## IN THE DISTRICT COURT OF BLAINE COUNTY STATE OF OKLAHOMA

MARK STEPHEN STRACK, TRUSTEE OF THE	)	
PATRICIA ANN STRACK REVOCABLE TRUST	)	
DTD 2/15/99 AND THE	)	
BILLY JOE STRACK REVOCABLE TRUST	)	
DTD 2/15/99, AND	)	
DANIELA A. RENNER, SOLE SUCCESSOR	)	
TRUSTEE OF THE PAUL ARIOLA LIVING TRUST	)	
AND THE HAZEL ARIOLA LIVING TRUST,	)	
	)	
FOR THEMSELVES AND ALL OTHERS	)	
SIMILARLY SITUATED,	)	
	)	
PLAINTIFFS,	)	
	)	
VS.	)	CASE No. CJ-10-75
	)	
CONTINENTAL RESOURCES, INC.,	)	
	)	
CONTINENTALS.	)	

## **DECLARATION OF DANIELA A. RENNER**

I, Daniela A. Renner, of lawful age, upon personal knowledge and under oath, declare as follows:

- 1. I am Sole Successor Trustee of the Paul Ariola Living Trust and the Hazel Ariola Living Trust (collectively the "Ariola Trusts"). Hazel Ariola, was my mother and the Trustee of of the Ariola Trusts prior to her death on May 2, 2013. As reflected in the Memoranda of Trusts, upon the death of Hazel Ariola, and pursuant to the terms of the Ariola Trusts, I became the Sole Successor Trustee of the Ariola Trusts. I have personal knowledge of the facts set out in this declaration based upon my personal involvement in this Litigation and upon information provided to me by my mother prior to her death and by Class Counsel over the course of the Litigation.
- 2. I respectfully submit this Declaration in support of final approval of the Settlement Agreement. I am also submitting this Declaration in support of the Motion for Attorneys' Fees, Litigation Costs and a Class Representatives Award from the Common Fund.
- 3. By way of background, the Ariola Trusts own minerals in Blaine County, Oklahoma, many of which have or had oil and gas wells operated by Continental Resources, Inc. ("Continental") These minerals provided supplemental income for my mother in her later years. After discussing the matter with Bill Strack, she believed there to be systemic royalty underpayment issues, and systemic improper royalty reporting issues, by Continental on her wells in Blaine County, and throughout Oklahoma, where Continental had a royalty payment obligation.

- 4. After discussing it further with Bill Strack and her attorney, Kerry Caywood, Mom decided to retain Class Counsel to initiate and prosecute this Litigation. As part of that decision, Mom discussed with Class Counsel and Bill Strack (the other original named plaintiff) the commitment that would be made by the Ariola Trusts and the Trustee to fulfill the responsibilities of being a named Plaintiff and a proposed Class Representative. (Likewise, when I was I became Sole Trustee of the Ariola Trusts, I too had these discussions with Class Counsel.)
- 5. Mom and the Ariola Trusts retained Burns & Stowers, P.C. ("Burns & Stowers") because of their background in successfully prosecuting royalty underpayment cases and class actions, and their expertise in having drafted and defended the Production Revenue Standards Act which would serve as the basis for many of Plaintiffs' claims. Based upon the risks associated with the Litigation, the significant expenses Class Counsel could be required to advance, the vigorous defense anticipated from Continental based upon their litigation history, and with knowledge of fee agreements entered into (and later approved by courts) in other class actions in Oklahoma, my mother, as a Trustee of the Ariola Trusts, entered into a contingency fee agreement with Burns & Stowers that provided:

"If we are successful, we will receive as a fee forty percent (40%) of all consideration which is received by you as a result of our efforts in prosecuting this claim, *i.e.*, forty percent (40%) of the gross recovery. As for the remainder of the class members, we will apply to the Court for the same forty percent (40%) of gross recovery fee. In the event such consideration includes non-cash consideration, such as the agreement to do or not do some future act, the present cash value of such non-cash consideration shall be determined and utilized in computing the full attorney's fee payable pursuant to this agreement.

At the time the contingency fee agreement was entered into, and still today, my mom understood, and I understand, a 40% fee was and is the market rate for such representation.

- 6. By participating in this Litigation, the Ariola Trusts hoped to obtain a money recovery for past unpaid royalties and injunctive relief for the Ariola Trusts and all other similarly situated royalty owners that would serve to prevent or lessen the royalty payment problems with Continental from reoccurring in the future.
- 7. Prior to mom's death, mom was involved in the Litigation, including assisting in drafting and reviewing of the Petition and communicating with Class Counsel and the other named Plaintiff Bill Strack regarding case strategy and settlement, as well as communicating with other Continental royalty owners regarding the status of the case.
- 8. After mom's death, I assumed the duties of Sole Successor Trustee of the Ariola Trusts and of being substituted as a named Plaintiff in the Litigation. I became highly involved in the Litigation and participated in numerous conferences with Class Counsel and Bill Strack (and Mark Strack after Bill Strack passed away), in drafting and reviewing of the Amended Petition, gathering and producing documents, answering interrogatories and requests for admission, attending depositions, preparing for and giving my own deposition, participating in two mediations, reviewing pleadings and discovery materials, in case evaluation and strategy, decision making regarding settlement negotiations, reviewing appellate briefs and decisions, reviewing and approving settlement documentation, and finally approving and executing the final Settlement Agreement with its numerous exhibits.

I consistently received status reports from Class Counsel, received and reviewed many court filings, and actively monitored and (in conjunction with named plaintiff Bill Strack or Mark Strack) supervised Class Counsel's work in the Litigation, and participated in all major decisions, including all settlement offers and counter offers, and the ultimate decision to approve the Settlement Agreement.

- 9. I was actively involved in the settlement negotiation process from the beginning of my entry into the case until now, including participation in two mediation sessions. That process from beginning to end took approximately 7 years, with me being involved in most of it including the last two plus years of counsel to counsel settlement negotiations that led to a successful settlement. Class Counsel consistently kept me advised of all developments, arranged conference calls with myself, Mark Strack and all Class Counsel, explained their analysis of damage models and risk analysis, and sought and obtained my authority to communicate offers and counter offers and deal terms. After the "term sheet" was agreed to, I continued to work with Class Counsel in review, discussion and approval of the final Settlement Agreement and it's attached documents. I have continued to monitor the case after the case was preliminarily approved by the Court and I am planning on participating in the presently scheduled hearing for the Court's final approval of the Settlement Agreement, and approval for Class Counsel's motion for attorneys' fees and expenses and a case contribution award for the Class Representatives. I also plan to continue to be involved in the implementation of the settlement, including monitoring the allocation and distribution process, the Time Period 2 audit of compliance, and reporting to the Court on the status and progress of implementation of the Settlement Agreement.
- 10. I, on behalf of the Ariola Trusts, attest to the fact the negotiation process was difficult, at times contentious, very time consuming and in all respects honest and arm's length. I believe the process resulted in a fair and reasonable settlement for the Class, and a very significant future benefit for the Class that requires Continental to cease deducting Gathering Charges during the Future Production Period (in perpetuity) and comply with all express no deduction clauses. The Sub-Class 1 Payment of \$49.8 million, the Sub-Class 2 payment to be determined, but currently estimated to be approximately \$7.5 million, the future benefits which are conservatively estimated to have a value in excess of \$50 million during the first 10 years of a perpetual period, and Continental's agreement to bear the costs of initial distribution and implementation estimated to be in excess of \$2 million, collectively total over \$107 million of benefit to the Class, which I believe to be an excellent recovery. I approve of the Settlement and recommend that it be approved by the Court.
- 11. I, on behalf of the Ariola Trusts and as a Class Representative, am very pleased with the efforts of Class Counsel in representing the interest of the Class and in the results obtained.
- 12. Class Counsel has applied for an award of attorneys' fees of 40% of the gross cash payments for Time Period 1 and Time Period 2 (Gross Settlement Funds), reimbursement of litigation expenses and no additional fee for the future benefits they achieved for the Class, even though the contingency fee agreement entered into by the Trust, allows recovery of a fee for such future benefits. As a Class Representative, I have approved (subject to approval of the Court), Class Counsel's requested fee of 40% of the Gross Settlement Funds to be recovered for the Sub-Class 1 Members and Sub-Class 2 Members, which I believe to be fair and reasonable, and recommend to the Court for

approval. I have also approved (subject to the Court's approval which I recommend) reimbursement of Class Counsel's requested litigation expense reimbursement, which I believe to be fair, reasonable and necessary for successful resolution of these claims and implementation of the Settlement Agreement. I understand that if these fees and expenses are awarded by the Court, they will be deducted from the Gross Settlement Funds prior to determining the net payments for allocation and distribution to the Class.

- With my authorization, but not at my request, Class Counsel have requested that the Court 13. approve a Class Representative Case Contribution Award to each of the four Trust class representatives in the amount of \$100,000.00 for each Plaintiff Trust, for their representation of the Class. I understand this amount is in recognition of the time and expense and risk undertaken by Class Representatives on behalf of the Class in the Litigation, as well as the time and expenses they will incur in implementation of the Settlement over the next few years. Although I did not keep time records, I estimate the Ariola Trusts have dedicated hundreds of hours working on this Litigation over the last 7 plus years on behalf of the Class. The Ariola Trusts have also incurred travel, copying, mailing and telephone expenses they do not seek separate reimbursement for, related to discovery matters, depositions, hearings, mediations, meetings with Class Counsel and settlement conferences. The Ariola Trusts also anticipate spending many additional hours related to approval, implementation, compliance reviews and reporting to the Court in carrying out the Settlement. If there is any appeal of the case, the Ariola Trusts will continue to monitor and supervise Class Counsel throughout the appellate process. continuing to advocate and protect the interests of the Class.
- 14. My mother was not told, and I have not been told, that the Ariola Trusts would be awarded a Class Representative Case Contribution Award, or that the amount of any such award would be tied to or based upon the amount of recovery for the Class or the amount of any attorney fee awarded to Class Counsel. Indeed, I and the Ariola Trusts will continue to represent the best interests of the Class in implementation of the Settlement even if the Ariola Trusts receive no Case Contribution Award.
- 15. As Class Representative, I understand that I and the Ariola Trusts are acting not only on behalf of the Ariola Trusts, but also on behalf of the Class as defined by the Court and its members. I will continue to fulfill my duties faithfully and will comply with all directives of the Court with regard to my duties to the Class and its members.

I state under penalty of perjury under the laws of Oklahoma that the forgoing is true and correct to the best of my knowledge.

Date: 5-3/-18

Daniela A. Renner