

**IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF OKLAHOMA**

JOHN CECIL,  
on behalf of himself and all others similarly  
situated,

Plaintiff,

Civil Action No. 16-CV-00410-KEW

vs.

BP AMERICA PRODUCTION COMPANY  
(f/k/a Amoco Production Company) (including  
BP Amoco Corporation, ARCO, BP Exploration,  
Inc., BP Corporation North America, Inc., and BP  
Energy Company),

Defendant.

**DECLARATION OF JOHN CECIL IN SUPPORT OF  
PLAINTIFF’S MOTIONS FOR FINAL APPROVAL OF THE CLASS ACTION  
SETTLEMENT AND FOR PLAINTIFF’S ATTORNEYS’ FEES, LITIGATION  
EXPENSES, CASE CONTRIBUTION AWARD, AND ADMINISTRATION, NOTICE  
AND DISTRIBUTION COSTS**

I, John Cecil, of lawful age, upon personal knowledge, and pursuant to 28 U.S.C. § 1746,  
declare as follows:

1. I am the Plaintiff and class representative in the above-referenced Litigation. I  
have personal knowledge of the facts set out in this declaration based upon my personal  
involvement in the Litigation and on information provided to me by Plaintiff’s Counsel,  
The Lanier Law Firm, P.C. or Rex A. Sharp, P.A. Capitalized terms used in this declaration  
have the same meaning as is given to them in the Settlement Agreement.

2. I respectfully submit this declaration in support of the motion for final approval  
of the Settlement. I also submit this declaration in support of the motion for Plaintiff’s  
Attorneys’ Fees, Litigation Expenses, Case Contribution Award, and Administration, Notice  
and Distribution Costs.

3. By submitting this declaration, I neither intend to nor do I waive any protections available to me including, but not limited to, the attorney-client privilege, work product privilege or any other privileges I may have.

4. I am a royalty owner in the Caudron Unit 1 and 2 wells in Latimer County, Oklahoma. I receive royalty payments from BP for those wells.

5. After examining my check stubs, and without much success at understanding them, I sought legal advice from counsel experienced in investigating royalty payment practices. After discussions with Plaintiff's Counsel, I decided to retain them to initiate and prosecute this Litigation. As part of that decision, Plaintiff's Counsel and I discussed my commitment to fulfill the responsibilities as Plaintiff and proposed class representative.

6. I retained Plaintiff's Counsel because I believe these firms possess the requisite expertise in complex litigation and have sufficient legal and financial resources to vigorously prosecute this Litigation on my behalf and on behalf of all Class Members against Defendant, a well-funded and well-defended corporation.

7. With what I learned in conversations with Plaintiff's Counsel, including the risks and uncertainty associated with the Litigation, the potentially significant expenses Plaintiff's Counsel might incur, and the high level of representation to be provided by Plaintiff's Counsel, we agreed that Counsel would represent me on a contingency fee basis of 40% of any recovery obtained before an appeal and 45% after an appeal. At the time we reached this agreement, I understood a 40% contingency fee was at or below the market rate for similar actions. Plaintiff's Counsel and I executed a written agreement that Plaintiff's Counsel could seek a fee of 40% of any gross recovery. I understood that Plaintiff's Counsel would work on a fully contingent basis and that I would not pay them hourly rates under any

circumstances. My claim could not have afforded to pay the fees and expenses necessary to litigate this matter to completion on a pay-as-you-go or non-contingent fee structure.

8. I have been involved in this Litigation since before the filing of the Complaint in the United States District Court for the Eastern District of Oklahoma, on September 28, 2016. By participating in this Litigation, I hoped to obtain a monetary recovery for myself and other royalty owners in the Class who were not paid the full amount of royalty due them and to impress Defendant BP to stop deducting amounts from royalty.

9. From making the decision to file the Complaint, reviewing documents, communicating with Plaintiff's Counsel, reviewing pleadings, traveling to and personally participating at multiple mediation sessions, and finally reading and approving the terms of the Settlement, I have, at all times, been informed, involved, and active in the Litigation. I have reviewed and approved drafts of substantive pleadings prior to filing as requested and received status reports from Plaintiff's Counsel. I sought to understand all of Plaintiff's Counsel's work in this case and participated in all significant decisions, including the decision to enter into the Settlement. I conferred regularly with Plaintiff's Counsel throughout the Litigation and, to the best of my knowledge, was advised of all significant matters.

10. This action was litigated for more than two (2) years, which included the filing of many motions, pursuing document productions, reviewing documents, consulting with experts, reviewing and analyzing of complex and massive accounting information, creating damages modeling, negotiating a settlement, reviewing settlement documents, and seeking the Court's approval of the Settlement.

11. I was directly involved in the settlement negotiation process and was personally present at both mediation sessions, on January 20, 2018 and February 12, 2018. Throughout

the negotiation process, Plaintiff's Counsel informed me of each development that occurred and sought and obtained approval to negotiate on behalf of the Class and myself. Plaintiff's Counsel acted with my approval in all respects.

12. Following the mediation sessions, I continued to participate in the negotiation process for several months to finalize the Settlement Agreement, repeatedly reviewed draft settlement agreements, and discussed these settlement agreements with Plaintiff's Counsel prior to approving. Prior to the parties reaching an agreement to settle this matter, Plaintiff's Counsel sought and obtained approval from me. I have continued to remain involved in post-settlement negotiations and review of documents and have reviewed and monitored the various settlement motions that have been (and will be) filed.

13. I believe the negotiation process resulted in an excellent settlement and a significant benefit to the Class, which provides a cash payment of \$147,000,000.00, which exceeds the actual amount of principal calculated as damages. *See* Declaration of Daniel T. Reineke Valuation of Past and Future Benefits at ¶4. This amount, after reduction for court-approved Attorneys' Fees, reimbursement of Litigation Expenses, payment of Administration Expenses, Notice and Distribution Costs, and a Case Contribution Award, if any, to me, will be distributed to Class Members once the Settlement becomes Final and Non-Appealable. The Settlement also delivers value to the Class Members by securing a change in BP's royalty methodology which eliminated or reduced deduction of midstream service fees and in-kind volumes for affiliate sales. *Id.* at ¶ 5. As a result of the royalty owner litigation against it, BP also stopped taking other deductions, like gathering, compression, and dehydration in 2009 and increased royalty payments by \$38,000,000 between 2009 and 2017. *Id.* at ¶ 6. The Settlement also secures BP's contractual commitment to continue this royalty payment methodology for

the next seven (7) years from May 1, 2018 to April 31, 2025. *See* Settlement Agreement at ¶2.4. The expert has valued this benefit at \$36,216,351.00 to the Class. Reineke Decl. at ¶7.a. I believe this is a substantial recovery for the Class.

14. Through involvement as Plaintiff in this Litigation, as well as frequent discussions with Plaintiff's Counsel, I believe I understand the strengths and weaknesses of the Class' claims against Defendant. I am aware of the hurdles the Class would be required to overcome to prove liability and damages if the Litigation was to be tried rather than settled.

15. My understanding of the facts as they pertain to this Litigation, as well as my extensive interaction with Plaintiff's Counsel, enables me to recommend approval of the Settlement. The Settlement is a substantial recovery for the Class under circumstances where it was possible that no recovery at all would be obtained. I fully support this Settlement as fair, reasonable and adequate for the Settlement Class and Class Members.

16. I am very pleased with the efforts of Plaintiff's Counsel who always conducted themselves with professionalism and diligence while effectively representing the interests of the Settlement Class and myself.

17. Plaintiff's Counsel is collectively applying for an award of Attorneys' Fees out of the Gross Settlement Fund, as well as reimbursement of Litigation Expenses reasonably and necessarily incurred in successfully prosecuting the claims in this Litigation. I have reviewed the Motion for Attorneys' Fees and Litigation Expenses. Because of Plaintiff's Counsel's extensive, efficient and excellent work, I approve of Plaintiff's Counsel's application for a fee award equal to forty percent of the Gross Settlement Value. I approve of Plaintiff Counsel's request for reimbursement of reasonable Litigation Expenses. I understand that if the award is granted, Plaintiff's Attorneys' Fees and reimbursed Litigation Expenses will be paid to

Plaintiff's Counsel out of the Gross Settlement Fund.

18. Plaintiff's Counsel's request for Attorneys' Fees is consistent with my negotiated fee agreement with them. I am pleased with how Plaintiff's Counsel conducted the Litigation and with the results achieved. Further, I support Plaintiff's Counsel's request for reimbursement of Litigation Expenses because, based on the information provided to me and my experience working with Plaintiff's Counsel to date, I believe Plaintiff's Counsel has prosecuted this Litigation in an efficient manner given its complexities and has incurred reasonable and necessary expenses.

19. While I will recover only my pro rata share of the Net Settlement Fund, I, as class representative, intend to seek a Case Contribution Award for my representation of the Class. I understand too that the three named plaintiffs in *Chockley v. BP* and one named plaintiff in *Chieftain v. BP* also seek to share in the Case Contribution Award for their roles in holding Defendant responsible for its royalty payment practices. The court-approved Class Notice states that I am seeking a Case Contribution Award in an amount not to exceed \$450,000 to compensate me and the class representatives in the Additional Litigation. This amount is based on the amount of time dedicated to the Litigation, as well as the expense, risk and burden of serving as class representatives in the Litigation, and a reasonable estimate of the time to be dedicated to the Litigation through the final distribution of the Gross Settlement Fund. I believe that such an award to the all five (5) plaintiffs who brought litigation against BP to recover underpaid royalty is justified in this case.

20. As set forth below, I believe I actively and effectively fulfilled my obligations as a representative of the Settlement Class. I complied with all demands placed on me during the prosecution and settlement of this Litigation. I reviewed draft pleadings and motions,

searched for and produced records, reviewed filings, communicated regularly with Plaintiff's Counsel, was personally present and participated in the mediation session and was continuously involved in the Litigation. In total, to date, I have dedicated many hours to working on this Litigation for the Class. I also anticipate spending additional time working on this case in the future, including attending the Final Fairness Hearing, and, if the Court approves the settlement, I will continue to assist the Court and Plaintiff's Counsel in administering the settlement. And, if there is an appeal in this case, I intend to remain involved throughout those proceedings and to continue my work as Class Representative.

21. I am not aware of any conflicts of interest I have with members of the Settlement Class. I was not promised any recovery or made any guarantees prior to filing this Litigation, nor at any time during the Litigation. I was never told, nor has there ever been any discussion, that I would obtain a Case Contribution Award if this case was resolved by settlement or judgment, or that the amount of any award I may ask for or receive would be based upon, tied to, or in any way related to the ultimate outcome of this Litigation, or that any incentive award amount or request would be based upon, tied to, or in any way related to any request for attorneys' fees. Indeed, I would support the Settlement even if I were to receive no case contribution award; and, I would continue to act in the capacity as class representative. Based on these efforts and the benefits obtained for the Class, I submit that a Case Contribution Award is fair and reasonable as compensation for the time and expense I incurred to obtain this Settlement on behalf of the Class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: October 8th, 2018

  
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John Cecil