

**IN THE DISTRICT COURT OF TEXAS COUNTY
STATE OF OKLAHOMA**

MARVIN TAYLOR,
MARGARET SHEPPARD AND
ALESEN SHEPPARD
FOR THEMSELVES AND ALL OTHERS
SIMILARLY SITUATED,

PLAINTIFFS,

vs.

CHEVRON TEXACO CORPORATION,
TEXACO, INC.;
TEXACO EXPLORATION AND PRODUCTION, INC.;
CHEVRON U.S.A., INC.,
FOR ITSELF AND AS GUARANTOR OF TEXACO
EXPLORATION AND PRODUCTION, INC.; AND
FOUR STAR OIL & GAS COMPANY

DEFENDANTS.

CASE No. CJ-2002-104

TEXAS COUNTY
FILED

SEP 30 2009

KAREN PARISH
COURT CLERK

By _____ Deputy

**ORDER ON JOINT MOTION FOR
CERTIFICATION OF SETTLEMENT CLASS**

This matter came on for hearing on the 29th day of September 2009, on the joint motion filed by Plaintiffs, Marvin Taylor, Margaret Sheppard and Alesen Sheppard (collectively hereinafter referred to as "Taylor") and Defendants, Chevron Corporation f/k/a ChevronTexaco Corporation, Texaco, Inc., Texaco Exploration and Production, Inc., Chevron U.S.A., Inc., and Four Star Oil & Gas (collectively hereinafter referred to as "Chevron"), requesting preliminary certification of this matter, for settlement purposes only, as a class action pursuant to 12 Okla. Stat. §2023.¹ Based upon the Findings set forth below, for settlement purposes only, the Court

¹The Court hereby incorporates the terms and definitions adopted by Taylor and Chevron as set forth in the Settlement Agreement previously filed with the Court as though restated herein.

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hereby certifies for class action treatment, pursuant to 12 Okla. Stat. §2023(A) and (B)(3), the following Class of royalty owners:

All persons or entities, except Excluded Persons or Entities as defined below, who are or were royalty or unleased mineral owners in Oklahoma wells where Chevron is or was the operator and/or working interest owner/lessee under oil and gas leases, or under governmentally created or sanctioned pooling of interests by the Oklahoma Corporation Commission, including forced pooling orders, drilling and spacing unit orders, enhanced production orders, field wide unit orders or orders approving unit agreements, during the Claim Period.

The class claims relate only to payment of royalties for Hydrocarbons produced from the Class Wells during the Claim Period, except that:

(1) the class claims shall not include any claims previously settled and released as part of the settlements in: (a) *Rudman vs. Texaco, et al.*, Case No. CJ-97-1-E, District Court of Stephens County, Oklahoma; (b) *Whitten, et al. vs. ChevronTexaco Corp. et al.*, Case No. CJ2003-586-E, District Court of Stephens County, Oklahoma; (c) *Howell, et al. v. Texaco Inc., TEPI, et al.*, CJ-2002-206E, District Court of Stephens County, Oklahoma; (d) *Elizabeth Steigleder, et al. vs. Texaco Inc., et al.*, Case No. CJ-2002-293E, District Court of Stephens County, Oklahoma; (e) *Velma-Alma Independent School District No. 15, et al. vs. Texaco Inc., et al.*, Case No. CJ-2002-304E, District Court of Stephens County, Oklahoma; (f) *E.B. Honnold, et al. v. Texaco Inc., et al.*, Case No. CJ-2002-355, District Court of Garvin County, Oklahoma; (g) *Mahaffey, et al., v. Knox Bromide Sand Unit, et al.*, Case No. CJ-2004-581-E, District Court of Stephens County, Oklahoma; or (h) *Shockey v. Chevron*, Case No. CJ-2001-7, District Court of Washita County, Oklahoma; (collectively the “Prior Litigation”);

(2) the Class Claims shall not include any claims of putative class members in the Prior Litigation who excluded themselves from the Prior Litigation, but only to the extent the claims were related to gas processing;

(3) the class claims shall not include claims being asserted against Chevron for gas production processed at the Leedey plant in the case of *Edward Glaesman, et al. v. Chevron U.S.A., Inc.*, in the District Court of Roger Mills County, No. CJ-2006-27 (“*Glaesman*”).

The persons or entities wholly excluded from the Class are: (1) agencies, departments or instrumentalities of the United States of America or the State of Oklahoma; (2) publicly traded oil and gas exploration companies who operate wells, and their affiliates; (3) royalty owners whose sole claims relate to wells, and during those periods, where Chevron was a non-operating working interest owner and did not through itself or a related entity market its production or pay

royalty; (4) persons or entities that Plaintiffs' counsel is, or may be prohibited from representing under Rule 1.7 of the Oklahoma Rules of Professional Conduct; (5) the officers and directors of Chevron, and any entity in which Chevron has a controlling interest, including any entity which is a parent, subsidiary, or affiliate of or is controlled by Chevron; and (6) the legal representatives, heirs, successors, or assigns of any excluded party (collectively "Excluded Persons or Entities"),

(hereinafter "Plaintiff Class", "Settlement Class" or "Class").

Based upon the pleadings, evidence and arguments presented to the Court, and having been fully advised on the matter, the Court makes the following Findings. The following Findings are not as to the merits of the claims and defenses; rather, the Findings represent the Court's determination that the requisites for proceeding as a class action, for settlement purposes only, pursuant to applicable Oklahoma law have been satisfied at this stage of the proceeding. The Findings are expressly conditioned upon, and subject to, final consummation of the settlement set forth in the Settlement Agreement filed by the parties. If, for any reason, the settlement set forth in the Settlement Agreement between the parties is not finally consummated according to its terms, all of the Findings set forth herein shall be deemed withdrawn, shall have no further force or effect, and shall not be used for any purpose whatsoever.

FINDINGS

1. Taylor owns oil, gas and other minerals underlying certain tracts of land in Texas County, Oklahoma, which are subject to oil and gas leases pursuant to which wells were drilled on governmentally sanctioned units. Chevron, as operator and a working interest owner, drilled, completed and/or produced the wells on such units. Chevron distributes royalties on the wells to Taylor.
2. The remaining Settlement Class members own or have owned oil, gas and other minerals underlying tracts of land in Oklahoma which are subject to various oil and gas leases and/or pooling orders of the Oklahoma Corporation Commission pursuant to which Chevron is/was a

working interest owner in oil and gas wells, and/or operated oil and gas wells within units which encompass such minerals. Except as limited by the definition of the proposed Class, collectively these wells are hereinafter referred to as the “Class Wells”.

3. Taylor and Chevron have advised this Court they have reached a settlement of the Class Action Litigation and have filed the Settlement Agreement with the Court. Taylor and Chevron seek this Court’s certification of this matter as a class action for settlement purposes only.

4. The Settlement Class consists of more than 10,000 past and present royalty interest owners.

5. The Court finds certification of the Settlement Class is proper, for purposes of settlement only, under 12 O.S. 2023(a) and (b)(3) because:

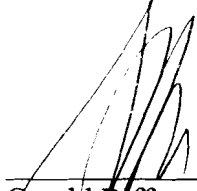
- (1) The Settlement Class is so numerous that joinder of all members is impracticable;
- (2) There are questions of law or fact common to the Settlement Class;
- (3) The claims or defenses of the Class Representatives are typical of the claims or defenses of the Settlement Class; and
- (4) The Class Representatives and Class Counsel will fairly and adequately protect the interests of the Settlement Class;
- (5) The questions of law or fact common to the members of the Settlement Class predominate over any questions affecting only individual members; and
- (6) A class action is superior to other available methods for the fair and efficient adjudication of this controversy in the manner proposed.

6. In determining whether the requirements of Section 2023 have been satisfied for purposes of certifying a class for settlement purposes, the Court has taken into account the fact of the existence of a settlement and its impact upon the elements required for certification of the Settlement Class. Among other impacts of settlement, the Court need not inquire whether the case, if tried, would present intractable case management problems because the result of settlement is that there will be no trial.²

² The Court hereby incorporates the provisions of the Settlement Agreement previously filed with the Court, as though restated herein, and finds and adopts the same for purpose of defining the class claims and issues being certified herein, in compliance with 12 O.S. §2023(C)(1), *effective 11/1/2009*.

IT IS THEREFORE ORDERED, ADJUDGED and DECREED that the joint motion requesting preliminary certification of this matter, for settlement purposes only, is GRANTED. The settlement of this action shall henceforth be effectuated as a certified class action related to the Class Claims, with Marvin Taylor, Margaret Sheppard and Alesen Sheppard, as Class Representatives, and with the following as Class Counsel: a) Terry J. Barker, Joseph C. Woltz and Gene G. Boerner, III of Pezold, Barker & Woltz; b) Douglas E. Burns and Terry L. Stowers of Burns & Stowers, P.C.; and c) Robert J. Kee of Trippet, Kee, Trippet & Parsons.³

Done this 20th day of Sept., 2009.

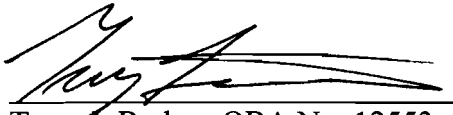


Gerald Riffe
Associate District Judge

³ In appointing Class Counsel, the court has considered: (1) the work counsel has done in identifying or investigating potential claims in the action; (2) counsel's experience in handling class actions, other complex litigation, and the types of claims asserted in the action; (3) counsel's knowledge of the applicable law; and (4) the resources that counsel has committed to representing the Class. The Court specifically finds that Class Counsel meet the qualifications of 12 O.S. §2023(F), *effective 11/1/2009*.

Approved:

9/29/09
Date

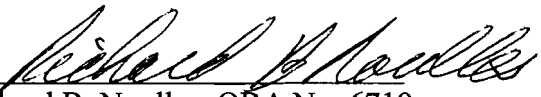

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