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STATE OF WYOMING )  
 ) ss  
COUNTY OF CAMPBELL )

IN THE DISTRICT COURT  
SIXTH JUDICIAL DISTRICT  
Civil Action No. 32720

Cosner Minerals Limited Partnership, )  
a Wyoming limited partnership; )  
Scorpio Resources, Inc., a Colorado )  
corporation, authorized to do business )  
in Wyoming; and Maurice W. Brown, )  
individually, )

Plaintiffs, )

vs. )

Coleman Oil & Gas, Inc., a New Mexico )  
corporation authorized to conduct )  
business in Wyoming, )

Defendant. )

FILED NO. \_\_\_\_\_  
CIVIL  PROBATE  CRIMINAL   
ADOPT  DEL   
NOV 28 2011  
Michael Dodge  
DEPUTY CLERK OF DISTRICT COURT

**APPLICATION FOR AWARD OF ATTORNEY FEES AND COSTS**

(Coleman)

Plaintiffs, by and through their undersigned counsel, hereby apply to the Court for an award of attorneys fees and costs in the amount of fifteen percent (15%) of the aggregate settlement based on the majority rule of a "percentage of the fund."

The affidavits of Steven F. Freudenthal and John B. "Jack" Speight are attached in support of this application, and Plaintiffs' Points and Authorities for Award of Attorney Fees and Costs in Common Fund Class Action Cases accompany this application. In order to maintain a reasonable fee, particularly in light of the

access to records provided by Coleman Oil & Gas, Inc. ("Coleman"), the requested attorney's fees, costs and settlement administration expenses shall be limited to fifteen percent (15%) of the gross settlement amount, rather than the thirty percent (30%) provided in the retainer agreements with the named Plaintiffs. Based on an estimated amount of additional royalties payable under the proposed settlement of One Million Six Hundred Sixteen Thousand and Forty-one Dollars and Fifty-Seven Cents (\$1,616,041.57) to be distributed to class members ("Distribution Amount"), the separate amount of Two Hundred Eighty-Five Thousand One Hundred and Eighty-Three Dollars and Eighty-One Cents (\$285,183.81) will be paid by Coleman and distributed to Class Counsel in complete payment of attorneys fees, costs and settlement administration expenses ("Litigation Expenses"). The Litigation Expenses shall be adjusted proportionately for all amounts associated with any Opt-outs, deleted Potential Class Members and added members of the Settlement Class.

WHEREFORE, it is prayed for an order of the Court awarding attorney's fees, costs, expenses, and expenses of administration in the amount of fifteen percent of the aggregate settlement amount.

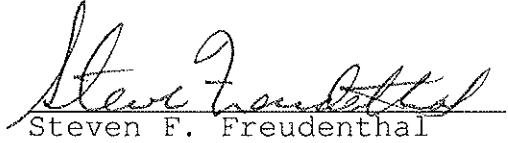
DATED this 22<sup>nd</sup> day of November, 2011.

CLASS COUNSEL:  
BY: Steven Freudenthal  
STEVEN F. FREUDENTHAL  
Attorney No. 5-1468  
Freudenthal & Bonds, P.C.  
129 East Carlson Street  
P. O. Box 387  
Cheyenne, WY 82003  
(307) 634-2240

CERTIFICATE OF SERVICE

I hereby certify that on this 23<sup>rd</sup> day of November, 2011 I served the foregoing by hand-delivering a true and correct copy thereof to the following:

Randall B. Reed  
Dray, Dyekman, Reed & Healey, P.C.  
204 East 22<sup>nd</sup> Street  
Cheyenne, WY 82001-3799

  
Steven F. Freudenthal



have personal knowledge of the statements set forth in this Affidavit, and they are true and correct.

2. The law firm of Freudenthal & Bonds, P.C. undertook the prosecution of actions against numerous producers of coal bed methane in the Powder River Basin of Wyoming, beginning in early 2001.

3. Freudenthal & Bonds, P.C. advanced costs and expert fees as necessary and provided all services with respect to this matter: (1) client contact and liaison work with the named plaintiffs to acquire supporting documents and payment information, (2) review and compilation of lease documents, pay stubs and supporting documents, (3) review of pleadings and settlement documents, and (4) analysis of legal issues. All attorneys of the firm have worked on the cases with the primary work being performed by Steven F. Freudenthal.

4. The complaint sought relief under the Wyoming Royalty Payment Act (WRPA) against Coleman Oil & Gas, Inc. ("Coleman") under Producers 88 lease forms or variations thereof which did not expressly alter the definitions contained in the WRPA.

5. The initial work consisted of accumulating, recording and analyzing pay stubs, 1099's, division orders and other client documents related to the plaintiffs' interests.

6. Negotiations were initiated with Coleman under a confidentiality agreement, in order to efficiently and cost-effectively acquire the necessary information from the Defendants

with respect to the claims, the Defendants' accounting records and contracts for gas handling and sale. Those negotiations lead to the proposed settlement submitted to the Court for its consideration in the captioned matter.

7. Counsel retained the services of Ellwood V. Soderlind, who has more than thirty years experience in auditing and accounting with respect to severance tax and royalty payments, most recently as a senior auditor for the Wyoming Department of Audit, to analyze and review the accounting documents.

8. Counsel has incurred copying costs, travel, fax and other costs as well as charges for data entry, copying, and land record work.

9. Of the \$7,000.00 estimated for settlement administration expenses, approximately \$2,000.00 has been expended (primarily postage and copying for mailing the Notice of Proposed Settlement).

10. Counsel is now completing its ninth class action litigation involving coal bed methane and has done the necessary study, research and analysis, both substantively and procedurally, to competently perform the services involved.

11. The costs incurred and the time expended were necessary and appropriate to reaching the settlement proposed in this case. To date, neither plaintiffs nor counsel have been reimbursed for any of the costs incurred.

12. Counsel has purposely reduced the fee request from the 30% provided in the retainer agreements with the named plaintiffs

to 15% (the requested attorney fees is in fact less, since the request includes costs and expenses) because the degree of cooperation and information provided by Coleman under the confidentiality agreement significantly reduced the time and effort involved. Counsel's contracts with the named plaintiffs are contingent fee contracts entitling counsel to 30% of net recovery. While this Court is not bound by these agreements in determining what is a necessary and reasonable fee, they clearly evidence what counsels' services are worth and what their justified expectations were prior to suit. The requested fee is less than the amounts under Rule 5 of the Rules Governing Contingent Fees for Members of the Wyoming State Bar which ". . . shall be presumed reasonable and not excessive."

13. Because of the demands of these cases, counsel has maintained a reduced caseload with respect to other matters.

14. The risks inherent in a contingent fee case is substantial. The prosecution of these cases posed and still pose substantial risks, in light of the continuing uncertainties and unresolved issues surrounding the WRPA. Ultimate success and recovery of any fee is fraught with uncertainty.

15. In light of the foregoing, it is my opinion that the requested fees and costs are fair and reasonable.

Further Affiant sayeth naught.

DATED this 22nd day of November, 2011.

Steven F. Freudenthal  
Steven F. Freudenthal

STATE OF WYOMING        )  
                                  ) ss.  
COUNTY OF LARAMIE    )

Before me, Heather L. Kammerman, Notary Public in and for Laramie County, State of Wyoming, personally appeared Steven F. Freudenthal, and he being first duly sworn by me upon his oath, says that the matters alleged in the foregoing instrument are true.

Witness my hand and official seal.

Dated this 22<sup>nd</sup> day of November, 2011.



Heather L. Kammerman  
Notary Public

My Commission Expires: July 22, 2014



Steven F. Freudenthal  
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Coleman Oil & Gas, Inc., a New Mexico )  
corporation authorized to conduct )  
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 )  
Defendant. )

**AFFIDAVIT OF JOHN B. "JACK" SPEIGHT**  
(Coleman)

COMES NOW John B. "Jack" Speight and being duly sworn states  
that:

1. I am a person of legal age, under no legal disability,  
and have been a duly admitted and practicing member of the Wyoming  
State Bar since 1966.

2. With my prior law firm I reviewed class action settlements  
similar in structure to the settlement proposed in the captioned  
matter on behalf of a client who has a substantial oil and gas

royalty interests as a current royalty payee under the proposed settlement agreement. The client is also a plaintiff and designated class representative in the captioned case.

3. I am an experienced plaintiff's attorney and have studied and applied both the law and practice with regard to evaluating attorney fees and costs in contingency fee cases, including those involving the concept of a "common fund" and a "percentage of the fund."

4. Under the proposed settlement, the requested award for attorneys fees and costs is fifteen percent (15%) of the aggregate settlement amount. From this amount, plaintiffs counsel will pay or be reimbursed for costs, expert expenses, and expenses of settlement administration.

5. Whether applying the "lodestar method" or the "percentage of the fund method," the requested award of fifteen percent for attorneys fees and costs is reasonable in light of the applicable factors:

- a. The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- b. The likelihood that the acceptance of the particular employment precluded other employment by the lawyer;
- c. The fee customarily charged in the locality for similar legal services;
- d. The amount involved and the results obtained;
- e. The time limitations imposed by the client or by the circumstances;

- f. The nature and length of the professional relationship with the clients;
- g. The experience, reputation and ability of the lawyer or lawyers performing the services; and
- h. Whether the fee is fixed or contingent.

6. In reaching my conclusion, I have placed the most emphasis on (a) the time and labor required with respect to the difficulty of developing a knowledge and understanding of the underlying accounting system and agreements; (b) the preclusion of other employment by undertaking this type of case; (c) the fee customarily charged in Wyoming for similar services (generally 30%); (d) the amount involved and results obtained; and (e) the contingent nature of the fee.

Further Affiant sayeth naught.

DATED this 22 day of November, 2011.

  
 \_\_\_\_\_  
 John B. "Jack" Speight

STATE OF WYOMING            )  
                                           ) ss.  
 COUNTY OF LARAMIE        )

Before me, Heather L. Kammerman, Notary Public in and for Laramie County, State of Wyoming, personally appeared John B. "Jack" Speight, and he being first duly sworn by me upon his oath, says that the matters alleged in the foregoing instrument are true.

Witness my hand and official seal.

Dated this 22<sup>nd</sup> day of November, 2011.



  
 \_\_\_\_\_  
 Notary Public

My Commission Expires: July 22, 2014