels	1719088	12	151
165	6/6/1977	N. J. McConahay and Olive McConahay	W. B. Macey and Paul M. Marshon, Jr.	1720954	10	125
166	6/10/1977	William A. Brothe	Louis S. Madrid	1721573	15	162

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167	12/20/1977	Lloyd Land, Eileen Land, Lawrence Decahnt, Genevieve Duretta Dechant	W. B. Macey; Paul M. Mershon	1739156	12	148
168	12/20/1977	George A. McCormick & Elaine I. McCormick	W. B. Macey; Paul M. Mershon	1739154	12	148
169	12/21/1977	Frank Gittlein Sr., Katherin Gittlein, Judy E. Gittlein	W. B. Macey and Paul M. Marshon, Jr.	1739266	12	146
170	3/20/1978	Ralph Cole, Jean Cole, William Perry, Mildred Perry	W. B. Macey and Paul M. Marshon, Jr.	1747786	12	151
171	4/11/1978	Western Slope Gas Company	W. B. Macey and Paul M. Marshon, Jr.	1750035	12	146
172	4/11/1978	William R. Graybill and Shirley L. Graybill	W. B. Macey and Paul M. Marshon, Jr.	1750034	12	151
173	4/14/1978	Truman E. Gray, Mary Ann Gray, DorothyA. Gray, and Lloyd I Gray	Cotton Petroleum Corp.	1750422	26	168
174	5/15/1978	Elmer G. Walters	W. B. Macey and Paul M. Marshon, Jr.	1753404	12	151
175	6/12/1978	Peter Press and Marilyn R. Press	W. B. Macey and Paul M. Marshon, Jr.	1756269	12	151
176	4/11/1979	Dale Slater and Nancy I. Slater	W. B. Macey and Paul M. Marshon, Jr.	1787002	11	18
177	4/11/1979	Jens Waldermar Frederiksen and Gladys M. Frederiksen	W. B. Macey and Paul M. Marshon, Jr.	1787001	11	18
178	6/2/1979	Sanborn Reservoir Ditch Company	W. B. Macey and Paul M. Marshon, Jr.	1789142	11	18
179	6/11/1979	Husky Oil Company	W. B. Macey and Paul M. Marshon, Jr.	1793172	12	151
180	6/14/1979	Thomas Charles Tatar and Phyllis Marie Tartar	Vessels Company	1793661	16	18
181	6/14/1979	Jerald D. Wilts and Jane M. Wilts	Vessels Company	1793662	16	18
182	6/14/1979	Erline R. Lotz and Richard J. Lotz	Vessels Company	1793663	16	18
183	6/22/1979	William J. Nikovics and Joann Nikovics	Vessels Company	1794677	16	18
184	7/23/1979	Mark R. Stewart and Katherine C. Stewart	Amoco Production Co.	1797609	13	160
185	7/23/1979	Roger G. Reeve and Billy Jean Reeve	Amoco Production Co.	1797610	13	160
186	8/9/1979	Weld County	DOUBLE EAGLE PETROLEUM MINING COMPANY	1799545	13	154
187	5/21/1980	J. L. Groom, Jr. and Nancy Groom	Vessels Company	1825425	18	28
188	5/22/1980	Geraldine M. Rawlins	Vessels Company	1825482	18	28
189	6/20/1980	Robert D. Duckworth and Eva M. Duckworth	Vessels Company	1827988	18	28
190	6/20/1980	Manuel DeMontoya and Modesta Montoya	Buddy Baker	1827958	13	160
191	6/23/1980	Joseph R. Timko, Jr. and Judith A. Timko	Machii-Ross Petroleum Company	1825606	9	104
192	6/24/1980	Richard E. Coufal and Rochelle E. Coufal	Vessels Company	1828223	18	28
193	7/2/1980	Dianna M. Budde	Vessels Company	1829055	18	28
194	7/8/1980	William L. Oster, Donna L. Oster, Lasalle Oster, James L. Oster, and Lelia Oster	W. B. Macey and Paul M. Marshon, Jr.	1829458	13	159
195	7/30/1980	Burlington Northern, Inc.	Vessels Company	1831582	21	36
196	8/15/1980	L. J. Stelling and Dorothy Stelling	W. B. Macey and Paul M. Marshon, Jr.	1833016	13	154
197	10/21/1980	Floyd S. Price and Vera J. Price	Vessels Company	1839383	24	45
198	10/21/1980	Joseph E. Brown	Vessels Company	1839379	24	45
199	10/21/1980	Larry Allen Bearly and Glenda Sue Bearly	Vessels Company	1839380	24	45
200	10/21/1980	Jack W. Finley and Leah P. Finley	Vessels Company	1839381	24	45

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201	10/21/1980	Hermard J. Wisek and Florence I. Wisek	Vessels Company	1839382	24	45
202	1/2/1981	JYL Hasten; Suzanne Hahn as Personal Rep. for the Estate of Evangeline B. Hatfield	H. L. Willett	1845733	13	154
203	1/16/1981	John L. Johnson and Joyce E. Johnson	Aeon Energy Co.	1847116	13	161
204	1/29/1981	Richard A. Jenke and Nancy Lee Jenke	Vessels Company	1848325	24	48
205	2/23/1981	S. L. Burke, Shelby L. Burke and Claudia Burke	Champlin Petroleum Company	1850274	13	160
206	2/26/1981	Marvin R. Wilis	Vessels Company	1850626	24	48
207	3/10/1981	Fred O. Gibbs, John D. Pearson, CP Enterprises, Farmco Enterprises, Bruce A. Johnson	Aeon Energy Co.	1851810	13	161
208	3/19/1981	Alice Thelma Spayd and Vernon Spayd; Martha Mary Elizabeth; Vitha Crystal Reynolds and Martin M. Reynolds	Gary Sandlin	1852687	12	152
209	3/19/1981	Daniel P. Junk and Charleen A. Junk	Vessels Company	1852661	24	48
210	10/15/1981	Kenneth R. Vaughters and Vanda O. Vaughters	Vessels Company	1871839	24	49
211	10/16/1981	Michael O. Eckstine	W. B. Macey and Paul M. Marshon, Jr.	1872025	11	145
212	2/5/1982	Ruth E. Blank and Paul C. Blank	Vessels Company	1882182	24	49
213	2/18/1982	Arthur A. Larson and Ruth A. Larson	Vessels Company	1883351	24	49
214	2/18/1982	Mary R. Loucks and Dallas R. Loucks	Vessels Company	1883352	24	49
215	2/18/1982	Ward Burrett and Mabel O. Burrett	Vessels Company	1883353	24	49
216	3/8/1982	Carolyn S. Donoho and Harvey S. Donoho	Vessels Company	1884933	25	49, 50
217	3/8/1982	Janet M. Schoning and Mark L. Schoning	Vessels Company	1884934	25	50
218	6/15/1982	Vantage Builders, Inc.	Vessels Company	1894589	18	28
219	8/31/1982	Raymond F. Armstrong	Amoco Production Co.	1902903	22	39
220	8/31/1982	Vivian I. Killian Nelson	Amoco Production Co.	1902905	22	40
221	9/3/1982	Ed Hathaway and Fern Hathaway	Amoco Production Co.	1902900	22	40
222	9/3/1982	Allen Gertrude	Amoco Production Co.	1902906	22	39
223	1/11/1983	Debra A. Zeigler and Michael L. Zeigler	Macey Mershon Oil Inc.	1914051	13	155
224	1/11/1983	Pearl M. Teppert and Charles R. Teppert	Macey Mershon Oil Inc.	1914052	13	155
225	1/24/1983	Raymond Edward Mantle	Macey Mershon Oil Inc.	1915307	13	160
226	3/24/1983	Town of Erie	Vessels Company	1921211	20	34, 35
227	6/13/1983	Lorraine L. Pivonka and John H. Pivonka	Vessels Company	1926973	15	162
228	2/8/1984	Oxford Mission	Machii-Ross Petroleum Company	1955621	10	118
229	10/22/1984	Roberta A. Hensley	Vessels Company	2002253	22	39
230	4/1/1985	Mary P. Young	Vessels Company	2004065	23	41
231	3/18/1986	Richard Thomas Cosslett	Vessels Company	2002254	22	39
232	7/7/1986	Farmers Reservoir Irrigation Company	Macey Mershon Oil Inc.	2059797	11	143, 144
233	9/15/1989	Farmers Reservoir Irrigation Company	Tower Energy Corp.	2191949	10	121
234	1/22/1991	Colorado State Highways	Tower Energy Corp.	2239106	15	18

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235	6/28/1991	Daisy F. Kiyota and John H. Kiyota	North American Resources Company	2254745	10	120, 121
236	6/28/1991	Katheryn Brewer	North American Resources Company	2254744	10	121
237	2/7/1992	Farmers Reservoir Irrigation	Snyder Oil Corp.	2277600	30	58, 190
238	3/5/1992	Farmers Reservoir Irrigation Company	Snyder Oil Corp.	2280130	32	191
239	8/7/1996	Boulder Weld Reservoir Company	North American Resources Company	2505004	15	162
240	3/10/1980	Dale J. Overton, A. L. Overton, Robert A. Medsker, Stanley R. Ned	W. B. Macey; Paul M. Mershon	1746933	13	153
241	Cannot Read	Rocky Mountain Fuel Co	Thomas H. Connolly	1562474	10	12, 120



<b>Judicial Arbiter Group, Inc.</b> <b>1601 Blake Street, Suite 400</b> <b>Denver, CO 80202</b> <b>Phone: 303-572-1919</b> <b>Facsimile: 303-571-1115</b>	
<b>In Re the Arbitration of:</b>  <b>Kenneth &amp; Vanda Vaughters and David &amp; Sandra Conner, as Co-Trustees of the Sandra K. Conner Trust and as Co-Trustees of the David C. Conner Trust, on behalf of themselves and the defined Class, Claimants,</b> <b>v.</b> <b>Crestone Peak Resources Holdings, LLC, Respondent.</b>	<b>JAG No.: 2018-0067</b>  <b>Arbiter – Ann B. Frick</b>
<b>[PROPOSED] DECLARATORY JUDGMENT</b>	

As set forth in Claimants’ Fourth Amended Arbitration Demand, in April 2008, Encana Oil and Gas (USA) Inc. (“Encana”) entered into a class wide settlement agreement in the case styled *Miller, et al. v. EnCana Oil and Gas (USA) Inc.* (“Encana”), Case No. 05CV2753, then pending in the District Court for the City and County of Denver, Colorado to resolve a class action royalty underpayment lawsuit (the “Miller Settlement Agreement”). As part of the Miller Settlement Agreement, Encana and the members of the Settlement Class agreed to a future royalty calculation methodology, set forth in Paragraph 10 of the Miller Settlement Agreement, which applies to all production of natural gas occurring from the subject Royalty Agreements on and after January 1, 2009, and continuing for the respective lives of the subject Royalty Agreements.

In the Miller Settlement Agreement, at Paragraph 10(i), the settling parties agreed that such “Agreement, including but not limited to the provisions of Paragraph 10, shall run with the land

and shall be binding upon and inure to the benefit of Encana and the Class Members and their respective agents, offices, directors, joint venturers, partners, members, heirs, personal representatives, successors and assigns, with respect to both the current interests owned by Encana and Class members and any additional interest that either Encana or Class members acquire under the Royalty Agreements.”

After considering all of the evidence, including the various stipulations of the parties and the testimony provided during the week-long arbitration starting on January 9, 2023, I find, after Crestone Peak Resources, LLC’s (“Crestone”) acquisition of Encana’s DJ Basin assets, which was effective as of April 1, 2015, Crestone became contractually obligated for the full amount of the royalties owed to the Claimants and the members of the defined Miller Settlement Class under Paragraph 10 of the Miller Settlement Agreement based on the production of natural gas from areas covered by the Royalty Agreements at issue. A controversy then exists between Crestone and the Claimants, and the members of the defined Class regarding the correct method for the calculation and payment of royalties to the Claimants and the defined Class after the date of the Arbitration Award in this Class Arbitration.

I conclude that each of the 241 Class Leases identified by Claimants in this arbitration, and attached hereto as Exhibit A<sup>1</sup>, are bound by the Miller Settlement Agreement for the life of the leases. Accordingly, Crestone, as the successor-in-interest to Encana in the 241 Class Leases, is contractually obligated to pay royalties to the Miller Settlement Class and their successors-in-interest consistent with Paragraph 10 of the Miller Settlement Agreement. Further, no royalty or overriding royalty interest derived from the 241 Class Leases is entitled to payments or any other relief under the terms of the 2005 Boulter v. Kerr-McGee Settlement Agreement, Final Judgment

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<sup>1</sup> Admitted into evidence at the arbitration hearing as Hearing Exhibit C-228.

And Order Of Dismissal With Prejudice, or supplemental Order recorded in the Weld County, Colorado real property records at Reception No. 3373560.

Consistent with Paragraph 10(f) of the Miller Settlement Agreement, if a well is drilled by another operator, and not Crestone or its successor-in-interest then owning the lessees' interest, then Paragraph 10(f) should be the applicable future royalty calculation method. If Crestone, or its successors-in-interest, under the 241 Class Leases drills the well(s), one of the other future royalty calculation methods set forth in Paragraphs(10)(a) through 10(e) of the Miller Settlement Agreement shall apply.

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Ann B. Frick (Ret.) – Arbitrator  
Judicial Arbitrator Group, Inc.