

6. It is admitted that XTO is a corporation organized under the laws of the State of Delaware, has a principal place of business at 22777 Springwoods Village Parkway, Spring, Texas, and is a wholly-owned subsidiary of Exxon Mobil Corporation. The allegations relating to XTO's citizenship are conclusions of law to which no response is required. The remaining allegations in Paragraph 6 of the Complaint are denied.

7. The allegations in Paragraph 7 of the Complaint state conclusions of law to which no response is required.

8. The allegations in Paragraph 8 of the Complaint state conclusions of law to which no response is required.

9. The allegations in Paragraph 9 of the Complaint state conclusions of law to which no response is required.

10. The allegations in Paragraph 10 of the Complaint state conclusions of law to which no response is required.

11. The allegations in Paragraph 11 of the Complaint state conclusions of law to which no response is required.

12. It is admitted that XTO explores for and produces natural gas and its constituents in the Commonwealth of Pennsylvania, and further admitted that, in some instances, XTO has obtained rights to natural gas and its constituents pursuant to oil and gas leases that name XTO as the lessee. The remaining allegations of Paragraph 12 are denied, including the phrases "at all relevant times," "XTO generally obtains," and "standard form oil and gas leases."

13. It is admitted that named Plaintiffs Mr. and Mrs. Kriley signed an oil and gas lease with XTO covering oil and gas interests in property situated in Butler County, Pennsylvania, and it is admitted that a copy of that lease is attached as Exhibit A to Plaintiffs' Complaint filed on

March 25, 2020 (Dkt. 1) (the “Original Complaint”). Exhibit A to the Original Complaint is a written document that speaks for itself. XTO denies that the Krileys attached a lease as Exhibit A to the Complaint. XTO is without knowledge or information sufficient to form a belief as to the allegation regarding whether Mr. and Mrs. Kriley currently own approximately 10.113 acres of oil and gas interests and therefore denies that allegation. XTO denies the allegations that Exhibit A to the Original Complaint is a “standard form oil and gas lease.”

14. After reasonable investigation, XTO is without knowledge of information sufficient to form a belief as to whether XTO “drafted and prepared” the entirety of the oil and gas lease attached as part of Exhibit A to the Original Complaint. XTO denies the allegations that Exhibit A to the Original Complaint is a “standard form” oil and gas lease.

15. The allegations in Paragraph 15 that purport to quote from Exhibit A to the Original Complaint are denied to the extent they are at variance with Exhibit A. The remaining allegations in Paragraph 15 are denied. It is specifically denied that Exhibit A to the Original Complaint is a “standard form” oil and gas lease.

16. It is admitted that XTO has produced and sold residue gas and natural gas liquids as permitted by the oil and gas lease attached as Exhibit A to the Original Complaint, and admitted that XTO has paid royalties pursuant to the terms of the oil and gas lease attached as Exhibit A to the Original Complaint. The remaining allegations in Paragraph 16 state conclusions of law to which no response is required. To the extent a response is required, denied.

17. It is admitted that named Plaintiffs Mr. and Mrs. Michel signed an oil and gas lease with XTO covering oil and gas interests in property situated in Butler County, Pennsylvania, and it is admitted that a copy of that lease is attached as Exhibit B to the Original Complaint. Exhibit B to the Original Complaint is a written document that speaks for itself. XTO is without

knowledge or information sufficient to form a belief as to the allegation regarding whether Mr. and Mrs. Michel currently own approximately 6.72 acres of oil and gas interests and therefore denies that allegation. XTO denies the allegations that Exhibit B to the Original Complaint is a “standard form oil and gas lease.” XTO denies that Plaintiffs attached an Exhibit B to the Complaint.

18. After reasonable investigation, XTO is without knowledge of information sufficient to form a belief as to whether XTO “drafted and prepared” the entirety of the oil and gas lease attached as part of Exhibit B to the Original Complaint. XTO denies the allegations that Exhibit B to the Original Complaint is a “standard form” oil and gas lease.

19. The allegations in Paragraph 19 that purport to quote from Exhibit B to the Original Complaint are denied to the extent they are at variance with Exhibit B. The remaining allegations in Paragraph 19 are denied. It is specifically denied that Exhibit B to the Original Complaint is a “standard form oil and gas lease.”

20. It is admitted that XTO has produced and sold residue gas and natural gas liquids as permitted by the oil and gas lease attached as Exhibit B to the Original Complaint, and admitted that XTO has paid royalties pursuant to the terms of the oil and gas lease attached as Exhibit B to the Original Complaint. The remaining allegations in Paragraph 20 state conclusions of law to which no response is required. To the extent a response is required, denied.

21. It is admitted that named Plaintiff Mrs. Wiefling signed an oil and gas lease with XTO covering oil and gas interests in property situated in Butler County, Pennsylvania, and it is admitted that a copy of that lease is attached as Exhibit C to the Original Complaint. Exhibit C to the Original Complaint is a written document that speaks for itself. XTO is without knowledge or information sufficient to form a belief as to the allegation regarding whether Mrs. Wiefling

currently owns approximately 63.49 acres of oil and gas interests and therefore denies that allegation. XTO denies the allegations that Exhibit C to the Original Complaint is a “standard form oil and gas lease.” XTO denies that Plaintiffs attached an Exhibit C to the Complaint.

22. After reasonable investigation, XTO is without knowledge of information sufficient to form a belief as to whether XTO “drafted and prepared” the entirety of the oil and gas lease attached as part of Exhibit C to the Original Complaint. XTO denies the allegations that Exhibit C to the Original Complaint is a “standard form” oil and gas lease.

23. The allegations in Paragraph 23 that purport to quote from Exhibit C to the Original Complaint are denied to the extent they are at variance with Exhibit C. The remaining allegations in Paragraph 23 are denied. It is specifically denied that Exhibit C to the Original Complaint is a “standard form” oil and gas lease.

24. It is admitted that XTO has produced and sold residue gas and natural gas liquids as permitted by the oil and gas lease attached as Exhibit C to the Original Complaint, and admitted that XTO has paid royalties pursuant to the terms of the oil and gas lease attached as Exhibit C to the Original Complaint. The remaining allegations in Paragraph 24 state conclusions of law to which no response is required. To the extent a response is required, denied.

25. It is admitted that named Plaintiffs Mr. and Mrs. Waddingham signed an oil and gas lease with XTO covering oil and gas interests in property situated in Butler County, Pennsylvania, and it is admitted that copies of two unsigned leases between Mr. and Mrs. Waddingham, on the one hand, and XTO Energy Inc., on the other, are attached at Exhibit D and Exhibit E to the Original Complaint. Exhibit D and Exhibit E to the Original Complaint are written documents that speak for themselves. XTO is without knowledge or information sufficient to form a belief as to the allegation regarding whether Mr. and Mrs. Waddingham currently own

approximately 10.00 and/or 50.55 acres of oil and gas interests and therefore denies those allegations. XTO denies the remaining allegations of paragraph 25, including the allegations that either Exhibit D or Exhibit E to the Original Complaint is a “standard form oil and gas lease.” XTO denies that Plaintiffs attached an Exhibit D or Exhibit E to the Complaint.

26. After reasonable investigation, XTO is without knowledge of information sufficient to form a belief as to whether XTO “drafted and prepared” the entirety of the oil and gas leases attached to the Original Complaint as Exhibit D and Exhibit E. XTO denies the allegations that either Exhibit D or Exhibit E to the Original Complaint is a “standard form” oil and gas lease.

27. The allegations in Paragraph 27 that purport to quote from Exhibit D and Exhibit E to the Original Complaint are denied to the extent they are at variance with Exhibit D or Exhibit E. The remaining allegations in Paragraph 27 are denied. It is specifically denied that either Exhibit D or Exhibit E to the Original Complaint is a “standard form” oil and gas lease.

28. It is admitted that XTO has produced and sold residue gas and natural gas liquids as permitted by the oil and gas leases attached as Exhibit D and Exhibit E to the Original Complaint, and admitted that XTO has paid royalties to Mr. and Mrs. Waddingham in accordance with the terms of the oil and gas leases attached as Exhibit D and Exhibit E to the Original Complaint. The remaining allegations in Paragraph 28 state conclusions of law to which no response is required. To the extent a response is required, denied.

29. The allegations in Paragraph 29 purport to describe Exhibits A-E to the Original Complaint, which are written documents that speak for themselves. The allegations in Paragraph 29 are denied to the extent they are at variance with Exhibits A-E. XTO denies that the named plaintiffs are “representative” of the class for which they request certification.

30. The allegations in Paragraph 30 purport to describe Exhibits A-E, which are written documents that speak for themselves. The allegations in Paragraph 30 are denied to the extent they are at variance with the terms of the signed oil and gas leases to which XTO is a party. The remaining allegations in Paragraph 30 state conclusions of law to which no response is required. To the extent a response is required, XTO denies the allegations.

The heading “FAILURE TO PAY ROYALTIES” is denied.

31. It is admitted that XTO formed the Prager Unit A and Unit B and portions of the named Plaintiffs’ property is included within the Prager Unit B. It is further admitted that XTO began producing gas from the Prager Unit A and Unit B in February 2019 and the units have produced gas since February 2019. XTO denies the allegation that the named Plaintiffs are “representative” of the class for which they request certification. XTO denies the remaining allegations in paragraph 31.

32. It is admitted that XTO produced gas from Prager Unit A and Prager B Unit in February 2019, March 2019, April 2019, May 2019, June 2019, July 2019 and August 2019 and subsequently sold that gas. The remaining allegations in Paragraph 32 are denied.

33. It is admitted that one named Plaintiff made a written inquiry regarding the status of royalties for gas production from the Prager Unit B. The remaining allegations in Paragraph 33 are denied.

The heading “DEDUCTION OF EXCESSIVE POST-PRODUCTION EXPENSES” is denied.

34. The allegations in Paragraph 34 state legal conclusions to which no response is required. The allegations in Paragraph 34 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required. To the extent a

response is required, Exhibits A through E to the Original Complaint are written documents that speak for themselves.

35. Denied.

36. Denied.

37. It is admitted that Mountain Gathering, LLC is a Delaware limited liability company and was and is a subsidiary of XTO. The phrase “at all relevant times” is denied.

38. XTO admits that Mountain Gathering provides gathering and processing services to XTO in Butler County, Pennsylvania.

39. It is admitted that XTO has contracted with Mountain Gathering to provide gathering and processing services from gas produced pursuant to certain wells in Butler County, Pennsylvania. The remaining allegations of paragraph 39 are denied. The allegations in Paragraph 39 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required.

40. Denied.

41. XTO lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 41 regarding the activities of “Rex Energy and its successor in interest, PennEnergy” or how XTO’s “deductions” compare to “deductions” by PennEnergy/Rex Energy. The remaining allegations of Paragraph 41 are denied.

42. Denied.

43. Denied.

44. The allegations of Paragraph 44 of the Complaint state conclusions of law to which no response is required. XTO denies that paragraph 44 of the Complaint accurately describes XTO’s contractual duties.

45. The allegations in Paragraph 45 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required. The allegations of Paragraph 45 of the Complaint state conclusions of law to which no response is required. To the extent a response is required to any of the allegations in Paragraph 45, denied.

46. Denied.

47. Denied.

48. The allegations of Paragraph 48 of the Complaint state conclusions of law to which no response is required. XTO specifically denies that all named Plaintiffs have complied with the written obligations of their oil and gas leases.

49. Denied.

50. XTO does not have sufficient information to admit or deny the allegation regarding Plaintiffs’ intention in bringing this action. However, XTO denies that the classes proposed by Plaintiffs are properly certified pursuant to Federal Rule of Civil Procedure 23.

51. The allegations of Paragraph 51 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

52. The allegations of Paragraph 52 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

53. The allegations of Paragraph 53 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

54. The allegations of Paragraph 54 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

55. The allegations of Paragraph 55 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

56. The allegations of Paragraph 56 of the Complaint state conclusions of law to which no response is required. The allegations in Paragraph 56 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

57. The allegations of Paragraph 57 of the Complaint state conclusions of law to which no response is required. XTO denies that the proposed “class” constitutes a proper class for the purposes of any of the subsections of Fed. R. Civ. P. 23.

COUNT I

58. XTO incorporates its response to Paragraphs 1 through 57 of the Complaint above.

59. The allegations of Paragraph 59 of the Complaint state conclusions of law to which no response is required. The allegations in Paragraph 59 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required. To the extent a response is required, denied. Paragraph 59 does not accurately describe the duties under Plaintiffs’ oil and gas leases or whether XTO has complied with those duties.

60. The allegations of Paragraph 60 of the Complaint state conclusions of law to which no response is required. To the extent a response is required, denied. It is specifically denied that

XTO “caused” “Mountain Gathering to charge excessive, above-market amounts for gathering services and processing services . . .” or that Paragraph 60 accurately describes XTO’s duties and obligations.

61. Denied.

62. Denied.

63. Denied.

WHEREFORE, XTO requests that this Court enter judgment on Count I of the Complaint in XTO’s favor and against the named Plaintiffs, all at the named Plaintiffs’ cost, and deny class certification on Count I of the Complaint.

COUNT II

64. XTO incorporates its response to Paragraphs 1 through 63 of the Complaint above.

65. The allegations of Paragraph 65 of the Complaint state conclusions of law to which no response is required.

66. It is admitted that XTO produced gas from the Prager Unit A and Prager B Unit in February 2019, March 2019, April 2019, May 2019, June 2019, July 2019 and August 2019 and subsequently sold that gas. The remaining allegations of Paragraph 66 of the Complaint state conclusions of law to which no response is required. The allegations in Paragraph 66 as to “all those similarly situated” refer to persons or entities that are not parties to this lawsuit, and therefore no response is required.

67. Denied.

68. Denied.

69. Denied.

70. Denied.

WHEREFORE, XTO requests that this Court enter judgment on Count II of the Complaint in XTO's favor and against the named Plaintiffs, all at the named Plaintiffs' cost, and deny class certification on Count II of the Complaint.

AFFIRMATIVE DEFENSES

1. XTO incorporates its responses to Paragraphs 1 through 70 of the Complaint above.
2. All allegations not expressly admitted above are denied.
3. The Complaint fails to state a claim upon which relief may be granted.
4. At all times XTO has complied with the language of the oil and gas leases of the named Plaintiffs and the members of the putative class.
5. At all times XTO acted reasonably, prudently, in good faith, and in conformance with applicable statutes, regulations, and standards of the industry.
6. The claims of the named Plaintiffs and the putative class are barred, in whole or in part, by the provisions of their respective oil and gas leases that govern the payment of royalties.
7. The claims of the named Plaintiffs and the putative class may be barred, in whole or in part, by the applicable statute of limitations.
8. The claims of the named Plaintiffs and the putative class may be barred, in whole or in part, by the doctrines of res judicata or collateral estoppel.
9. The claims of the named Plaintiffs and the putative class may be barred, in whole or in part, by the doctrines of laches, waiver, consent, estoppel, and limitations.
10. The claims of the named Plaintiffs and the putative class may be barred, in whole or in part, by the doctrines of payment, settlement, release, ratification, accord and satisfaction, and performance.
11. XTO asserts the affirmative defenses of offset and recoupment.

12. The claims of some members of the putative class are barred because they lack standing to bring some or all of the claims alleged in the Complaint.

13. The claims of at least some of the members of the putative class are barred because there is no actual and justiciable controversy between them and XTO.

14. Plaintiffs' claims and the claims of the putative class are barred by payment.

15. The claims of some members of the putative class are barred because XTO did not incur post-production costs and did not net out post-production costs in the calculation of the royalties.

16. The class action allegations of the Complaint are barred in that trying the named Plaintiffs' claims through a class action or other aggregate proceeding would violate XTO's statutory and constitutional rights to due process and a jury trial, and other constitutional and statutory rights, by: (a) allowing for the recovery of damages by class members who do not have valid claims; (b) allowing the class action procedural device to change the substantive law and substantive rights and responsibilities of the parties; and (c) depriving XTO of its right to defend itself with respect to individual claims.

17. The claims of certain named Plaintiffs and members of the putative class are barred by lack of privity with XTO.

18. The named Plaintiffs have failed to join necessary or indispensable parties.

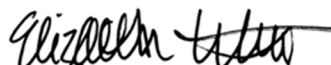
19. The named Plaintiffs and members of the putative class have incurred no damages.

20. The named Plaintiffs are not entitled to recover attorneys' fees.

21. XTO expressly reserves the right to plead further including the reservation of all affirmative defenses required to be pleaded.

22. XTO expressly reserves the right to assert other defenses if, among other things, the Court certifies a class, or if the facts developed during discovery otherwise warrant amendment. The claims of the named Plaintiffs and members of the putative class vary substantially, thereby demonstrating the impropriety of class-wide treatment, and rendering it impossible for XTO to articulate all defenses against all putative class members.

Date: March 15, 2022



Nicolle R. Snyder Bagnell
PA I.D. No. 87936
nbagnell@reedsmith.com
Justin H. Werner
PA I.D. No. 203111
jwerner@reedsmith.com
Thomas J. Galligan
PA I.D. No. 319487
tgalligan@reedsmith.com
REED SMITH LLP
225 Fifth Avenue
Suite 1200
Pittsburgh, PA 15222
Tel: (412) 288-3131
Fax: (412) 288-3063

Elizabeth L. Tiblets
(admitted pro hac vice)
TX I.D. NO. 24066194
K&L GATES LLP
301 Commerce Street
Suite 3000
Fort Worth, TX 76102
Tel: (817) 347-5270
Fax: (817) 347-5299

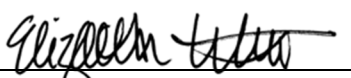
*Counsel for Defendant
XTO Energy Inc.*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Defendant XTO Energy Inc.'s Answer and Affirmative Defenses to the Amended Complaint – Class Action has been served on the following counsel of record via the Court's ECF system:

David A. Borkovic
Jones, Gregg, Creehan & Gerace, LLP
411 Seventh Avenue
Suite 1200
Pittsburgh, PA 15219

Dated: March 15, 2022


Elizabeth Tiblets