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Lawsuit Filed Against XTO Energy

Two residents of the Oklahoma panhandle are seeking to recover royalties from oil wells in a class-action law suit filed against XTO Energy, Inc. The case, which could bring class wide damages in excess of $25 million,

According to a press release by Edward L. White, P.C., counsel for the case, plaintiffs, Ladene Beer and Katherine Boeck-Frankl each own royalties in production from wells in the Oklahoma Panhandle that feed into a gathering system operated by XTO's wholly-owned subsidiary Timberland. The Timberland gathering system collects gas from about 220 wells in the Oklahoma Panhandle and 70 wells in southwest Kansas. The gas is processed in a plant near Tyrone, Okla. and the reside gas is ultimately sold to DCP Midstream, a company with no affiliation to XTO.

The press release goes on to say the class includes all non-governmental royalty owners with interests in XTO-operated wells that are gathered through the Timberland system. XTO is paid one price by DCP Midstream, but reduces that price by an arbitrary 20 percent or 25 percent when calculating payments for the class. Plaintiffs seek to recover for the class the 20 percent or 25 percent reduction in the price paid by XTO.

"This ruling is proper based on the evidence presented in the class briefing and at the hearing on certification," said White. "XTO treats all class members identically, and its own officers testified that recalculating royalties would be simple matter." White stated that class-wide damages are expected to exceed $25 million. Information on this case is available at www.xtoclass.com.

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