

IN THE DISTRICT COURT OF GARVIN COUNTY  
STATE OF OKLAHOMA

STATE OF OKLAHOMA }  
GARVIN COUNTY } SS.  
**FILED**

OCT - 3 2024  
AT 4:07 O'CLOCK \_\_\_\_\_ M.  
LAURA LEE, Court Clerk  
BY \_\_\_\_\_ DEPUTY

WAKE ENERGY, LLC, on behalf of itself and )  
all others similarly situated, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
DEVON ENERGY PRODUCTION COMPANY, L.P. )  
 )  
Defendant. )

CASE No. CJ-2024-267

**PETITION**

Plaintiff, Wake Energy, LLC (“Plaintiff”), on behalf of itself and all others similarly situated, sets forth the following in support of their causes of action:

**JURISDICTION AND VENUE**

1. Plaintiff, Wake Energy, LLC, is the owner of mineral interests located throughout the State of Oklahoma.
2. Defendant, Devon Energy Production Company, L.P. (“Defendant”), is an Oklahoma limited partnership conducting business in Oklahoma. Therefore, the Court has jurisdiction over the parties.
3. Defendant is the operator of various oil and gas wells located throughout the State of Oklahoma, including Garvin County, Oklahoma. Therefore, venue is proper in Garvin County pursuant to 12 O.S. § 134.
4. When examining the totality of the circumstances, the District Court of Garvin County is the proper forum to adjudicate the claims of Plaintiff and the Class as Plaintiff’s claims do not involve matters of national or interstate interest, Plaintiff’s claims will be governed by the laws of the State of Oklahoma, the action was brought in Garvin County which has a distinct nexus with

the class members, the alleged harm, and the Defendant, and the number of Class Members who are citizens of the State of Oklahoma is believed to be substantially larger than the number of citizens from any other State.

#### GENERAL ALLEGATIONS

All allegations set forth in the paragraphs above are incorporated by reference.

5. Plaintiff institutes this action on behalf of itself and as representatives of a class of all other individuals or entities similarly situated to Plaintiff which are identified in the Class definition below (collectively referred to as "Class Members").

6. This action arises from Defendant's failure to properly pay royalty interest revenues ("Revenues") to Plaintiff and Class Members who own interests in oil and gas wells which were owned and operated by Defendant during the production months of February 2021 (the "Relevant Time").

7. Plaintiff and Class Members own royalty interests throughout the State of Oklahoma in oil and gas wells which are owned and operated by Defendant during the Relevant Time.

8. By virtue of various agreements, including but not limited to, oil and gas leases, pooling orders, participation agreements, marketing agreements, and other agreements, Defendant is obligated to pay the Revenues to Plaintiff and Class Members.

9. Defendant and its affiliates failed to pay Plaintiff's and Class Members' Revenues on the actual price received by Defendant during the Relevant Time.

10. Upon information and belief, Defendant entered into various contractual arrangements designed to conceal the actual price Defendant received for the sale of hydrocarbons

from the Subject Wells in order to retain the benefit of the higher natural gas prices that existed during the Relevant Time to the detriment of Plaintiff and Class Members.

11. During the Relevant Time, Defendant had the right to drill, produce, and sell hydrocarbon production as the operator of wells located on leased and/or unitized premises within Oklahoma (“Subject Wells”) and was obligated to pay Plaintiff and Class Members proceeds from production therefrom.

12. Pursuant to the Agreements, Defendant is required to properly pay Plaintiff’s and Class Members’ Revenues for natural gas produced and sold during the Relevant Time from the Subject Wells.

13. On or about February 15, 2021, Oklahoma and Texas were impacted by a weather event which brought freezing temperatures across both states for approximately two weeks. While the average per/MMBTU price in the months leading up to the Relative Time was approximately \$2.50/MMBTU, the freezing February 2021 temperatures caused the price that Defendant received for natural gas to increase drastically, in some instances, exceeding \$1,000.00/MMBTU.

14. Upon information and belief, Defendant received proceeds from the sale of hydrocarbons at these historic prices and failed to pay Plaintiff and Class Members their proportionate share of the same amounts received by Defendant.

15. Upon information and belief, Defendant entered into various contractual arrangements in order to actively conceal from Plaintiff and Class Members the actual price Defendant received for the volumes of gas sold from the Subject Wells during the Relevant Time.

16. Upon information and belief, Defendant failed to pay Plaintiff’s and Class Members’ Revenues based on the actual natural gas prices received by Defendant from production

from the Subject Wells during the Relevant Time and instead paid Plaintiff and Class Members a lower price than the amount actually received by Defendant.

17. Pursuant to Defendant's express and implied duties under the Agreements, Defendant was required, but failed, to accurately, properly and timely report, account for, and distribute Revenues to Plaintiff and Class Members.

18. Defendant failed to provide all required information on the revenue check detail sent to Plaintiff and Class Members.

#### CLASS ACTION ALLEGATIONS

The allegations set forth in the paragraphs above are incorporated by reference.

19. Plaintiff brings this action as the representatives of a class pursuant to 12 O.S. § 2023 of the Oklahoma Rules of Civil Procedure. Plaintiff proposes the following class definition at this time:

*Class Definition.* All non-excluded persons or entities who were paid royalties from Devon Energy Production Company, L.P. on residue gas produced from Oklahoma Wells that was sold to Devon Gas Services, L.P. during the Claim Period.

*Exclusions.* Excluded from the Settlement Class are: (1) Devon Energy Production Company, L.P. and the Released Parties and their respective affiliates, predecessors, and employees, officers, and directors; (2) agencies, departments, or instrumentalities of the United States of America or the State of Oklahoma; (3) Commissioners of the Land Office of the State of Oklahoma (CLO); (4) any publicly traded company or its affiliated entity that produces, gathers, processes, or markets gas; (5) any Indian Tribe as defined at 30 U.S.C. § 1702(4) or Indian allottee as defined at 30 U.S.C. § 1702(2); (6) Judy Grellner; and (7) Kunneman Properties, LLC.

20. Plaintiff believes that the number of individuals or entities that qualify as Class Members under the proposed class definitions is so numerous that joinder of all members is impracticable.

21. The claims asserted by Plaintiff, on behalf of itself, present questions of law and fact that are common to all Class Members, including, but not limited to, those common questions related to Plaintiff's asserted causes of action: (a) breach of contract/Oklahoma Production Revenue Standards Act; (b) actual and constructive fraud; (c) unjust enrichment; and (d) accounting.

22. Plaintiff's claims and allegations are typical of the claims asserted on behalf of Class Members, and Defendant's anticipated defenses to Plaintiff's claims are typical of the anticipated defenses, which will likely be asserted against Class Members as a whole.

23. Plaintiff and Plaintiff's counsel will fairly and adequately represent the interests of Class Members.

24. Plaintiff has retained counsel with knowledge and experience in class action lawsuits.

25. Plaintiff and Plaintiff's counsel have no interests that conflict in any way with those of Class Members.

26. This action may be maintained as a class action because the prosecution of separate actions by individual Class Members will create a risk: (a) of inconsistent or varying adjudications with respect to individual Class Members which will establish incompatible standards of conduct for Defendant; or (b) that adjudications with respect to individual Class Members will as a practical matter be dispositive of the interests of the other Class Members not made parties to this action or will substantially impair or impede their ability to protect their interests.

27. This action may be maintained as a class action because the questions of law and fact that are common to Plaintiff and Class Members predominate over any issues or questions affecting only individual members.

28. A class action is superior to all other available methods for the fair and efficient resolution of this controversy because:

- a. The questions of law and fact are so substantially uniform across the Class and the damages suffered by individual Class Members would in many instances be relatively small, such that the financial burden on Class Members would make it impractical for them to pursue their own claims in individual actions against Defendant;
- b. Judicial economy would be best served by maintenance of this action as a class action, because a class action will supplant the filing of numerous individual suits by Class Members in the absence of such an action;
- c. The efficient and effective resolution of this controversy in a single forum without the need for a multiplicity of individual actions will best serve the interests of all parties involved in the present action;
- d. Plaintiff has no knowledge of any pending litigation involving any individual Class Members or Defendant relating to the allegations set forth herein;
- e. There are no obstacles that would entirely, or even substantially, preclude the Court from managing this action as a class action;
- f. The difficulties, if any, regarding the Court's effective and efficient management of this action as a class action will be slight in relation to the potential benefits to be realized by each and every Class Member; and
- g. Lastly, many Class Members, if not all, may never discover Defendant's wrongful acts due to the technical and complex nature of the accounting methods employed in the oil and gas industry, and Defendant's almost exclusive access to the information relating to the claims asserted in this action. Thus, in the absence of a class action, Defendant will not only be unjustly enriched from its wrongdoings but also continue to profit off the ignorance of all unknowing Class Members.

#### COUNT I

#### **BREACH OF CONTRACT/ OKLAHOMA PRODUCTION REVENUE STANDARDS ACT**

The allegations set forth in the paragraphs above are incorporated by reference.

29. Defendant failed to accurately, properly, and timely report, account for and distribute royalty payments and certain natural gas pricing information on which the royalty

payments are based to Plaintiff and Class Members for the gas produced and sold by Defendant during the Relevant Time from the Subject Wells.

30. Defendant's conduct constitutes a breach of the Agreements.

31. Defendant's breach is in violation of the Oklahoma Production Revenue Standards Act at 52 O.S. §§ 570.01, *et seq.* ("PRSA").

32. Upon information and belief, Defendant's acts were committed actually, knowingly, intentionally, willfully, and maliciously, or at least with reckless disregard for Plaintiff's and Class Members' rights.

33. As a result, Plaintiff and Class Members are entitled to recover both actual and punitive damages from Defendant, as well as, pre-judgment interest, post-judgment interest, attorney's fees, expert witness fees, costs, and expenses as permitted by law.

**COUNT II**  
**FRAUD (ACTUAL AND CONSTRUCTIVE)**

The allegations set forth in the paragraphs above are incorporated by reference.

34. Defendant is required to disseminate certain information accompanying the Revenue payments to Plaintiff and Class Members.

35. Defendant materially misrepresented to and/or actively concealed from Plaintiff and Class Members certain natural gas pricing information related to the Defendant's production and sale of natural gas production from the Subject Wells during the Relevant Time for which Defendant has a duty to disclose to Plaintiff and Class Members under the PRSA.

36. Defendant materially and purposely deceived Plaintiff and Class Members regarding the revenues that Defendant received from the sale of hydrocarbons from the Subject Wells which caused Plaintiff's and Class Members' Revenues to be paid on a lesser amount than what Defendant received.

37. Plaintiff and Class Members detrimentally relied upon Defendant's material misrepresentations, concealment, and deception by accepting the payments from Defendant on a lesser-than-owed amount, such that Defendant's misrepresentations, concealment, and deceit amount to fraud, both actual and constructive.

38. Upon information and belief, Defendant's fraudulent conduct was performed actually, knowingly, willingly, intentionally, and maliciously, or at a minimum with reckless disregard for the rights of Plaintiff and Class Members.

39. As a result, Plaintiff and Class Members are entitled to recover both actual and punitive damages from Defendant, as well as, pre-judgment interest, post-judgment interest, attorney's fees, costs, and expenses as permitted by law.

**COUNT III**  
**UNJUST ENRICHMENT**

The allegations set forth in the paragraphs above are incorporated by reference.

40. Defendant's conduct has resulted in Defendant's withholding of Revenues owed to Plaintiff and Class Members.

41. By choosing to pay Plaintiff and Class Members less than the full amounts owed under the Agreements, Defendant has unfairly, improperly, and unreasonably received a benefit to the detriment and at the expense of Plaintiff and Class Members.

42. As a result, Plaintiff and Class Members are entitled to recover the value of the benefit conferred as damages, together with pre-judgment interest, post-judgment interest, attorney's fees, costs, and expenses as permitted by law.



**ADDITIONAL RELIEF**  
**ACCOUNTING**

The allegations set forth in the paragraphs above are incorporated by reference.

43. Defendant, Plaintiff, and Class Members are in a relationship whereby Defendant is required to pay Plaintiff and Class Members the amounts owed under the Agreements based on the actual sales proceeds from production of the Subject Wells.

44. Defendant has a duty to properly report, account for, and distribute Plaintiff's and Class Members' Revenues.

45. Defendant has almost exclusive control over and access to the information and formulation related to Plaintiff's and Class Members' Revenue payments. Thus, Defendant is in the position to know whether the amounts it has paid to Plaintiff and Class Members are accurate.

46. Accordingly, Plaintiff demands an accounting regarding the natural gas produced from the Subject Wells, as well as the gathering systems and comparing said amounts to the amounts of gas sold by Defendant and amounts received by Defendant.

47. Plaintiff demands an accounting regarding other matters necessary to determine the accuracy of the revenues paid to Plaintiff and Class Members on natural gas produced and/or sold during the Relevant Time. These other matters include, but are not limited to, production and sale prices of recovered natural gas and its constituents or components, such as residue gas, natural gas liquids (or heavier liquefiable hydrocarbons), gas condensate or distillate, and casinghead gas from the Subject Wells.

48. To the extent that the accounting reveals underpayment and/or misleading information given to Plaintiff and Class Members, Plaintiff asks the Court to order Defendant to compensate Plaintiff and Class Members by way of interest, attorney's fees, costs, and expenses

associated with this action to recover all monies owed by Defendant to Plaintiff and Class Members.

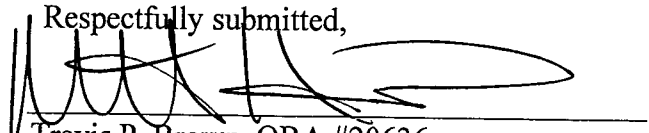
**PRAYER**

WHEREFORE Plaintiff, on behalf of itself and Class Members, demand a judgment against Defendant and respectfully request that the Court:

- a. Enter an Order certifying this action as a class;
- b. Award Plaintiff and Class Members actual and compensatory damages with prejudgment and post-judgment interest thereon in accordance with Oklahoma law;
- c. Award Plaintiff and Class Members punitive damages in accordance with 52 O.S. § 903;
- d. Enter an Order disgorging from Defendant all monies and other valuable consideration Defendant received as a result of having been unjustly enriched to the detriment of Plaintiff and Class Members;
- e. Enter an Order requiring Defendant to provide an accounting as set forth above; and
- f. Award Plaintiff and Class Members attorney's fees, costs, and expenses, together with such further relief, as the Court deems equitable and proper.

Dated: October 3, 2024.

By:

Respectfully submitted,  


Travis P. Brown, OBA #20636

J. Matt Hill, OBA #33532

Scott R. Verplank, Jr., OBA #34041

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**ATTORNEYS FOR PLAINTIFF AND CLASS**

**MEMBERS**

**ATTORNEY'S LIEN CLAIMED**