

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

DOUGLAS KRILEY, et al.,)	
)	Civil Action No. 2:19-cv-416
Plaintiffs,)	
)	Hon. William S. Stickman IV
v.)	Hon. Christopher B. Brown
)	
XTO ENERGY INC.,)	
)	
Defendant.)	

**NOTICE OF PENDING CLASS ACTION AGAINST XTO ENERGY
FOR ALLEGEDLY UNDERPAYING ROYALTIES**

IF YOU HAVE RECEIVED ROYALTY PAYMENTS FROM XTO ENERGY INC. AT ANY TIME AFTER MARCH 2016, PLEASE READ THIS NOTICE CAREFULLY. THIS LAWSUIT MAY AFFECT YOUR RIGHTS, AND YOU HAVE A CHOICE TO MAKE.

TO: THE MEMBERS OF THE CLASS CERTIFIED IN THE LAWSUIT DESCRIBED ABOVE.

The certified class includes:

Every individual and entity who possessed at any time after March 2016 a royalty ownership interest in an oil and gas lease with XTO Energy Inc. (“XTO”) covering oil and gas interests (*a*) who received one or more royalty payments from XTO; (*b*) whose oil and gas lease covered gas that was or is gathered on the Jefferson, Forward, or AK Steel gathering segments of the Mountain Gathering system in Butler County, Pennsylvania; (*c*) whose oil and gas lease states that XTO is

to pay Lessor as a royalty, for the native gas and casinghead gas or other gaseous substances (including shale gas), produced from said land and sold or used beyond the well or for the extraction of gasoline or other product, an amount equal to [X] percent ([X]%) of the sales proceeds actually received by Lessee from the sale of such production, less [X] percent ([X]%) of any and all "Post Production Costs " as defined below, less [X] percent ([X]%) of any and all taxes, including without limitation, production, severance, and ad valorem taxes. As used in this provision, Post Production Costs shall include, without limitation, (i) all losses of produced volumes (whether by use as fuel, line loss, flaring, venting or otherwise) and (ii) all costs actually incurred by Lessee from and after the wellhead to the point of sale, including, without limitation, all gathering, dehydration, compression, treatment, processing, marketing, and transportation costs incurred in connection with the sale of such production.

or includes essentially identical language; and (*d*) who had post-production charges deducted from their royalty payment(s) in accordance with the above language.

► Plaintiffs contend that XTO has been taking unreasonably high deductions – or deducting costs not actually incurred – from royalty payments for processing gas and for gathering gas in Butler County, Pennsylvania, and thereby underpaying royalty amounts due under the oil and gas leases.

XTO disagrees with Plaintiffs' claims and contends the costs paid by XTO and deducted from royalty payments are legally proper and comparable to the costs charged by other companies.

- ▶ This lawsuit seeks to recover XTO's alleged excessive deductions for processing gas and gathering the gas.
- ▶ This lawsuit was filed on behalf of holders of royalty interests in XTO's oil and gas leases who received royalty payments from XTO and whose gas was gathered on Mountain Gathering LLC's Jefferson, Forward, or AK Steel gathering segments in Butler County, Pennsylvania. **The Court has granted Plaintiffs' motion for this lawsuit to proceed as a class action. You are receiving this notice because Plaintiffs believe from records that you had an oil and gas lease with XTO or are a successor in interest and that you qualify as a class member.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	<p>Stay in this lawsuit. Await the outcome. You will be a party after the opt out period expires and cannot sue XTO separately for the same claims.</p> <p>If you do nothing, you will be bound by any judgment for or against the Class Members. You will share in any benefits that may come from the trial and, if the Class loses, will also be bound by a judgment that XTO is not liable. You may also give up any right to sue XTO separately about claims based on the allegations underlying the claims in this lawsuit.</p>
ASK TO BE EXCLUDED	<p>Get out of this lawsuit. Keep the right to sue XTO on your own and at your own expense.</p> <p>If you ask to be excluded and any benefits are awarded at trial, you will not share in them. But you keep any rights to sue XTO separately.</p>

▶ Your options are explained in this Notice. To ask to be excluded, you must act so that your exclusion request is received by March 19, 2026. See page 5.

▶ This Notice is a summary. The significant pleadings and Court Orders are available for review at www.strategicclaims.net/KrileyvXTO.

1. Why did I receive this Notice?

An Order of the United States District Court for the Western District of Pennsylvania (the "Court") dated November 20, 2025 approved this Notice and directed that (a) a copy of this notice be filed at www.strategicclaims.net/KrileyvXTO; (b) that summaries of this notice be mailed to all known class members; and (c) that summaries of this notice be delivered by electronic mail to all known class members whose email addresses are known. The final outcome of this lawsuit has not been decided. Plaintiffs continue to litigate it.

2. What is this case about?

Plaintiffs' claims

XTO owns a company called “Mountain Gathering” that provides gathering and processing services. XTO entered into a contract with Mountain Gathering to gather and process the gas produced under your lease and the leases of all class members. Plaintiffs claim that, under that contract, XTO requires Mountain Gathering to take all of the class members’ gas at the wells and transport the gas to a processing plant that is also owned by Mountain Gathering. Under the contract, Plaintiffs claim that XTO also requires Mountain Gathering to process all of the gas produced under the oil and gas leases. Plaintiffs claim that Mountain Gathering’s charges for processing and for gathering are the same for everyone and depend only on the volume of gas that is produced under any lease. Plaintiffs contend that XTO deducts Mountain Gathering’s gathering and processing charges from the proceeds it receives for your gas when it calculates your royalties.

Plaintiffs contend that Mountain Gathering’s charges are unreasonably high, and XTO deducts those excessive amounts – costs that it does not actually incur – for processing and gathering the gas produced under the class members’ oil and gas leases with Phillips. This lawsuit seeks to recover the excessive amounts XTO deducted for processing and gathering when it paid royalties to the class. The Amended Complaint is available for your review at [www.strategicclaims.net /KrileyvXTO](http://www.strategicclaims.net/KrileyvXTO).

XTO’s responses

XTO contends that the costs it deducted were reasonable, supported by the costs to provide such services, comparable to the costs charged by other companies, and allowed by the oil and gas leases. XTO contends that, prior to entering the gathering and processing agreement with Mountain Gathering, XTO requested and received bids from a number of companies. XTO contends that Mountain Gathering was the only company that submitted a bid to provide gathering services. XTO contends that it analyzed the processing bids and chose the bid that had the lowest fee and provided the level of service that XTO needed to ensure that it could drill and fully flow wells (instead of delaying drilling or shutting in wells after they were drilled). XTO contends that, each year, it reviews its Butler County gathering and processing contracts to ensure they reflect rates that are consistent with the market.

XTO’s Answer to the Amended Complaint is available for your review at www.strategicclaims.net/KrileyvXTO.

3. Who is in the Class?

The full class definition, which also lists certain individuals and entities who are excluded from the class, can be found at www.strategicclaims.net/KrileyvXTO.

Please note that the Court can modify who is in the Class as the case moves forward. As a Class Member, you will be bound by the result of any trial of the lawsuit and any rulings issued by the Court, unless you timely submit an exclusion request, as described below.

The named plaintiffs who represent the Class are Douglas Kriley, Tina Kriley, Thomas A Michel, Carol L. Michel, Geraldine C. Wiefeling, Charles E. Waddingham II, and Carol G. Waddingham (the “Plaintiffs”). The Plaintiffs have a duty to act in the best interests of the Class and have been deemed adequate representatives by the Court.

4. What if I remain in the Class?

If you remain in the Class, you will be bound by any judgment (for or against the Class Members) and will not be able to sue XTO for any claim brought by Plaintiffs and certified by the Court in this case. and you may also give up any right to sue XTO separately about claims based on the allegations underlying the claims in this lawsuit. If the court or a jury finds that XTO breached your oil and gas lease by deducting excessive costs, you will be entitled to damages less your share of any Court-approved costs, expenses, incentive awards and attorneys' fees, if any. If you remain in the Class, you will **not** have to pay money out of your pocket to pursue the claims certified by the Court; those amounts will be paid from any recovery. The lawyers for the Class do not get paid unless they get money for you. If the jury finds that XTO did not breach your oil and gas lease by deducting excessive costs for gathering and/or processing, you will not be able to sue XTO for such claims.

5. Is there any money for the Class now?

No. No trial has occurred, and the Court has made no findings about liability. This Notice tells you that you may be a member of the Class and that your rights may be affected by this Lawsuit. There is no guarantee that the judgment in favor of the Class may be entered or that the Court will award the Class any money or other relief.

6. Who are the lawyers for the Class?

The Class is represented by Class Counsel, who is:

David A. Borkovic
Jones, Gregg, Creehan & Gerace
20 Stanwix Street, Suite 1100
Pittsburgh, PA 15222

Telephone: 412-261-6400
Facsimile: 412-261-2652
Email: dab@jgcg.com

Mr. Borkovic was the lawyer for the Class in the *Marburger* case and in the *Salvatora v. XTO Energy Inc.* case and is experienced in oil and gas class actions. He has been elected by his peers to Best Lawyers in America and Pennsylvania Super Lawyers.

7. Do I need my own lawyer?

You do not need to hire your own lawyer to pursue the claims certified by the Court because Class Counsel is representing the members of the Class. If you wish, you may consult with your own lawyer concerning your rights in the lawsuit, but any use of your own lawyer will be at your own expense.

8. How will Class Counsel be paid?

If Class Counsel obtains benefits for the Class, Class Counsel will ask the Court to decide the amount of Class Counsel's reasonable attorneys' fees, costs and expenses, an amount that will be deducted from the recovery.

9. What if I exclude myself from the Class?

If you exclude yourself from the Class, you will retain your right to sue XTO separately. You may also exclude yourself if you do not want to sue XTO. If you exclude yourself, you will not be bound by any judgment entered in this case, either positive or negative for the Class.

10. How do I exclude myself from the Class?

Any request to be excluded must be in writing and signed. You must send a letter addressed to Class Counsel, whose address is in No. 6, above, with a copy to Strategic Claims Services, at 600 N. Jackson St., Suite 205, Media, PA 19063, asking to be excluded from the Class. The letter must contain your name and address, contain the name of this case (*Kriley v. XTO Energy Inc.*), request to be excluded from the class, be dated, and be signed in ink. Either mail the letter to Class Counsel at the above address with a copy to Strategic Claims Services or fax the letter to Class Counsel at 412-261-2652 and to Strategic Claims Services at 610-565-7985. **In order to be effective, your exclusion request must be RECEIVED by Class Counsel and Strategic Claims Services by March 19, 2026.**

11. How do I get more information?

You have three ways of getting further information: You may contact Class Counsel at the telephone number, email address and address above. You may also consult the significant pleadings, other papers and Court Orders on the internet at www.strategicclaims.net/KrileyvXTO. You may also consult the pleadings and other papers in this lawsuit at the United States District Court for the Western District of Pennsylvania at the Joseph F. Weis, Jr., United States Courthouse, 700 Grant Street, Pittsburgh, PA 15219, during regular business hours.

DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, XTO OR XTO'S LAWYERS ABOUT THIS LAWSUIT.

Dated: January 15, 2026

By Order of the Court

Kriley v. XTO Energy Inc.
c/o Strategic Claims Services
600 N. Jackson St. Suite 205
Media, PA 19063

IMPORTANT LEGAL NOTICE – PLEASE FORWARD