

FLEESON, GOOING, COULSON & KITCH, L.L.C.
 125 North Market, Suite 1600
 P.O. Box 997
 Wichita, Kansas 67201-0997
 Telephone (316) 267-7361

FILED
 01 MAY 18 PM 3:05
 JUDGE JAMES H. HANDEL
 CLERK OF DISTRICT COURT

IN THE TWENTY-SIXTH JUDICIAL DISTRICT
 DISTRICT COURT, STEVENS COUNTY, KANSAS
 CIVIL DEPARTMENT

OPAL LITTELL and CHERRY RIDER,)
 co-trustees of the Opal Littell)
 Family Trust, and BONNIE BEELMAN,)
 individually and as representative)
 plaintiffs on behalf of persons)
 or concerns similarly situated,)
)
 Plaintiffs,)
 v.)
)
 OXY USA INC.,)
)
 Defendant.)

Case No. 98-CV-51

ORDER ON NOTICE TO CLASS MEMBERS

On March 6, 2001, as amended *nunc pro tunc* March 13, 2001, this Court ordered that this action be maintained as a class action under K.S.A. 60-223(b)(3) with the Plaintiff Class described as follows:

All persons or concerns owning mineral interests in lands located in the areal confines of the Kansas Hugoton Gas Field, burdened by oil and gas leases owned in whole or in part by defendant with respect to gas production from above the base of the Panoma-Council Grove Field, whose royalty payments have been reduced by a "gathering/compression" deduction or "marketing deduct" identified on the monthly gas revenue detail sent by defendant to each such member. Plaintiffs exclude from the plaintiff class the United States of America insofar as its mineral interests are managed by the Mineral Management Service but otherwise include the instrumentalities of the United States of America and federally chartered corporations, including, but not limited to, the Farm Credit Bank of Wichita and the Federal Land Bank.

In view of the above ruling and in order adequately to inform the members of the Plaintiff Class of the present posture of the case, the Court finds that members of the Plaintiff Class should be provided with notice.

The Court adopts the following procedure for complying with the notice provisions of K.S.A. 60-223(c)(2):

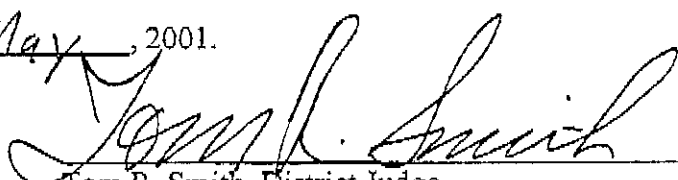
1. Subject to paragraph 6, within forty-five (45) days from the date of this Order, defendant OXY USA Inc. (OXY) shall deliver to Plaintiff Class Counsel a list of all current members of the Plaintiff Class. The list shall include the name of each such member and last known address. That list shall be produced in hard copy and in the form of a computer disk in Excel format with record data appearing in the following fields: First Name, Last Name, Mailing Address, City, State and Zip Code.
2. Within seventy-five (75) days from the date of this Order, Plaintiff Class Counsel shall mail to those persons and entities appearing on the list, described in Paragraph 1 above, a copy of the Notice, attached hereto as Exhibit 1.
3. Within thirty (30) days of mailing the Notice, Plaintiff Class Counsel shall file with the Clerk an affidavit identifying the persons to whom Notice has been mailed.
4. Within ten (10) days of the date provided for the mailing of the Notice, set forth in paragraph 2 hereof, Plaintiff Class Counsel shall cause to be published in the Hutchinson News, Hutchinson, Kansas; Garden City Telegram, Garden City, Kansas; and Southwest Daily Times, Liberal, Kansas, for two consecutive weeks, a Published Notice in substantially the same form as Exhibit 2.
5. If, as a result of the Published Notice or otherwise, Plaintiff Class Counsel receives notification from any person or entity who believes he may be a member of the Plaintiff Class but was not identified on the list provided by OXY and described in paragraph 1 above, Plaintiff Class Counsel shall notify OXY of the identity of such person or entity; OXY shall use reasonable efforts to verify whether such person or entity falls within the definition of the Plaintiff Class; and, if so, Plaintiff Class Counsel shall mail the Notice, attached as Exhibit 1, to

such person or entity and file an affidavit to supplement that affidavit filed pursuant to Paragraph 3 hereof.

6. If OXY subsequently identifies a potential member of Plaintiff Class which OXY did not include on the list described in paragraph 1, OXY shall promptly verify whether such person or entity falls within the definition of the Plaintiff Class; and, if so, OXY shall promptly notify Plaintiff Class Counsel and Plaintiff Class Counsel shall mail the Notice, attached hereto as Exhibit 1, to such person or entity and file an affidavit to supplement that affidavit filed pursuant to Paragraph 3 hereof.

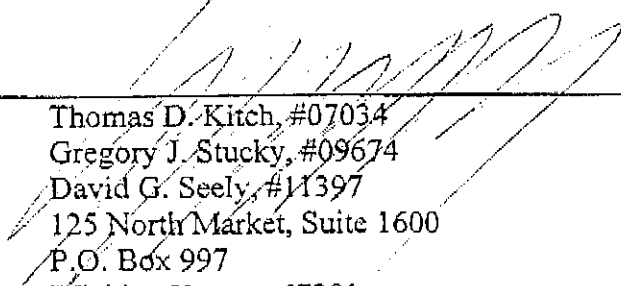
IT IS SO ORDERED.

SIGNED this 18th day of May, 2001.


Tom R. Smith, District Judge

APPROVED:

FLEESON, GOOING, COULSON & KITCH, L.L.C.

By 
Thomas D. Kitch, #07034
Gregory J. Stucky, #09674
David G. Seely, #11397
125 North Market, Suite 1600
P.O. Box 997
Wichita, Kansas 67201

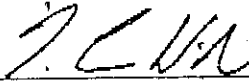
- and -

KRAMER, NORDLING & NORDLING, LLC
Bernard E. Nordling, #03989
Erick E. Nordling, #12302
209 East Sixth Street
Hugoton, Kansas 67951

Attorneys for Plaintiffs and Plaintiff Class

HALL, ESTILL, HARDWICK, GABLE,
GOLDEN & NELSON, P.C.

By



James C. T. Hardwick, Esq., #3845
Donald L. Kahl, Esq., #4855
T. Lane Wilson, Esq., #16343
320 South Boston Avenue, Suite 400
Tulsa, Oklahoma 74103-3708

Kerry McQueen, Esq., #06166
Sharp, McQueen, McKinley, Dreiling & Tate, P.A.
419 N. Kansas
P.O. Box 2619
Liberal, KS 67905-2619

Attorneys for Defendant OXY USA Inc.

FLEESON, GOOING, COULSON & KITCH, L.L.C.
125 North Market, Suite 1600
P.O. Box 997
Wichita, Kansas 67201-0997
Telephone (316) 267-7361

IN THE TWENTY-SIXTH JUDICIAL DISTRICT
DISTRICT COURT, STEVENS COUNTY, KANSAS
CIVIL DEPARTMENT

OPAL LITTELL and CHERRY RIDER,)
co-trustees of the Opal Littell)
Family Trust, and BONNIE BEELMAN,)
individually and as representative)
plaintiffs on behalf of persons)
or concerns similarly situated,)

Plaintiffs,)

v.)

Case No. 98-CV-51

OXY USA INC.,)

Defendant.)

NOTICE OF CLASS ACTION

**THIS IS AN OFFICIAL NOTICE OF A CLASS ACTION,
SENT TO YOU UNDER COURT ORDER.**

**THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ CAREFULLY AND KEEP THIS
NOTICE IN A SAFE PLACE BECAUSE THE COURT
MAY REFER TO IT IN FURTHER COMMUNICATIONS WITH YOU**

FROM THE HONORABLE TOM R. SMITH, PRESIDING JUDGE, TO:

All persons or concerns owning mineral interests in lands located in the areal confines of the Kansas Hugoton Gas Field, burdened by oil and gas leases owned in whole or in part by defendant with respect to gas production from above the base of the Panoma-Council Grove Field, whose royalty payments have been reduced by a "gathering/compression"

deduction or "marketing deduct" identified on the monthly gas revenue detail sent by defendant to each such member. Plaintiffs exclude from the plaintiff class the United States of America insofar as its mineral interests are managed by the Mineral Management Service but otherwise include the instrumentalities of the United States of America and federally chartered corporations, including, but not limited to, the Farm Credit Bank of Wichita and the Federal Land Bank.

The above-described persons or entities are called "the Class."

You are being sent this notice because you appear to be a member of the Class to whom this notice is directed. This notice explains the nature of the lawsuit.

I. WHAT IS THIS LAWSUIT ABOUT?

In the lawsuit, which is identified as Case No. 98-CV-51 in the District Court of Stevens County, Kansas, with the Honorable Tom R. Smith presiding, Opal Littell and Cherry Rider, co-trustees of the Opal Littell Family Trust, and Bonnie Beelman ("Named Plaintiffs") are asserting certain claims against the defendant, OXY USA Inc. ("OXY").

The Named Plaintiffs, individually and on behalf of the Class, claim that OXY has failed to properly calculate and pay royalty under those oil and gas leases identified in the above Class description by deducting from such payments "gathering/compression" deductions or "marketing deduct" identified on the monthly gas revenue detail sent by defendant OXY to all class members. Plaintiffs contend that such deductions are associated with expenses incurred to produce the gas and/or expenses incurred to make the gas marketable and that such deductions are not permissible. The Named Plaintiffs assert that they are entitled to damages, an accounting, and declaratory and injunctive relief.

OXY denies Plaintiffs' claims and contends that all such deductions were proper under Kansas law.

The Court has not ruled on the merits of the claims of the Named Plaintiffs or the defenses of OXY.

The Court has now ruled that this lawsuit should be maintained as a class action. This means that the Named Plaintiffs will be pursuing claims against OXY on their own behalf and also on behalf of the Class. This ruling does not mean that the Named Plaintiffs or the Class will necessarily prevail in the class action.

This "Notice" is not to be construed as an expression of any opinion by the Court with respect to the merits of the respective claims or defenses of the parties. This Notice is sent merely to advise you of the pendency of the action and the rights you have with respect to it.

The Court has designated Opal Littell and Cherry Rider, co-trustees of the Opal Littell Family Trust, and Bonnie Beelman to serve as representatives of the Class, and Fleeson, Gooing, Coulson & Kitch, L.L.C., Wichita, Kansas, and Kramer, Nordling & Nordling, LLC, Hugoton, Kansas, to serve as counsel for the Class.

II. WHAT SHOULD YOU DO?

You must decide whether or not you wish to remain a part of the Class. Your choice will have consequences either way. You should understand those consequences before making your decision.

If you remain a member of the Class:

(1) Class Counsel, Fleeson, Gooing, Coulson & Kitch, L.L.C., Wichita, Kansas and Kramer, Nordling & Nordling, LLC, Hugoton, Kansas will act as your counsel. You may also seek to intervene individually through your own counsel and advise the Court if at any time you consider that you are not being fairly and adequately represented by Class Counsel;

(2) Your participation in any recovery which may be obtained from OXY through trial or settlement will depend on the results of this lawsuit. Any relief awarded to you by the Court or through settlement, including any monetary award, will be reduced by a pro-rata share of the amount of attorneys' fees and expenses the Court deems reasonable and appropriate for you to bear. If no recovery is obtained for the Class, you will be bound by that result, but will not have to pay any attorneys' fees or expenses; and

(3) OXY has not asserted any claim for monetary recovery against the Class. This means that you cannot be required to pay any money to OXY as the result of the outcome of this suit.

If you exclude yourself as a member of the Class:

(1) You will not share in any recovery that might be paid to the members of the Class as a result of trial or settlement of this lawsuit;

(2) You will not be bound by any decision in this lawsuit favorable to OXY; and

(3) You may present any claims you have against OXY by filing your own lawsuit at your own expense.

If you want to be excluded from the Class, you must complete the enclosed form ("Exclusion Request") and return it to the Clerk of the Stevens County District Court, 200 E. 6th Street, Hugoton, Kansas, 67951, by mail postmarked no later than _____¹.

¹Insert the date which is thirty (30) days from the date that the Notice was sent.

If you want to remain a member of the Class, you do not have to do anything.

III. , WHAT IF YOU WANT MORE INFORMATION?

Any questions you have about the matters in this notice should **not be directed to the Court**, but may be directed by telephone or in writing to counsel for the Class:

Gregory J. Stucky
Fleeson, Gooing, Coulson & Kitch, L.L.C.
125 North Market, Suite 1600
Wichita, KS 67202
Telephone: 316-267-7361
Fax: 316-267-1754

Erick E. Nordling
Kramer, Nordling & Nordling, LLC
209 East Sixth Street
Hugoton, KS 67951
Telephone: 620-544-4333
Fax: 620-544-2230

The pleadings may be examined at any time during regular office hours at:

Clerk of the Stevens County District Court
Stevens County Courthouse
200 E. 6th Street
Hugoton, KS 67951

DO NOT TELEPHONE OR WRITE LETTERS TO THE JUDGE OR THE CLERK ASKING FOR INFORMATION.

IV. WHAT IS THE IMPORTANT DATE FOR YOU TO REMEMBER?

If you want to be excluded from the Class, you must complete the enclosed form ("Exclusion Request") and return it to the Clerk of the Stevens County District Court, Hugoton, Kansas 67951 by mail postmarked no later than _____².

If you want to remain a member of the Class, you do not have to do anything.

Dated: _____³

BY THE COURT:

S/Tom R. Smith

²Insert the date which is thirty (30) days from the date that the Notice was sent.

³Insert the date that the Court executes the Order on Notice to Class Members.

**REQUEST FOR EXCLUSION FROM THE CLASS
READ THE ENCLOSED LEGAL NOTICE CAREFULLY BEFORE**

FILLING OUT THIS FORM.

The undersigned has read the notice of class action, dated _____⁴, and does NOT wish to remain a member of the Class certified in the case of *Opal Littell, et al. v. OXY USA Inc.*, 98-CV-51, pending in Stevens County District Court, Stevens County, Kansas, understanding that by executing this request for exclusion:

(1) The undersigned will not share in any recovery that might be paid to the members of the Class as a result of trial or settlement of this lawsuit;

(2) The undersigned will not be bound by any decision in this lawsuit favorable to OXY; and

(3) The undersigned may present any claims the undersigned may have against OXY by filing another lawsuit at the undersigned's own expense.

Dated: _____ Name

Address _____

By _____
Name
Title, if applicable

If you want to exclude yourself from the class, you must complete and return this form by mailing before _____⁵, to:

Clerk of the Stevens County District Court
Stevens County Courthouse
200 E. 6th Street
Hugoton, KS 67951

A separate request for exclusion should be completed and timely mailed for each person or entity electing to be excluded from the Class.

**DO NOT FILL OUT THIS FORM IF YOU WANT
TO REMAIN A MEMBER OF THE CLASS**

⁴Insert the date upon which the Court executes the Order on Notice to Class Members.

⁵Insert the date which is thirty (30) days from the date that the Notice was sent.

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Wichita, Kansas 67201-0997
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IN THE TWENTY-SIXTH JUDICIAL DISTRICT
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co-trustees of the Opal Littell)
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individually and as representative)
plaintiffs on behalf of persons)
or concerns similarly situated,)
)
Plaintiffs,)
v.)
)
OXY USA INC.,)
)
Defendant.)

Case No. 98-CV-51

PURSUANT TO CHAPTER 60 OF
KANSAS STATUTES ANNOTATED

PUBLISHED NOTICE OF CLASS ACTION

**THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ CAREFULLY.**

FROM THE HONORABLE TOM R. SMITH, PRESIDING JUDGE, TO:

All persons or concerns owning mineral interests in lands located in the areal confines of the Kansas Hugoton Gas Field, burdened by oil and gas leases owned in whole or in part by defendant with respect to gas production from above the base of the Panoma-Council Grove Field, whose royalty payments have been reduced by a "gathering/compression" deduction or "marketing deduct" identified on the monthly gas revenue detail sent by defendant to each such member. Plaintiffs exclude from the plaintiff class the United States of America insofar as its mineral interests are managed by the Mineral Management Service but otherwise include the instrumentalities of the United States of America and federally chartered corporations, including, but not limited to, the Farm Credit Bank of Wichita and the Federal Land Bank.

The above-described persons or entities are called "the Class."

A lawsuit is pending in the District Court of Stevens County, Kansas, with the Honorable Tom R. Smith presiding, involving claims asserted by Opal Littell and Cherry Rider, co-trustees of the Opal Littell Family Trust, and Bonnie Beelman ("Named Plaintiffs") against OXY USA Inc. ("OXY").

The Named Plaintiffs, individually and on behalf of the Class, claim that OXY has failed to properly calculate and pay royalty under those oil and gas leases identified in the above Class description by deducting from such payments "gathering/compression" deductions or "marketing deduct" identified on the monthly gas revenue detail sent by defendant OXY to all class members. Plaintiffs contend that such deductions are associated with expenses incurred to produce the gas and/or expenses incurred to make the gas marketable and that such deductions are not permissible. The Named Plaintiffs assert that they are entitled to damages, an accounting, and declaratory and injunctive relief.

OXY denies each of the Named Plaintiffs' claims and asserts that all such deductions were proper under Kansas law.

The Court has not ruled on the merits of the claims of the Named Plaintiffs or the defenses of OXY.

The Court has now ruled that this lawsuit should be maintained as a class action. This means that the Named Plaintiffs will be pursuing claims against OXY on their own behalf and also on behalf of the Class. This ruling does not mean that the Named Plaintiffs or the Class will necessarily prevail in the class action.

This notice is not to be construed as an expression of any opinion by the Court with respect to the merits of the respective claims or defenses of the parties.

The Court has designated Opal Littell and Cherry Rider, co-trustees of the Opal Littell Family Trust, and Bonnie Beelman to serve as representatives of the Class, and Fleeson, Gooing, Coulson & Kitch, L.L.C., Wichita, Kansas, and Kramer, Nordling & Nordling, LLC, Hugoton, Kansas, to serve as counsel for the Class.

Counsel for the Class has already mailed Notices to persons and entities identified by OXY to be members of the Class. If you are (or may be) a member of the Class but do not receive your mailed notice of your rights by _____¹, you are requested to notify the following person in writing and include your name, address, telephone number, and the reason why you believe that you are (or may be) a member of the Class:

Gregory J. Stucky
Fleeson, Gooing, Coulson & Kitch, L.L.C.
125 North Market, Suite 1600

¹Insert the date which is ten (10) days from the date of first publication.

Wichita, Kansas 67202
Telephone : (316)267-7361
Fax: (316)267-1754

who is one of the counsel for the Class.

Dated: _____²

BY THE COURT:

S/Tom R. Smith

²Insert the date upon which the Court executes the Order on Notice to Class Members.

*Kramer, Nordling & Nordling, LLC
209 East 6th
Hugoton, Kansas 67951-2613
Telephone: 620-544-4333
Fax: 620-544-2230*

FAX COVER SHEET

To: Greg Stucky

Fax Number: 316-267-1754

From: Erick E. Nordling

If you did not receive all of this fax, please call 316-544-4333.

Date: May 22, 2001

Re: Littell v. OXY Order

Pages 14 including cover sheet

Greg: Attached is a file stamped copy of the Order on Notice To Class Members in the Littell vs. OXY case.

**Connie for
Erick E. Nordling**

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.