

Steven F. Freudenthal  
 Attorney No. 5-1468  
 Freudenthal & Bonds, P.C.  
 129 East Carlson Street  
 P.O. Box 387  
 Cheyenne, WY 82003  
 Ph. (307) 634-2240  
 Fax (307) 634-0336

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  
 Deputy Clerk of District Court

**CLASS COUNSEL'S REPORT**

(Coleman)

COME now the named Plaintiffs and Designated Class Representatives by and through undersigned class counsel and submit the following Class Counsel's Report pursuant to paragraphs 21 and 22 of the Order on Plaintiffs' Motion for Conditional Consideration of Settlement Agreement and Provisional Certification of the Coleman Settlement Class.

Pursuant to the "Stipulation for Inclusion of March 1, 2010 through May 31, 2010 in Settlement Agreement" reviewed with the Court at the October 24, 2011 hearing on the motion for conditional consideration, the parties entered into "Amendment to Settlement Agreement effective November 16, 2011," copy attached hereto and incorporated by reference, which provides an additional \$20,937.15 to be distributed to payees in Group 1 and an additional \$15,254.12 to be distributed to payees in Group 2 and extended the Settlement Period through May 31, 2011.

Compilation of Opt Out Claimants and Settlement Class Members

1. Exhibit A, attached hereto and incorporated by reference, identifies all Potential Class Members who have opted out of the Settlement Class ("Opt Out Claimants"), and consists of two persons (including successors in interest) with a preliminary estimated settlement amount to be paid of \$10,906.48.

2. Exhibit B, attached hereto and incorporated by reference, consists of zero persons who have filed Opt-Out notices who were **not** included as Potential Class Members.

3. Exhibit C, attached hereto and incorporated by reference, consists of four (4) persons for whom a successful mailing was not made as demonstrated by the return of the mailing package. Those persons have been removed from the Settlement Class with an estimated settlement distribution amount of \$3,917.67.

4. Exhibit D, attached hereto and incorporated by reference, consists of zero persons for whom an adequate address was never determined and to whom no mailing was made. Those persons have been removed from the Settlement Class with an estimated settlement amount of \$ 00.00.

5. The following are all Opt Out Claimants who have properly revoked their election to opt-out: None.

6. Exhibit E, attached hereto and incorporated by reference, calculates the Net Settlement Amount after accounting for Opt-Outs (Exh. A) and removals based on lack of mailed notice (Exhs. C and D).

7. Exhibit F, attached hereto and incorporated by reference, lists those persons who shall constitute the Settlement Class, if approved by the Court: zero Potential Class Members have elected to opt out entirely, four (4) persons were removed due to return of all mailing packages addressed to them, and zero persons were removed for lack of any mailed notice; resulting in two hundred (200) members of the Settlement Class (the actual number of members may be larger because of joint interests being counted as one member).

#### Objections to Settlement Agreement or Settlement Class

8. There were no objections filed to either the Settlement Agreement or the Settlement Class.

#### Consultation with Coleman's Counsel

9. Class Counsel has provided a review copy to, and consulted with, Coleman's counsel with regard to Exhibits A through F, and both have now agreed on changes and corrections to the Exhibits.

DATED this 23<sup>rd</sup> day of November, 2011.

CLASS COUNSEL:

BY:



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

EXHIBIT A: OPT-OUTS OF POTENTIAL CLASS MEMBERS

	<u>DATE OF ELECTION</u>	<u>NAME</u>	<u>ELECTION SUBMITTED BY:</u>	<u>PRELIMINARY ESTIMATE OF DISTRIBUTION</u>	<u>STATED REASON (if stated)</u>
1	11-22-11	Lance Oil & Gas Company, Inc.		\$4,867.01	Standard practice
2	11-23	Devon Energy Production Company		\$6,039.47	Standard practice
3					
		TOTAL		\$10,906.48	

EXHIBIT B: OPT-OUTS WHO WERE NEVER LISTED AS POTENTIAL CLASS MEMBERS

	<u>DATE OF ELECTION</u>	<u>NAME</u>	<u>ELECTION SUBMITTED BY:</u>	<u>STATED REASON (if stated)</u>
1				
2				
3				

EXHIBIT C: POTENTIAL CLASS MEMBERS FOR WHOM NO SUCCESSFUL MAILING WAS MADE:

	<u>NAME</u>	<u>PRELIMINARY ESTIMATE OF DISTRIBUTION</u>	<u>Attorney fees and costs</u>	<u>Total</u>
1	Edward E Lafaye (Group 1)	\$943.09	\$166.43	\$1,109.52
2	Brenda Brigg Parks (Group 2)	\$1,526.68	\$269.41	\$1,796.09
3	Coey Huckins (Group 2)	\$411.65	\$72.64	\$484.30
4	Stephanie Bills Grossman Trust (Group 2)	\$1,036.25	\$182.87	\$1,219.12
	TOTAL	\$3,917.67	\$691.35	\$4,609.03

EXHIBIT D: POTENTIAL CLASS MEMBERS FOR WHOM NO MAILING WAS MADE:

	<u>NAME</u>	<u>PRELIMINARY ESTIMATE OF DISTRIBUTION</u>
1		
2		
	TOTAL	\$0.00

EXHIBIT E: Net Settlement Amount identified in Section 1.23 of the Settlement Agreement:

	<u>Distribution to Settlement Class Members</u>	<u>Attorney's Fees and Administration Costs</u>	<u>TOTAL</u>
Settlement Amount Prior to Adjustments	\$1,630,865.72	\$287,799.83	\$1,918,665.55
Opt-Out Adjustment: Exh. A	\$10,906.48	\$1,924.67	\$12,831.15
No Successful Notice Delivered: Exh. C	\$3,917.67	\$691.35	\$4,609.02
No Mailing of Notice Made: Exh. D	\$0.00	\$0.00	\$0.00
Net Settlement Amount	\$1,616,041.57	\$285,183.81	\$1,901,225.38

EXHIBIT F: Settlement Class

Coleman Settlement Class

Coleman Settlement Class-Group 1  
1995 Income Program Limited  
Anne Rose Rourke  
Annette Rourke  
Avalon North, LLC  
Axel R & Rose Mary Ostlund  
Ben R Doud  
Billy Jim Palone  
Carl & Susan Awve  
Caza Energy LLC  
Charles T. Rourke, II  
Chase Oil Corporation  
Circle M Energy, Ltd  
Club Oil & Gas, Ltd  
Craig G Awve  
Curt A Smith  
Curtis & Lori Hjorth  
Dakota West Energy, LLC  
David C Ferguson  
Deena Lynne Wangler  
DNR Oil & Gas, Inc  
Don Bills  
Donald B Anderson Ltd  
Donald D Wolf  
Donald Rosenblatt  
Doud Land Company LLC  
Douglas B. Bickerstaff  
Douglas J Kirn  
Douglas W. G. Gundry-White  
Estate Of Jerry Ryan, Deceas  
Fairway Resources, Inc.  
Fauvette E Anderson  
Florence Conklin  
Fm Mineral Trust  
Gary C Mitchell  
George G Vaught Jr  
Gerald E. Moyle  
Gerene Dianne Chase Ferguson  
Gundry-White Properties, LLC  
Harold W Koch  
Harriet P Booth  
Jack W Paris  
James F. Rourke  
James J Hladky  
Jeffery L McManus  
Jerry J Dilts  
Jerry Ryan  
John C Dilts

John C Dilts, Jr  
John L Kennedy Rev. Trst Dtd  
John R Hoover  
John R McRae  
John S Belcher  
John W Tack  
Journey Properties, LLC  
Judy K Teselle  
JWK Minerals Management  
Kam Trust  
Kathryn A Rader Montgomery  
Kenneth E Tompkins  
Kent Morgan  
Key Production Company, Inc  
Lila M Gunnison  
Lucille Jenne Irrevocable Tr  
Lynn S Belcher  
Map2004-Ok, An Ok General Pa  
Mark Fliginger  
Mark H And Jane N Rogers  
Mark Richard Gunnison  
Martha J Sizemore  
Mary Ellen Ryan  
Mary F. McKee  
Mary V Ostlund Revocable Tru  
Maurice Adel  
Maurice Brown  
Maurita A Meehan  
Maxine Bednarski or Margare  
Maxine Bednarski & Margaret  
McCulliss Resources Co., Inc  
McMahon Energy Partners, L.P  
Meagher Oil & Gas Properties  
Merit Energy Company  
Michael H Frizzell  
Ostlund Minerals LP  
Patricia L Nelson  
Paul D. Rourke  
Paul Messinger & Co  
Petro-Canada Resources (USA)  
Powell Exploration Company  
Providence Minerals LLC  
Rag Wyoming Land Company  
Ralph W. Specht  
Randall J Miller  
Richard A Horn  
Richard L Chase  
Richard L Gibson, Trustee  
Richard L Maury  
Richard Lee Lewis  
Richard W Miller  
Robert C Chase



Robert E. McKee, TTEE For Th  
Robert G Vergnani  
Robert L Stoddard  
Ronald T Mackey  
Rosita S Trujillo  
Royalty Repository II, LLC  
Ruth Eileen Ferguson Corley  
Ryanne A Curnow  
Sandra Levorsen  
Sharon Gustafson  
Steve D Tofte  
Steven K Dilts  
Susan E Awve  
Susanne T Brubaker  
Swift Energy Operating, LLC  
Teselle Exploration & Produc  
Thomas J Stewart  
Thomas K. Barlow  
Thunder Basin Coal Co LLC  
Tierney M Miller  
Vanguard Funds Account #0030  
Wesley A Pomeroy  
Westland Energy, Inc.  
William F Vondrehle  
William L Ferguson Trust  
William T Wilton

Coleman Settlement Class-Group 2

Atencio Family Irrevocable T  
Barbara A Lott  
Barbara A Sargent  
Billy Ray Cagle Trust  
Burton K Reno Living Trust  
Burton Keith Reno, Jr  
Carole J Pahl Irrevocable Tr  
Cassandra E Herbert, Trustee  
Cosner Minerals Limited Part  
Deborah Leigh Gullatt Revoca  
Donnie V Brock, Co-Trustee  
Donny Huckins  
Dorothy A Kinnaman  
Dorothy J Edwards  
Douglas J Guion  
E Murray Gullatt  
Edwin G Jackson  
Ethel W Matheson Family Trus  
Gary P Huckins  
George M Apostolos Trust  
H.R. Matheson Family Trust  
Haley Reno Mcauley Irrevocab  
Harriet Reno Underwood

HENRY L Waszkowski, JR MARIT  
J. Maurice Cox Trust  
Jack E Earnest  
Jeffery Thompson Trust  
Jewell, LLC  
Jo Ann Bolton  
Joe A Bradley  
John A Brock, Co-Trustee  
John J Atencio  
John Michael Gullatt Managem  
Joseph G Sargent  
Justin Joe Reno  
Kenna J Dobbs  
Kimmie R Rock  
Larry Donoghue  
Larry L Jorgenson Family Trs  
Leah B Edwards  
Leona S Rosenow  
Louis S Madrid Trust Dated 7  
Mandra Rockefeller  
Marshall & Winston, Inc.  
Mary Elizabeth Bills  
McQuire FAMILY LLC  
Melvin A Brown, Trustee  
Mindy Tanner Kester Irrevoca  
Mort Lowenthal  
Nancy M Reno Revocable Trust  
Norma L Kissick  
Reidy International Inc  
Richard L Gibson, Sr., Trust  
Robert L Sargent  
Roger R Wilmot  
Ronald E Hando  
Sandra Tanner  
Scorpio Resources, Inc.  
Soccoro Properties LLC  
Spear Lazy 'S' Land Company  
St. Clair Properties, LLC  
Stephanie A Meis  
Steven R Sanford  
Steven S Madrid  
Succession Of C.T. Carden  
Teton Capital Management, In  
Thomas A Coyne, Trustee  
Thomas W Edwards  
Turtle Mountain LLC  
Waszco Interests  
William E Reno, Trustee  
William Wallace Wilmot  
Witmac Oil & Gas Properties

## AMENDMENT TO SETTLEMENT AGREEMENT

This Amendment to Settlement Agreement ("Amendment") is made effective November 16, 2011, by and between Coleman Oil and Gas, Inc. ("Coleman") and the Designated Class Representatives defined in paragraph 1.5 of the Agreement ("Plaintiffs") acting on behalf of themselves and the Potential Class Members defined in paragraph 1.15 of the Agreement.

### RECITALS

WHEREAS Coleman and Plaintiffs entered into a Settlement Agreement ("Agreement") effective October 15, 2011, which Agreement was conditionally approved by the District Court for Campbell County, Sixth Judicial District, Wyoming on October 24, 2011 in Cosner Minerals Limited Partnership et al. v. Coleman Oil & Gas, Inc., Civil Action No. 32720;

WHEREAS, concurrent with the Court's conditional approval of the Agreement, the parties submitted to the Court their "Stipulation for Inclusion of March 1, 2010 Through May 31, 2010 in Settlement Agreement" in anticipation of resolving claims for the additional period and adding them to the Agreement;

WHEREAS, the parties have determined and agreed that an additional \$20,937.15 should be distributed to payees in Group 1 and an additional \$15,254.12 should be distributed to payees in Group 2;

NOW, THEREFORE, the parties having resolved the claims for the additional period agree to add the additional amounts to the Agreement in settlement through May 31, 2010, and in consideration of the foregoing Recitals which are substantive provisions hereof, the Parties agree to amend the Settlement Agreement as follows:

1. The fourth Whereas clause is amended to read as follows:

WHEREAS, Coleman paid Royalties to the Royalty Payees under the Producing Leases for production of Shallow Gas from the Existing Wells for the period of February 1, 2000 through May 31, 2010 ("Settlement Period") and ceased to be the operator with respect thereto effective as of May 31, 2010;

2. Section 1.4 is amended to read as follows:

1.4 "Attorney's Fees Claims" shall mean claims for Attorney's Fees as defined in the Recitals for the period of February 1, 2000 through May 31, 2010.

3. Section 1.10 is amended to read as follows:

1.10 "Gas Royalty Claims" shall mean those claims for royalty payments for Shallow Gas production from the Existing Wells from the effective date of Coleman's interest in each Lease associated with the Existing Wells being the period of February 1, 2000 through May 31, 2010, inclusive, including, but not limited to, Valuation and Disputed Deductions.

4. Section 1.11 is amended to read as follows:

1.11 "Interest" shall have the meaning found in the Recitals and includes all interest imposed under Wyoming law for the period of February 1, 2000 through May 31, 2010.

5. Section 1.19 is amended to read as follows:

1.19 "Reporting Claims" shall mean all claims, whether in tort or contract or under statutes, or regulations or other authority, and whether equitable or arising under common law, held by Settlement Class Members and associated with Coleman's reporting of Royalties for Shallow Gas produced from or attributable to the Producing Leases from Existing Wells for the period of February 1, 2000 through May 31, 2010, including without limitation such claims for Reporting Assessment for violations of the reporting requirements of the Wyoming Royalty Payment Act, including those specifically provided in Wyo. Stat. § 30-5-305(b).

6. Sections 1.23, 1.23.1 and 1.23.2 are amended to read as follows:

1.23 "Settlement Amount" shall be One Million Nine Hundred Eighteen Thousand and Six Hundred Sixty-Five Dollars and Fifty-Five Cents (\$1,918,665.55) which shall be allocated as follows:

1.23.1 One Million Six Hundred Thirty Thousand

Eight Hundred Sixty-Five Dollars and Seventy-Two Cents (\$1,630,865.72) for settlement of individual and Settlement Class Gas Royalty Claims, Reporting Claims and Interest to be distributed to Plaintiffs and Settlement Class Members as provided herein;

1.23.2 Two Hundred Eighty-Seven Thousand Seven Hundred Ninety-Nine Dollars and Eighty-Three Cents (\$287,799.83) for Attorney's Fees and Administration Costs, provided that such amount shall not exceed fifteen percent (15%) of the amount specified in 1.23.

7. The third paragraph of Section 2.1 is amended to read as follows:

**2.1 Preliminary Approval Hearing; Determination of Portion of Total Settlement Amount Due to Settlement Class Members**

For each Potential Class Member, Coleman shall provide Class Counsel with ownership information, whether such Potential Class Member is a Group 1 Payee or a Group 2 Payee, accounting information, sufficient data and supporting documentation (in both hard copy and usable electronic form) for Class Counsel to administer this settlement and calculate the allocation of settlement proceeds to Settlement Class Members. Allocation shall be based upon a reasonable estimate of the extent to which Royalties paid by Coleman through May 31, 2010 vary from the amount of Royalties which would have been paid had the applicable Royalty Payment Methodology for each Royalty Payee been in effect.

Except as specifically amended herein, the Settlement Agreement effective October 15, 2011 remains in full force and effect, and as specifically amended hereby represents the full and complete agreement of the parties.

Executed effective the 16<sup>th</sup> day of November, 2011.

Coleman Oil and Gas, Inc.

By: 

Title: Vice-President

