

DISTRICT COURT, WELD COUNTY, COLORADO
Court address: 901 9th Avenue, Greeley, CO 80631
Mailing Address: P.O. Box 2038, Greeley, CO 80632
Phone Number: 970-351-7300

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Plaintiffs:

ESTATE OF JACK HOLMAN, DOROTHY HOLMAN,
WARDELL FAMILY PARTNERSHIP and GLEN
DROEGEMUELLER, individually and as representative
plaintiffs on behalf of all others similarly situated,

Defendants:

NOBLE ENERGY, INC., NOBLE ENERGY
PRODUCTION, INC. and SOCO WATTENBERG
CORPORATION.

COURT USE ONLY

Case Number 03 CV 9

Div.: 4

**ORDER GRANTING PLAINTIFFS' UNOPPOSED MOTION FOR PRELIMINARY
APPROVAL OF CLASS SETTLEMENT, CERTIFICATION OF A SETTLEMENT
CLASS AND APPROVAL OF SETTLEMENT NOTICE**

MAUS, District Court Judge.

This matter comes before the Court on the Plaintiffs' Unopposed Motion for Preliminary Approval of Class Settlement, Certification of a Settlement Class, and Approval of Settlement Notice and Plaintiffs' Memorandum in Support together with exhibits filed on February 15, 2007. Unless otherwise defined herein, capitalized terms in this Order shall be given the same meaning accorded such terms in the proposed Settlement Agreement, Plaintiffs' Motion, Plaintiffs' Memorandum and the exhibits attached thereto. The Court has considered the entire record in these proceedings to date, including the proposed Settlement Agreement, Plaintiffs' Memorandum, and the exhibits to Plaintiffs' Memorandum including the Notice Plan and the proposed forms of Publication and Mailed Notice ("Notice"), and the arguments presented by Counsel at a hearing to consider plaintiffs' Motion held on February 16, 2007.

PRELIMINARY FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based on the foregoing, and pending further consideration at a final fairness hearing as ordered herein, after due deliberation and good sufficient factual and legal cause appearing therefor, the Court finds and concludes as follows:

1. The Settlement Agreement appears fair, reasonable and adequate. The Settlement is within the range of reasonableness.
2. In making this finding, the Court has considered the strength of the parties' positions; the risk, expense, complexity and likely duration of further litigation; the terms of the Settlement Agreement; the extent of discovery completed; and the experience and views of counsel.
3. The parties have entered into the Settlement Agreement after extensive fact-gathering and with full knowledge of the critical factual and legal issues. The Settlement Agreement is the product of non-collusive, arm's-length bargaining, including the input and assistance of a qualified and experienced mediator, former Judge Richard Dana of the Judicial Arbitrator Group in Denver, Colorado.
4. Counsel for both parties are experienced in class action litigation, and strongly recommend approval of the proposed Class Settlement.
5. The Class Settlement avoids the time and expense of continuing the litigation for an indeterminate period of time, with attendant risks, costs and delay for both sides.
6. The proposed Settlement Class will benefit from an Initial Settlement Payment of \$45,560,000 to the Settlement Class to compensate for gas produced through December 2006; Noble will make additional settlement payments (Transition Period Settlement Payments) to the Settlement Class relating to gas produced in 2007, which Class Counsel estimates (based on 2006 production volumes, prices and expenses) will be approximately \$7.9 million. Thus, the total Settlement Fund is estimated to be in excess of \$53,000,000. The Settlement Agreement also provides that, beginning with January 2008 production, Noble will compute royalty payments to the Settlement Class by deducting only 50% of post-wellhead

expenses as specified in the Settlement Agreement, instead of the 100% deductions taken by Noble in the past. This prospective relief is estimated to be worth an additional \$42 million to the Settlement Class. Based on the parties' representations, the language contained in the Settlement Agreement, and the material submitted in support of the Settlement Agreement and plaintiffs' motion, this Court finds that the settlement payments and the method of calculating future royalties will substantially benefit the Settlement Class.

7. The benefits provided to the Settlement Class under the terms of the Settlement Agreement provide a reasonable resolution of the claims of the Settlement Class, considering the risks of litigation, the likelihood of protracted and expensive litigation in the absence of class settlement and the parties' various claims and defenses.

8. Noble also benefits from the Settlement Agreement through the avoidance of protracted and expensive litigation, the elimination of risk of an adverse judgment, the final resolution of disputes with the Settlement Class members, and the promotion of a mutually productive business relationship with the Settlement Class members.

9. The Settlement Class defined in the Settlement Agreement is so numerous that joinder of the Settlement Class members is impractical.

10. The Settlement Agreement resolves questions of law and fact common to the proposed Settlement Class because of Noble's uniform method for computing royalty payments to members of the Settlement Class.

11. The claims of the Named Plaintiffs are typical of those of the proposed Settlement Class. The Settlement Agreement resolves those claims on a class-wide basis, eliminating any issues which might be unique to the Named Plaintiffs.

12. The Named Plaintiffs and their counsel have fairly and adequately protected the interests of the proposed Settlement Class in achieving the Settlement Agreement, and potential Settlement Class members have the right to opt-out of the Settlement Class to pursue individual litigation, should they choose to do so.

13. Common questions of law or fact predominate over individual questions of the proposed Settlement Class members. Common questions of law or fact predominate over individual questions of the proposed Settlement Class members. The overarching issue binding the Settlement Class members, and mooted by the proposed Settlement Agreement, is the point at which the gas produced by Noble becomes marketable under the standards set forth in *Rogers v. Westerman Farm Co.*, 29 P.3d 887 (Colo. 2001), and *Garman v. Conoco*, 886 P.2d 652 (Colo. 1994).

14. A class action is superior to individual actions for resolving the questions of law and fact common to the Settlement Class. The Court makes no finding as to whether this case, if litigated as a class action, would present intractable case management problems.

15. Accordingly, the Court finds that the proposed class should be certified under C.R.C.P. 23(a) and (b)(3), as an opt-out Settlement Class.

ORDER

In light of the Court's findings and conclusions, and pending further consideration of a final fairness hearing, **IT IS HEREBY ORDERED THAT:**

16. The Settlement Agreement is preliminarily approved as being fair, adequate and reasonable.

17. The class of individuals and entities defined in the Settlement Agreement as the Settlement Class is certified as an opt-out settlement class. The plaintiffs are appointed as the Class representatives for the Settlement Class, and plaintiffs' counsel are appointed as Lead Class Counsel and Class Counsel for the Settlement Class as specified in subparagraphs 1(s) and 1(f), respectively, of the Settlement Agreement.

18. On or before April 16, 2007, Noble shall deposit the Initial Settlement Payment of \$45,560,000.00 into the Escrow Account established under the Escrow Agreement as provided in paragraph 5 of the Settlement Agreement and subject to the continuing jurisdiction of this Court and to the conditions set forth in the Settlement Agreement and Escrow Agreement.

19. Plaintiffs' proposed Notice Plan and forms of Mailed Notice and Publication Notice are approved as reasonable and adequate to inform the Settlement Class of the Settlement Agreement, including the right of Settlement Class members to exclude themselves from, or object to, the Settlement.

20. As specified in the Notice Plan, Noble shall mail the Mailed Notice to each Settlement Class member. The Mailed Notice shall be mailed first-class, postage pre-paid on or before April 16, 2007. Noble also shall arrange to publish the Publication Notice in the Sunday editions of the *Denver Post/Rocky Mountain News* and the *Greeley Tribune* on or before April 22, 2007. Noble may utilize the services of a qualified settlement administrator approved by this Court to assist it in providing Notice.

21. Any member of the Settlement Class who wants to be excluded from the Settlement Class must formally request in writing to be excluded as detailed in the Mailed Notice. In order to be valid and properly submitted, the request for exclusion must be in writing, must be signed by the person or entity requesting exclusion, must be mailed in a postage-prepaid envelope to the Settlement Administrator, postmarked no later than May 21, 2007, and must otherwise comply with the instructions contained in Section 6 of the Mailed Notice. The request for exclusion must be personally signed by a natural person requesting exclusion; it cannot be signed by that person's lawyer or other agent. If the entity requesting exclusion is a corporation, partnership, or other legal entity, the request must be personally signed by a duly-authorized officer. A request for exclusion is not properly submitted or valid if it requests a qualified or partial exclusion or any other qualification.

22. Any objection by any Class Member to the Settlement Agreement, including attorneys' fees, expenses, or class representative incentive awards, shall be filed on or before May 21, 2007, in accordance with Section 12 of the Mailed Notice, and such objection(s) must be mailed to Class Counsel and Noble's Counsel as specified in the Mailed Notice.

23. Any Settlement Class member who wishes to appear and be heard at the final fairness hearing must give notice of such intention, in accordance with the procedures set

forth in Section 15 of the Mailed Notice, and such notice must be mailed to Class Counsel and Noble's Counsel as specified in the Mailed Notice no later than May 21, 2007.

24. Counsel for the Named Plaintiffs and for Noble shall file any materials in support of final approval of the Settlement Agreement, on or before May 14, 2007.

25. The Named Plaintiffs and/or Class Counsel shall file their application(s) for attorneys' fees, expense reimbursements, and class representative incentive awards on or before May 14, 2007.

26. The Named Plaintiffs and Noble shall be entitled to reply to any objections or comments timely filed by any Class member, provided such reply is filed with the Court on or before June 4, 2007.

27. The Court will conduct a final fairness hearing on the Settlement Agreement beginning at 8:30 A.m., on June 11, 2007, or the next available date thereafter. The purposes of the final fairness hearing will be to determine whether the Settlement is fair, adequate and reasonable; whether the Named Plaintiffs' and Class Counsel's application(s) for an award of attorneys' fees, expense reimbursements, and class representative incentive awards should be approved; and whether this Court should enter a final order and judgment approving the Settlement and dismissing and releasing the Settled Claims identified in the Settlement Agreement with prejudice.

28. This Court reserves jurisdiction over the effectuation and implementation of the matters set forth in the Settlement Agreement and to resolve any disputes that may arise in connection with the Settlement Agreement.

29. All pending discovery and case management deadlines in this action are stayed until further order of this Court.

IT IS SO ORDERED.

Dated: February 16th, 2007

Daniel S. Maus
Daniel S. Maus
District Court Judge