

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF PENNSYLVANIA**

TYRONE J. THOMPSON, on Behalf of  
Himself and All Others Similarly Situated,

Plaintiff

v.

ANADARKO E&P ONSHORE, LLC;  
ANADARKO PETROLEUM  
CORPORATION; ANADARKO E&P  
COMPANY, LP; MITSUI E&P USA, LLC; and  
STATOIL USA ONSHORE PROPERTIES,  
INC.

Defendants.

Case No. \_\_\_\_\_

**CLASS ACTION  
COMPLAINT AND JURY  
DEMAND**

**CLASS ACTION COMPLAINT**

Comes now the Plaintiff, on behalf of himself and all others similarly situated, and by and through his undersigned counsel, files this Complaint against the named Defendants, and in support thereof states as follows:

**I. INTRODUCTION**

1. This is a class action to obtain monetary damages and declaratory and injunctive relief based on the underpayment of royalties and/or the materially confusing and inaccurate reporting of royalty payments by Defendants on natural

gas produced under common oil and gas leases entered by Plaintiff and similarly situated Class members in the Commonwealth of Pennsylvania.

## **II. PARTIES**

### **A. Plaintiff**

2. Plaintiff Tyrone J. Thompson is a citizen of the Commonwealth of Pennsylvania. He resides at 254 Abbey Lane, Leesport, Pennsylvania 19539.

3. Plaintiff is the owner of property, including gas interests, in Bradford County, Pennsylvania. Plaintiff is a party to an oil and gas lease under which Plaintiff, as lessor, leased certain of his gas interests in Bradford County to Chesapeake Appalachia, LLC (“Chesapeake”), as lessee. A true and correct copy of Plaintiff’s lease is attached hereto as Exhibit “A.” Each of the Defendants has acquired from Chesapeake and currently owns an undivided interest in the lease as a lessee/working interest owner.

### **B. Defendants**

4. Defendant Anadarko E&P Onshore, LLC, is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located in the State of Texas. For the purposes of this action, it is a citizen of Delaware and of Texas pursuant to 28 U.S.C. §1332(d)(10).

5. Anadarko Petroleum Corporation is a corporation organized and existing under the laws of the State of Delaware, with its principal place of

business located in the State of Texas. For the purposes of this action, it is a citizen of Delaware and of Texas pursuant to 28 U.S.C. §1332(c)(1).

6. Anadarko E&P Company, LP, is a limited partnership organized and existing under the laws of the State of Delaware, with its principal place of business located in the State of Texas. For the purposes of this action, it is a citizen of Delaware and of Texas pursuant to 28 U.S.C. §1332(d)(10).

7. Anadarko E&P Onshore, LLC, Anadarko Petroleum Corporation and Anadarko E&P Company, LP, are affiliated entities. Each of them has held working interests in the leases at issue or calculated and remitted royalty payments to Plaintiff and the class members. They will be referred to herein collectively as “Anadarko.”

8. Defendant Mitsui E&P USA, LLC (“Mitsui”) is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business located in the State of Texas. For the purposes of this action, it is a citizen of Delaware and of Texas pursuant to 28 U.S.C. §1332(d)(10).

9. Defendant Statoil USA Onshore Properties, Inc. (“Statoil”) is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located in the State of Texas. For the purposes of this action, it is a citizen of Delaware and of Texas pursuant to 28 U.S.C. §1332(c)(1).

### **III. JURISDICTION**

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1332 (diversity jurisdiction) and the Class Action Fairness Act (“CAFA”), in that (i) there is diversity (Plaintiff is a citizen of Pennsylvania and Defendants are citizens of states other than Pennsylvania, and a member of the class is a citizen of a state different from any of the defendants), (ii) the aggregate amount in controversy exceeds five million dollars (\$5,000,000) exclusive of interest and costs, and (iii) there are more than 100 members of each of the proposed classes.

11. Each Defendant conducts substantial business in the Commonwealth of Pennsylvania, including, *inter alia*, producing gas and entering into agreements for the sale of property and property rights, and has sufficient contacts with Pennsylvania or otherwise intentionally avails itself of the laws of Pennsylvania, so as to sustain this Court’s jurisdiction over the Defendant.

12. Venue is proper in this District pursuant to 28 U.S.C. §1391 (a)(2) because a substantial part of the acts and transactions giving rise to the claims occurred in the Commonwealth of Pennsylvania and in this District, and pursuant to 28 U.S.C. § 1391(a)(3) because Defendant is subject to personal jurisdiction at the time this action is commenced.

#### IV. DEFINITIONS

13. The following definitions apply to this Complaint:

- a. “Gas” means natural gas, including associated liquid hydrocarbons, that is not Processed Gas or Treated Gas.
- b. “Processed Gas” means natural gas that is processed for the recovery of natural gas liquids therefrom in a gas processing, absorption, stripping or similar plant with resulting natural gas liquids that are separately marketed and sold. Natural gas is not Processed Gas solely because it is passed through a mechanical separator for the removal of liquid hydrocarbons at or near a well.
- c. “Treated Gas” means natural gas that is treated in a plant or facility designed for the removal of hydrogen sulfide, carbon dioxide, or other contaminants. Natural gas is not Treated Gas solely because it is passed through a mechanical separator for the removal of liquid hydrocarbons, water, or contaminants at or near a well.
- d. “Market Enhancement Clause” means Royalty payment clauses or provisions in an oil and gas lease that preclude the lessee from deducting costs incurred to transform leasehold gas into marketable form or make such gas ready for sale or use but permit the lessee to deduct a pro rata share of costs incurred after the gas is marketable or ready for sale or use. Such clauses are often entitled

or referred to as “Market Enhancement Clauses,” “MECs” or “Ready for Sale or Use Clauses.”

e. “Pennsylvania Leases” means each and every oil and gas lease that (a) covers a leasehold located in Pennsylvania, and (b) is or has been owned, in whole or in part, by one or more of the Defendants, according to the business records maintained by the Defendants, or any of them.

f. “Pennsylvania MEC Leases” means each and every oil and gas lease that (a) covers a leasehold located in Pennsylvania, (b) contains a Market Enhancement Clause, and (c) is or has been owned, in whole or in part, by Anadarko as a lessee, according to the business records maintained by Anadarko.

g. “Royalty” means lessor royalty interests, and does not include overriding royalty interests.

**V. COMMON FACTUAL BACKGROUND FOR MEC CLASS (ANADARKO ONLY)**

14. Plaintiff and the MEC Class Members described below have received and/or are entitled to receive Royalties from Anadarko under one or more Pennsylvania MEC Leases on Gas produced by Anadarko (or by a third party for Anadarko). Anadarko is responsible for the proper determination, calculation, distribution, and payment of Royalties due and owing to Plaintiff and the MEC Class Members on Gas produced by Anadarko (or by a third party for Anadarko).

15. Through the uniform practices, acts and omissions described herein, Anadarko has failed to pay the true Royalties owed to Plaintiff and the MEC Class Members, and Plaintiff and the MEC Class Members have been and/or will be damaged in an amount to be proven at trial.

16. Under the express terms of the Pennsylvania MEC Leases, Anadarko is not permitted to deduct from Royalty payments to Plaintiff and the MEC Class Members the costs Anadarko incurs to transform Plaintiff's and the MEC Class Members' Gas into marketable form.

17. Anadarko's Gas production is moved from the producing well through a series of gathering lines, dehydrators, and compressor stations, and eventually delivered to interstate pipelines, including to the Tennessee Gas pipeline and the Transco pipeline, for sale and delivery to various end-use customers. Substantial volumes of water are entrained in the raw gas stream, and the Gas must be dehydrated in order for the Gas to meet the quality specifications of the interstate pipeline systems. Dehydration takes place at various points upstream of the interstate pipeline inlet, i.e., prior to the Gas entering the interstate pipeline.

18. When calculating its Royalty payments to Plaintiff and the Class Members, Anadarko deducts costs for various "post-wellhead" activities, including costs for gathering, dehydration, compression, and otherwise placing the Gas onto the interstate pipeline system.

19. Plaintiff contends that Anadarko's Gas is not in marketable form until it meets the quality and pressure specifications of the interstate pipeline into which it is delivered. Plaintiff contends, therefore, that the raw Gas produced by Anadarko is not marketable at the well and that Anadarko's deductions for gathering, dehydration and compression are improper and in breach of the Pennsylvania MEC Leases, i.e., the deductions are for activities that are necessary to transform the Gas into marketable form.

20. Anadarko has deducted and will, upon information and belief, continue to deduct costs for gathering, dehydration and compression. Anadarko should be enjoined and restrained from taking such deductions under the Pennsylvania MEC Leases in the future.

**VI. COMMON FACTUAL BACKGROUND FOR ROYALTY REPORTING CLASS (ALL DEFENDANTS)**

21. After entering the oil and gas lease with Plaintiff referenced in paragraph 3, above, Chesapeake assigned an undivided interest in the lease to Statoil and assigned an undivided interest in the lease to Anadarko. Anadarko thereafter assigned an undivided portion of its interest in the lease to Mitsui. As a result of these various assignments, Plaintiff's lease is held by Chesapeake (37.5%), Anadarko (37.5%), Statoil (16.25%), and Mitsui (16.25%).

22. Plaintiff's lease is currently included in three different producing gas units located in Bradford County, Pennsylvania, including the Schoonover 2H, the



Allen 5H, and the Stevens North 2H units. Defendants are working interest owners in each of these units. Defendants also own working interests in a number of other producing gas units in Pennsylvania.

23. Each Defendant, as a working interest owner in a gas unit that includes one or more Pennsylvania Leases, is entitled to take “in kind” an amount of gas production from the unit that is proportionate to its gross working interest ownership in the unit. Each Defendant, therefore, takes gas “in kind” from the unit in which it owns a working interest; markets and sells the volume of gas it has taken; and, on a monthly basis, calculates and makes royalty payments to those persons and entities, such as Plaintiff and the Royalty Reporting Class Members, whose leases are included within the unit.

24. When it makes royalty payments, each Defendant sends to its royalty payees, including Plaintiff and the Royalty Reporting Class Members, a remittance statement (or “check stub”) containing information pertinent to the Defendant’s royalty payment calculation. Each Defendant uses a check stub format that is different from the check stub format used by each of the other Defendants. Defendants’ use of differing check stub formats creates substantial confusion for royalty payees such as Plaintiff and the Royalty Reporting Class Members, who are entitled to receive an accurate and comprehensible accounting of the royalty calculation the check stubs purport to reflect.

25. Regardless of the format used, the check stubs for each Defendant fail to disclose, specify, or explain whether the royalties being paid by that Defendant are being paid on a gas volume that is measured at the wellhead or on a gas volume that is measured at a downstream sales point. The check stubs further fail to disclose, specify, or explain whether the gas volume shown on the check stub (a) is the volume of gas which the Defendant was entitled to take from the unit/well, or (b) is the volume of gas which the Defendant actually took from the unit/well, regardless of its entitlement, or (c) is the volume of gas attributable to all working interests in the well (i.e., full well stream volume).

26. When Defendants own working interests in the same unit and are separately paying royalties to the same royalty payees in the unit, Defendants are obligated to and should coordinate their royalty payment and royalty reporting practices to ensure that each royalty payee (a) receives accurate royalty payments based on the total gas volume produced from the unit and based on the entirety of their net revenue interest in the unit, and (b) is not confused by differences in Defendants' royalty calculation methodologies and/or check stubs. Defendants have failed to do this, however. For example, in the Schoonover 2H unit in which Plaintiff's lease is included, Anadarko reports on its monthly stubs a volume of gas that is, upon information and belief, the volume of gas that Anadarko actually took "in kind" from the unit during the subject production month; and Anadarko applies

Plaintiff's full net revenue decimal interest in the unit to calculate its royalty payment to Plaintiff. In contrast, Mitsui reports on its monthly check stubs a volume of gas that is, upon information and belief, the total volume of gas produced from the unit during the subject production month; and Mitsui then applies a net revenue decimal interest for Plaintiff that is only 16.25% of Plaintiff's net revenue decimal interest in the unit, and thereby pays royalties on an "entitlements" basis, without regard to how much gas Mitsui actually took "in kind" from the unit. Such inconsistent royalty calculation and reporting practices create undue confusion for royalty owners and, more importantly, cause royalty payees such as Plaintiff and the Royalty Reporting Class Members to be paid incorrectly.

27. In addition, Defendants' check stubs overstate (misrepresent) the unit prices they have received for their gas sales.

28. Gas volume is measured and expressed in "Mcf" (1,000 cubic feet). However, gas is marketed, valued and sold on an "MMBtu" basis. (The term "MMBtu" equals one million British thermal units (BTU); and one BTU is the heat required to raise the temperature of one pound of water by one degree Fahrenheit.) In other words, hydrocarbon gas is valued and priced/sold based on its heating content, which is expressed in MMBtu's. (Because of this, 100 Mcf of gas with a Btu content of 1.05 is more valuable than 100 Mcf of gas with a Btu content of

0.95.)

29. Because gas is marketed, valued, and sold on an MMBtu basis, publicly available gas price information and indices (e.g., NYMEX, OPIS, Platt's, etc.) report industry gas sales prices on an MMBtu basis, not on an Mcf basis. Such published gas prices, among other things, enable royalty payees (if they have the right information) to compare their lessee's MMBtu gas prices with industry-reported MMBtu prices, and thus help them determine if their lessee is paying royalties on the highest prices obtainable.

30. Defendants' check stubs contain specific unit prices, but those unit prices are Mcf prices, not MMBtu prices. The Mcf prices shown by Defendants are false and misleading; Defendants do not sell their gas on an Mcf basis. In addition, the gas produced in Pennsylvania and sold by Defendants has a Btu content in excess of 1.0. Therefore, the unit prices (Mcf) shown by Defendants on their check stubs are higher than the unit prices (MMBtu) Defendants actually received. Such overstated unit prices are intended to mislead Plaintiff and the Royalty Reporting Class Members, because the Defendants' reported unit prices (apples) compare more favorably to published industry prices (oranges) than do Defendants' actual MMBtu sales prices (oranges). Defendants' use of Mcf unit prices on their check stubs is intentionally misleading and improper.

31. The information that Defendants do include on their check stubs is not

sufficient to allow Plaintiff and the Royalty Reporting Class Members to compare Defendants' MMBtu sales prices with published MMBtu sales prices.

32. Defendants owe duties under the Pennsylvania Leases to Plaintiff and the Royalty Reporting Class Members that are implied by law, including the duty of good faith and fair dealing and the duty to act as a reasonably prudent operator. In addition, the law imposes on Defendants the duty to not make representations to Plaintiff and the Royalty Reporting Class Members that are materially false and misleading. The acts and omissions of Defendants described herein violate all of those legal duties.

33. Defendants' relationship with Plaintiff and the Royalty Reporting Class Members is such that Plaintiff and the Royalty Reporting Class Members have reasonably placed trust and confidence in Defendants to act in good faith with respect to their obligations to Plaintiff and the Royalty Reporting Class Members. Defendants, however, have deprived Plaintiff and the Royalty Reporting Class Members of information that is material to their royalty calculation and they are entitled to receive.

34. Defendants are in exclusive possession, custody and control of all information concerning their respective royalty calculations and payments. Plaintiff and the Royalty Reporting Class Members do not have access to this information and are compelled to rely on Defendants to accurately, fairly, and

honestly pay and report royalties to Plaintiff and the Class Members.

35. Defendants have implemented policies and procedures which have caused incomplete, confusing, and materially misleading royalty payment statements to be sent to Plaintiff and the Royalty Reporting Class Members. Plaintiff and the members of the Royalty Reporting Class are entitled to receive an accounting from Defendants, including the disclosure of material information relating to Defendants' production volumes, sales volumes, and sales prices. In addition, or alternatively, through the issuance of declaratory and/or injunctive relief, Defendants should be required to remedy their past inaccurate reportings by sending supplemental and corrected royalty payment statements to Plaintiff and the Royalty Reporting Class Members.

36. Defendants should also be required, through the issuance of declaratory and/or injunctive relief, to revise their royalty calculation and royalty reporting practices, adopt and utilize a uniform check stub format that is common to all Defendants, and otherwise provide full, accurate, and transparent royalty calculation and payment information to Plaintiff and the Royalty Reporting Class Members.

## **VII. CLASS ACTION ALLEGATIONS**

37. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiff brings this action on behalf of himself and the MEC Class, defined as follows:

All individuals and entities, including their predecessors and successors-in-interest, who are lessor parties to an oil and gas lease that (a) covers a leasehold located in Pennsylvania, (b) contains a Market Enhancement Clause, and (c) is or has been owned, in whole or in part, by Anadarko as a lessee, according to the business records maintained by Anadarko.

38. Excluded from the MEC Class are: (a) Anadarko, Anadarko's affiliates, and their respective predecessors and successors; (b) any person or entity who owns a working interest in or operates a gas well in Pennsylvania; (c) any person or entity who receives royalty in kind pursuant to a Pennsylvania MEC Lease; (d) any person (i) whose lease contains a Market Enhancement Clause, (ii) to whom Anadarko has made no Royalty payments as of the date of this Complaint, and (iii) whose lease has been sold, transferred, and/or assigned by Anadarko in its entirety as of the date of this Complaint; (e) any person or entity who has previously released Anadarko from liability for the claims asserted herein; (f) the federal government; (g) the Commonwealth of Pennsylvania; (h) legally-recognized Indian Tribes; and (i) any Judge or Magistrate Judge presiding over this action and members of their respective families.

39. Plaintiff also, pursuant to Rule 23 of the Federal Rules of Civil Procedure, brings this action on behalf of himself and the Royalty Reporting Class, defined as follows:

All persons and entities who have, since March 1, 2012, received royalties and royalty remittance statements (check stubs) from

Anadarko, Statoil, and/or Mitsui on gas produced under a Pennsylvania Lease, according to the business records maintained by Defendants, or any of them.

40. Excluded from the Royalty Reporting Class are: (a) Defendants and their respective affiliates, predecessors and successors; (b) any person or entity who owns a working interest in or operates a gas well in Pennsylvania; (c) any person or entity who receives royalty in kind pursuant to a Pennsylvania Lease; (d) the federal government; (e) the Commonwealth of Pennsylvania; (f) legally-recognized Indian Tribes; and (g) any Judge or Magistrate Judge presiding over this action and members of their respective families.

41. Numerosity: As to each Class, the members (“Class Members”) are so numerous that joinder of all members is impractical. The precise number and identity of the members of the MEC Class and of the Royalty Reporting Class are unknown to Plaintiff. However, upon information and belief, Plaintiff believes it is in excess of 1,000 for each class. Moreover, upon information and belief, the number and identity of the Class Members is ascertainable from Defendants’ records and the Class Members may thus be notified of the pendency of this action by first class mail.

42. Commonality: As to each Class, there are questions of law and/or fact common to the Class that predominate over any questions affecting individual



Class Members. These questions are capable of classwide resolution, and answering them will resolve issues central to the validity of Plaintiff's claims.

43. As to the MEC Class, common questions include, but are not limited to, the following:

- a. The methodology and underlying records used by Anadarko to calculate Royalties due to Plaintiff and the MEC Class Members;
- b. The types of post-wellhead costs and other fees, costs, and expenses that were charged, directly or indirectly, by Anadarko to Plaintiff and the MEC Class Members;
- c. Whether Anadarko has failed to pay royalties to Plaintiff and the MEC Class Members on gas that was produced but used as fuel or was lost or otherwise unaccounted for during gathering, compression, or dehydration operations;
- d. Whether the post-wellhead costs (monetary or volumetric) charged by Anadarko to Plaintiff and the MEC Class Members are improper as a matter of law and/or fact;
- e. Whether Anadarko has violated its duty to properly account and pay Royalties to Plaintiff and the Class Members on Gas produced in Pennsylvania as a result of the acts and omissions described herein; and
- f. Whether the Gas is marketable at the well.

44. As to the Royalty Reporting Class, common questions include, but are not limited to, the following:

- a. The methodology and underlying records used by Defendants to calculate and report gas royalties due to Plaintiff and the Royalty Reporting Class Members under the Pennsylvania Leases;
- b. The check stub formats that have been used by Defendants;
- c. The check stub format that should be used by Defendants;
- d. The type of information that has been included on Defendants' check stubs;
- e. The type of information that should be included on Defendants' check stubs; and
- f. Whether Defendants have violated their duty to provide accurate and comprehensible royalty payment information to Plaintiff and the Royalty Reporting Class Members as a result of the acts and omissions described herein.

45. The common pattern of conduct by Defendants (along with the common theories for redressing the misconduct) support the maintenance of this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

46. Typicality: Plaintiff's claims are typical of the claims of the MEC Class, as all such claims arise out of Anadarko's uniform practice of making deductions (monetary and/or volumetric) for gathering, dehydration and compression of the Gas (breach of leases), including improperly imposing on Plaintiff and the MEC Class Members the costs of placing the Gas produced by Anadarko in a marketable condition. Plaintiff's claims also are typical of the claims of the Royalty Reporting Class, as all such claims arise out of Defendants' royalty reporting practices and the common legal duties owed by Defendants to Plaintiff and the Royalty Reporting Class.

47. Adequate Representation: Plaintiff will fairly and adequately protect the interests of each Class. Plaintiff has retained counsel with experience in complex class action litigations, including actions involving breaches of oil and gas leases and underpayment of royalties. Plaintiff and his counsel are committed to prosecuting this action vigorously on behalf of the Classes they seek to represent, and have the financial resources to do so. Neither Plaintiff nor his counsel have any interest adverse to those of the Classes.

48. Predominance and Superiority: As to the MEC Class, this class action is appropriate for certification because questions of law and fact common to the members of the MEC Class predominate over questions affecting only individual members and a class action is superior to other available methods for the fair and

efficient adjudication of this controversy, since individual joinder of all members of the MEC Class is impracticable. Absent a class action, many members of the MEC Class will find the litigation costs regarding their claims so prohibitive that they effectively would be unable to seek any redress at law. Because of the size of the individual MEC Class Members' claims, many could not afford to seek legal redress or the relief requested for the wrongs set forth herein. A class action is the only realistic method available for the fair and efficient adjudication of this controversy. The expense and burden of individual litigation makes it impracticable for members of the MEC Class to seek redress individually for the wrongful conduct alleged herein. Were each individual MEC Class Member required to bring a separate lawsuit, the resulting multiplicity of proceedings would cause undue hardship and expense for the litigants and the Court, and create the risk of inconsistent rulings that would be contrary to the interest of justice and equity. Absent a class action, Anadarko will probably continue the improper and wrongful conduct herein described, the MEC Class Members will continue to be damaged by Anadarko's wrongful conduct, and Anadarko's violations of the law will continue without remedy.

49. As to the Royalty Reporting Class, this class action is appropriate for certification because Defendants have acted or refused to act on grounds that apply generally to the class – namely, through the provision of inaccurate,

incomprehensible, and/or confusing check stubs and royalty statements – so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole.

## **VIII. CAUSES OF ACTION**

### **COUNT I** **BREACH OF CONTRACT**

50. Plaintiff and the MEC Class Members entered into the Pennsylvania MEC Leases, which are contracts pursuant to which Anadarko owed and owes Royalties for the production and sale of Gas.

51. The conduct described under Section V, above, constitutes violations and breaches of the express obligations which Anadarko owes to Plaintiff and the MEC Class Members under their Pennsylvania MEC Leases.

52. Plaintiff and the Royalty Reporting Class Members entered into the Pennsylvania Leases, which are contracts pursuant to which Defendants owed and owe Royalties for the production and sale of Gas.

53. The conduct described under Section VI, above, constitutes violations and breaches of implied obligations, including the duty of good faith and fair dealing and the duty to act as a reasonably prudent operator, which Defendants owe to Plaintiff and the Royalty Reporting Class Members under their Pennsylvania Leases.

54. Plaintiff and the Class Members have been damaged as a result thereof and are entitled to recover their actual damages from Defendants, statutory or other interest at the maximum lawful rate, and any and all other relief deemed appropriate by the Court.

**COUNT II**  
**REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF**

55. Actual controversies between the parties exist. Plaintiff claims that Anadarko improperly deducts certain expenses in violation of the Pennsylvania MEC Leases, and Anadarko denies the same. Plaintiff also claims that Defendants calculate and report their royalties improperly, and Defendants deny the same. Such controversies should be resolved, and the rights and obligations of the parties should be declared through declaratory judgments issued pursuant to, *inter alia*, 28 U.S.C. §2201(a).

56. Plaintiff and the Class Members have been damaged and are threatened with future damages by Defendants' policies and practices, and each Defendant has acted, and threatened to act, on grounds generally applicable to the individual Class Members, thereby making appropriate permanent injunctive relief enjoining Defendants from further engaging in the improper and wrongful conduct heretofore alleged.

57. The balance of equities is in favor of granting the injunctive relief, as Plaintiff and the Class Members have been injured by Defendants' actions, will

continue to be injured, and will suffer irreparable harm absent the requested injunctive relief.

**IX. PRAYER FOR RELIEF**

58. Plaintiff respectfully requests, on behalf of himself and the Classes, that this Court:

- a. Enter an order, pursuant to Rule 23, certifying each Class, appointing Plaintiff as Class Representative for each Class, and appointing the undersigned counsel of record as Class Counsel for each Class;
- b. Enter judgment in favor of Plaintiff and the Class Members for damages suffered as a result of the conduct alleged herein, to include interest and pre-judgment interest;
- c. Award reasonable attorney fees and costs to Plaintiff and to Class Counsel;
- d. Enter an order(s) for declaratory relief and for injunctive relief enjoining Defendants from pursuing the policies, acts and practices described in this Complaint; and
- e. Grant such other and further legal and equitable relief as this Court deems just and necessary.

Dated: March 30, 2017

TYRONE J. THOMPSON, on Behalf of  
Himself and All Others Similarly  
Situating, PLAINTIFF

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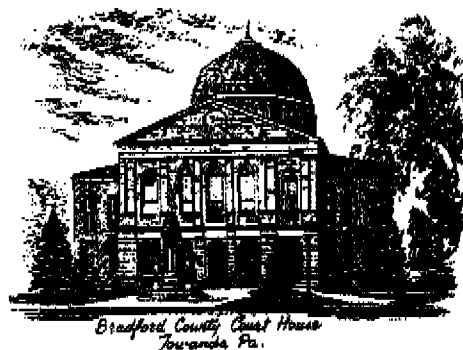
Attorneys for Plaintiff and All Others Similarly Situated

# **EXHIBIT A**

**BRADFORD COUNTY RECORDER OF DEEDS  
REGISTER OF WILLS  
CLERK OF ORPHANS' COURT**

**SHIRLEY ROCKEFELLER - RECORDER  
301 MAIN STREET  
TOWANDA, PA 18848**

**CINDY BLOKZYL - CHIEF DEPUTY**



**Instrument Number - 200916136**

**Recorded On 8/4/2009 At 10:21:53 AM**

**\* Total Pages - 6**

**\* Instrument Type - OIL LEASE**

**Invoice Number - 250481**

**\* Grantor - THOMPSON, TYRONE J**

**\* Grantee - CHESAPEAKE APPALACHIA**

**\* Customer - STERLING ENERGY CORP**

**\* FEES**

STATE WRIT TAX	\$0.50
PIN CERTIFICATIONS	\$5.00
RECORDING FEES -	\$15.50
RECORDER OF DEEDS	
COUNTY ARCHIVES FEE	\$2.00
ROD ARCHIVES FEE	\$3.00
TOTAL PAID	\$26.00

**This is a certification page  
DO NOT DETACH  
This page is now part  
of this legal document.**

**RETURN DOCUMENT TO:  
STERLING ENERGY CORP**

**I hereby CERTIFY that this document is  
recorded in the Recorder's Office of  
Bradford County, Pennsylvania.**



*Shirley Rockefeller*  
**RECORDER OF DEEDS  
Register of Wills  
Clerk of Orphans Court**

**\* - Information denoted by an asterisk may change during  
the verification process and may not be reflected on this page.**

012BE6



**PAID-UP  
OIL & GAS LEASE**

Lease No. 1282312-000

This Lease made this 8th day of July, 2009, by and between Tyrone J. Thompson a/k/a Tyrome Thompson, a single man, of 254 Abbey Lane, Leesport, PA 19539, hereinafter "Lessor" and CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter "Lessee".

WITNESSETH, that for and in consideration of the premises, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

**LEASING CLAUSE.** Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment.

**DESCRIPTION.** See Exhibit 'B' for lands described in WYSOX Township, Bradford County, Pennsylvania

**See Exhibit 'A' and Exhibit 'B' attached hereto and made a part hereof.**

and described for the purposes of this agreement as containing a total of 51.8500 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

**LEASE TERM.** This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 08, 2009 (effective date) to 11:59 P.M. July 07, 2014 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

**EXTENSION OF PRIMARY TERM.** Lessee has the option to extend the primary term of this Lease for one additional term of FIVE (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

**NO AUTOMATIC TERMINATION OR FORFEITURE**

**(A) CONSTRUCTION OF LEASE:** The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

**(B) LIMITATION OF FORFEITURE:** This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

**PAYMENTS TO LESSOR.** In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

**(A) DELAY RENTAL:** To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.

**(B) ROYALTY:** To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:

1. **OIL:** To deliver to the credit of Lessor, free of cost, a Royalty of the equal One-Eighth (1/8) part of all oil and any constituents thereof produced and marketed from the Leasehold.

2. **GAS:** To pay Lessor an amount equal to One-Eighth (1/8) of the revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

3. **MINIMUM ROYALTY:** It is the parties' intent that this lease conform to Pennsylvania statute 58 P.S. §33 and guarantee a gas royalty of at least 1/8th of all production removed or recovered from the property. If it is ever determined that this lease does not so conform, then this lease shall not be invalid and it shall be deemed amended from the date of execution to conform to the requirements of the statute.

(C) **DELAY IN MARKETING:** In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.

(D) **SHUT-IN:** In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or Lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(E) **DAMAGES:** Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

(F) **MANNER OF PAYMENT:** Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) **CHANGE IN LAND OWNERSHIP:** Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(H) **TITLE:** If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) **LIENS:** Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

(J) **CHARACTERIZATION OF PAYMENTS:** Payments set forth herein are covenants, not special limitations, regardless of the manner in which those payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.

(K) **PAYMENT REDUCTIONS:** If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

**UNITIZATION AND POOLING.** Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease and the local property tax assessment calculation of the lands covered by the Lease, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

**FACILITIES.** Lessee shall not drill a well within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

**CONVERSION TO STORAGE.** Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in the well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, and in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

**DISPOSAL AND INJECTION WELLS.** Lessor hereby grants to Lessee the right to drill wells and/or re-enter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year, proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

**TITLE AND INTERESTS.** Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

**LEASE DEVELOPMENT.** There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

**COVENANTS.** This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts God and/or third parties over whom Lessee has no control.

**RIGHT OF FIRST REFUSAL.** If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease forms to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise

Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

**ARBITRATION.** In the event of a disagreement between Lessor and Lessee concerning this Lease, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

**ENTIRE CONTRACT.** The entire agreement between Lessor and Lessee is embodied herein. No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

**TITLE CURATIVE.** Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

**SURRENDER.** Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

**SUCCESSORS.** All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

**FORCE MAJEURE.** All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

**SEVERABILITY.** This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

**COUNTERPARTS.** This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Tyrone J. Thompson  
Tyrone J. a/k/a Tyrone Thompson Thompson

Witness [Signature] (Seal)

Witness \_\_\_\_\_ (Seal)

Document prepared by: Chesapeake Appalachia, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118

COMMONWEALTH OF PA ACKNOWLEDGEMENT  
STATE OF Bradford Pennsylvania }

COUNTY OF Bradford } ss.

On this, the 10 day of July, 2009 before me Todd E. VanDyke, the undersigned officer, personally appeared Tyrone J. Thompson a/k/a Tyrone Thompson, a single man,

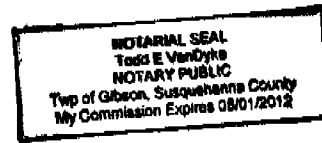
known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I here unto set my hand and official seal.

My Commission expires: 5/1/2012

Signature/Notary Public: Todd E. VanDyke

Name/Notary Public (print): Todd E. VanDyke



Recorder: Return to Chesapeake Appalachia, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118

**EXHIBIT "A"**

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated July 8, 2009, by and between Tyrome J. Thompson a/k/a Tyrome Thompson, a single man, as Lessor, and CHESAPEAKE APPALACHIA, L.L.C., as Lessee. If any of the following provisions conflict with or are inconsistent with the printed provisions or terms of this Lease, the following provisions shall control.

**ROYALTY:** All references made herein to one-eighth (1/8) royalty shall be amended to Twenty-Percent (20%).

**WATER DAMAGE:** In the event any activity carried on by Lessee pursuant to the terms of this lease damages, disturbs, or injures Lessor's fresh water well or source located on these leased premises, Lessee shall at its sole cost and expense use its best efforts to correct any such damage, disturbance or injury.

**RECLAMATION:** Lessee shall construct or install all well sites, access roads and pipeline right-of-ways in a manner which would minimize any related soil erosion. Further, any related surface reclamation shall be done in a manner which restores said land as nearly to original contours as reasonably practical.

**DAMAGES:** Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee agrees to pay Lessor at a reasonable rate for all surface damages caused by Lessee's operations to growing crops, trees and timber.

**HOLD HARMLESS:** Lessee agrees it will protect and save and keep Lessor harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Lessee or those holding under Lessee, and Lessee will at all times protect, indemnify and save and keep harmless the Lessor against and from any and all loss, damage or expense, including any injury to any person or property whomsoever or whatsoever arising out of or caused by any negligence of the Lessee or those holding under Lessee.

**LOCATION APPROVAL:** Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

**MARKET ENHANCEMENT:** It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

**NO STORAGE RIGHTS:** Notwithstanding anything herein contained to the contrary, Lessee agrees the herein described leased premises shall not be used for the purpose of gas storage as defined by the Federal Energy Regulatory Commission. Any reference to gas storage contained in this lease is hereby deleted. If Lessor wishes to enter into an agreement regarding gas storage using the leased premises with a third party, Lessor shall first give Lessee written notice of the identity of the third party, the price or the consideration for which the third party is prepared to offer, the effective date and closing date of the transaction and any other information respecting the transaction which Lessee believes would be material to the exercise of the offering. Lessor does hereby grant Lessee the first option and right to purchase the gas storage rights by matching and tendering to the Lessor any third party's offering within 30 days of receipt of notice from Lessor.

**COMPLIANCE:** Lessee's operations on said land shall be in compliance with all applicable federal and state regulations.

**SIGNED FOR IDENTIFICATION ONLY:**

Tyrome J. Thompson  
Tyrome J. a/k/a Tyrome Thompson Thompson

Witness Muchacha (Seal)

\_\_\_\_\_

Witness \_\_\_\_\_ (Seal)

**EXHIBIT "B"**

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 7/8/2009, by and between Tyrone J. Thompson a/k/a Tyrone Thompson, a single man of 254 Abbey Lane Leesport, PA, 19532 as Lessor and CHESAPEAKE APPALACHIA, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 62-075.00-153-000-000 and 62-075.00-155-000-000

and is bounded formerly or currently as follows:

- On the North by lands of Mercur Hill Road
- On the East by lands of Jeffrey S. Barank, Sr. (Tax Id 62-075.00-153-000-000);  
John G. Frisch, Jr. (Tax Id 62-075.00-184-000-000)
- On the South by land of Joseph J. Smith (Tax Id 62-075.00-156-000-000)
- On the West by lands of Mercur Hill Road

including lands acquired from James T. Stratton and Marlon Stratton, his wife by virtue of deed dated October 28, 2000, and recorded in/at Instrument #200011924, and including lands acquired from Tyrone J. Thompson, single, by virtue of deed dated December 15, 1998, and recorded in/at Instrument #199813760, and described for the purposes of this agreement as containing a total of 51.82 Leasehold acres

**SIGNED FOR IDENTIFICATION ONLY:**

Tyrone J. Thompson  
Tyrone J. a/k/a Tyrone Thompson Thompson

Witness Mick Calabrese (Seal)

(Seal)



**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

<p><b>I. (a) PLAINTIFFS</b> Tyronne J. Thompson, on behalf of himself and all others similarly situated,</p> <p><b>(b)</b> County of Residence of First Listed Plaintiff <u>Berks County, PA</u> <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i></p> <p><b>(c)</b> Attorneys <i>(Firm Name, Address, and Telephone Number)</i> Charles E. Schaffer Levin Sedran &amp; Berman, 510 Walnut Street, Suite 500 Philadelphia, PA 19106 (215) 592-1500</p>	<p><b>DEFENDANTS</b> Anadarko E&amp;P Onshore, LLC; Anadarko Petroleum Corporation; Anadarko E&amp;P Company, LP; Mitsui E&amp;P USA, LLC; and Statoil USA Onshore Properties, Inc.</p> <p>County of Residence of First Listed Defendant _____ <i>(IN U.S. PLAINTIFF CASES ONLY)</i></p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.</p> <p>Attorneys <i>(If Known)</i></p>
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<p><b>II. BASIS OF JURISDICTION</b> <i>(Place an "X" in One Box Only)</i></p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff</p> <p><input type="checkbox"/> 2 U.S. Government Defendant</p> <p><input type="checkbox"/> 3 Federal Question <i>(U.S. Government Not a Party)</i></p> <p><input checked="" type="checkbox"/> 4 Diversity <i>(Indicate Citizenship of Parties in Item III)</i></p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> <i>(Place an "X" in One Box for Plaintiff and One Box for Defendant)</i></p> <p><i>(For Diversity Cases Only)</i></p> <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:10%;">PTF <input checked="" type="checkbox"/> 1</td> <td style="width:10%;">DEF <input type="checkbox"/> 1</td> <td style="width:33%;">Incorporated or Principal Place of Business In This State</td> <td style="width:10%;">PTF <input type="checkbox"/> 4</td> <td style="width:10%;">DEF <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input checked="" type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF <input checked="" type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF <input checked="" type="checkbox"/> 1	DEF <input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	PTF <input type="checkbox"/> 4	DEF <input type="checkbox"/> 4														
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5														
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6														

[Click here for: Nature of Suit Code Descriptions.](#)

<b>CONTRACT</b>	<b>TORTS</b>	<b>FORFEITURE/PENALTY</b>	<b>BANKRUPTCY</b>	<b>OTHER STATUTES</b>		
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/ Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act	
<b>REAL PROPERTY</b>	<b>CIVIL RIGHTS</b>	<b>PRISONER PETITIONS</b>	<b>LABOR</b>	<b>SOCIAL SECURITY</b>	<b>FEDERAL TAX SUITS</b>	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<b>Habeas Corpus:</b> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <b>Other:</b> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	
			<b>IMMIGRATION</b>			
			<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes	

**V. ORIGIN** *(Place an "X" in One Box Only)*

1 Original Proceeding     2 Removed from State Court     3 Remanded from Appellate Court     4 Reinstated or Reopened     5 Transferred from Another District *(specify)*     6 Multidistrict Litigation - Transfer     8 Multidistrict Litigation - Direct File

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing *(Do not cite jurisdictional statutes unless diversity):*  
 28 U.S.C. Section 1332(d)

Brief description of cause:  
 This is a class action based on the underpayment of royalties due under oil and gas leases between the parties

**VII. REQUESTED IN COMPLAINT:**

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.    DEMAND \$ 5,000,000.00    CHECK YES only if demanded in complaint: JURY DEMAND:  Yes  No

**VIII. RELATED CASE(S) IF ANY** *(See instructions):* JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 03/30/2017    SIGNATURE OF ATTORNEY OF RECORD s/ Charles E. Schaffer

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Lawsuit: Lease Owners Aghast Over Unpaid Gas Royalties](#)

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