

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, EASTERN DIVISION

If you received royalty payments from oil and gas leases with Ascent Resources – Utica, LLC, during the time period below, you could be affected by the Court’s Order granting class certification in the case outlined below.

Please read this Notice carefully because your rights are affected.

A federal court authorized this notice. This is not junk mail, an advertisement, or a solicitation from a lawyer.

- Plaintiffs Brian and Cynthia Eaton (hereafter “Eatons”) and Cunningham Property Management Trust (hereafter “Cunningham” or collectively “Plaintiffs”) have sued Defendant Ascent Resources – Utica, LLC (hereafter “Ascent”) in a class action lawsuit entitled *Brian and Cynthia Eaton, individually and on behalf of a class of all others similarly situated v. Ascent Resources – Utica, LLC*, No. 2:19-cv-3412, filed in the United States District Court for the Southern District of Ohio, Eastern Division. Judge Edmund A. Sargus, Jr. and Magistrate Judge Chelsey M. Vascura are presiding over the case.
- In this lawsuit, Plaintiffs allege that Ascent has taken and continues to take improper or excessive deductions and alleges that Ascent is improperly paying royalties in violation of the terms of the leases. In addition, Plaintiffs allege that they have the right to an accounting as a matter of law. Plaintiffs seek past damages for allegedly improper deductions taken from royalty payments, as well as an accounting and an order from the Court ending the practice. Plaintiffs’ Class Action Complaint is available at AscentRoyaltyClassAction.com.
- Ascent denies that it has made any improper or excessive deductions and contends that it is properly paying royalties in accordance with the terms of the leases. Ascent further contends that Plaintiffs have no right to an accounting as a matter of law. Ascent’s Answer to the Class Action Complaint is available at AscentRoyaltyClassAction.com.
- On August 4, 2021, the Court issued an Order certifying the following class and subclasses (as modified by the Court’s subsequent April 4, 2024 Opinion and Order):

All persons or entities including their predecessors and successors-in-interest who have received, or who are entitled to receive, royalty payments from natural gas or oil wells located in Ohio, who were paid royalties by Ascent at any time since October 1, 2014, and who fit in one or more of the following subclasses.

Subclass (a): All persons or entities who have had deductions for “gathering” and “compression” expenses taken from royalty payments by Ascent.

Subclass (b): All persons or entities who have had deductions for “processing” expenses taken from royalty payments by Ascent.

Subclass (c): All persons or entities who have had deductions for “transportation” expenses taken from royalty payments by Ascent.

Subclass (d): All persons or entities for which Ascent has classified the lessor as having a “market enhancement clause” lease who have had deductions for “processing” expenses taken from royalty payments by Ascent.

Subclass (e): All persons or entities for which Ascent has classified the lessor as having a “market enhancement clause” lease who have had deductions for “transportation” expenses taken from royalty payments by Ascent.

Exclusion: Excluded from the Class and each Subclass are Ascent, any of its affiliates, parents, subsidiaries, officers, directors, employees, legal representatives, successors, and assigns, and any entity in which Ascent has a controlling interest, as well as that entity’s officers, directors, employees, legal representatives, successors, and assigns, in addition to the judicial officers and their immediate family members and court staff assigned to this lawsuit. Also excluded are those persons or entities whose royalties are paid per an overriding royalty interest, or those with working interests, or those whose leases contain governing arbitration clauses.

- This is not a lawsuit against you. You received this Notice because Ascent’s records show that you were or are entitled to receive royalty payments from Ascent at some time from October 1, 2014, to the present, and have had deductions for post-production costs taken from your royalty payments. Discovery is still proceeding in this case. As outlined below, Court-appointed Class Counsel will seek discovery from Ascent, hire experts, and prosecute the claims on behalf of the class.

QUESTIONS? CALL 1-888-503-1468.

- The Court has not decided whether Ascent did anything wrong. There is no money available now, and no guarantee there will be. However, your legal rights are affected, and you have a choice to make now:

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS	
Do Nothing At This Time	Remain in the Class and Subclasses. You do not need to do anything if you wish to remain in the Class and Subclasses. If you do nothing, you will remain a Class and Subclass member and be bound by any judgment the Court's rulings going forward that the Court enters, including any judgment that is entered in Ascent's favor. You will give up any rights to sue Ascent on your own about your natural gas royalty payments.
Exclude Yourself From the Class Action Lawsuit	Exclude yourself from the Class and Subclasses and preserve your ability to file suit over the claims at issue in this action against Ascent and at your own expense, regarding Ascent's payment of your natural gas royalties. Opting out of the Class and Subclasses is the only way that you can file or continue your own lawsuit or ever be part of any other lawsuit against Ascent about the legal issues in this case against Ascent.

- This Notice explains your legal rights and options. If you want to remain part of this lawsuit, you do not need to do anything at this time. If you do not want to remain part of this lawsuit, you must act to exclude yourself by **November 4, 2024**.
- Your legal rights are affected whether you act or do not act. **Please read this Notice carefully.** You have choices to make now.

PLEASE DO NOT TELEPHONE THE COURT, THE COURT CLERK'S OFFICE, OR ASCENT TO INQUIRE ABOUT THIS NOTICE OR THE LITIGATION.

QUESTIONS? CALL 1-888-503-1468.

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QUESTIONS? CALL 1-888-503-1468.

BASIC INFORMATION

1. Why did I get this Notice?

You have received this Notice because Ascent's records show that you were or are entitled to receive royalty payments from Ascent at some time from October 1, 2014, to the present, and have had deductions for post-production costs taken from your royalty payments. Therefore, you are a Class member and member of at least one Subclass.

You have a right to know about class certification in a class action lawsuit and about all of your options before the Court decides whether Plaintiffs are entitled to anything from Ascent as a result of a judgment or settlement, or before Ascent obtains a judgment in its favor and pays nothing.

This Notice explains the Lawsuit, your legal rights, and available options regarding this case going forward.

The Court has allowed, or "certified," a class action lawsuit that may affect you. This certification covers the Class and Subclasses set forth in this Notice. If you are a Class Member, you have legal rights and options that you may exercise before the Court issues any final judgment in the case.

2. What is this class action lawsuit about?

In their lawsuit, Plaintiffs allege that Ascent has underpaid royalty payments due to lessors under two types of lease agreements with Ascent.

Some of the leases involved in this case contain market enhancement clauses that Plaintiffs allege require Ascent to create a better price for the gas before it can permissibly deduct any post-production expenses. Plaintiffs further allege that Ascent has failed to comply with the lease's market enhancement clause and industry standards that require it to identify a local market price to compare with the ultimate price received for the product, and then, only deduct those post-production expenses that serve to obtain a better price for the product. Plaintiffs allege that Ascent may only deduct for those expenses to the extent that they cause Plaintiffs to benefit from the enhanced price.

Other leases do not contain a market enhancement clause. Plaintiffs allege that Ascent has breached these leases because it is taking improper or excessive deductions for post-production costs that arise from agreements with affiliated companies. According to Plaintiffs, these excessive post-production cost deductions occur because Ascent's transactions for such costs do not arise from arm's length transactions, which pass increased expenses onto Plaintiffs to the benefit of related companies.

Plaintiffs also allege that the deductions for post-production costs are unreasonable regardless of whether an affiliated company is involved. Plaintiffs also seek an accounting of Ascent's royalty payments and method for calculating royalties. Ascent disagrees with Plaintiffs' allegations.

Ascent contends that its royalty payment practices comply with the terms of the lease agreements. Ascent contends that where it takes deductions for post-production costs, those costs are incurred in order to enhance the value of marketable gas and receive a better price for both Ascent and royalty owners. Ascent also contends that none of its agreements for post-production operations constitute affiliate agreements and that the deductions it takes are reasonable. Ascent further contends that Plaintiffs' claim for an accounting is improperly duplicative and cannot be properly sustained in conjunction with their breach of contract claim. Plaintiffs disagree with Ascent's contentions.

To obtain more information about the claims in this Lawsuit, you can view the operative complaint and other court documents in this case at AscentRoyaltyClassAction.com.

3. Why is this a class action, and who is involved?

In a class action lawsuit, one or more people called "Named Plaintiffs" or "Class Representatives" (in this case, Brian and Cynthia Eaton and the Cunningham Property Management Trust) sue on behalf of other individuals or entities who have similar claims. The individuals and entities together are a "Class" and are called "Class Members" or "Subclass Members." The Named Plaintiffs who sued—and all the Class Members like them—are called the Plaintiffs. The company they sued (in this case, Ascent) is called the Defendant. In a class action, the Court or a jury resolves the issues for all Class Members and Subclass Members, except for those people or entities who choose to exclude themselves from the Class and Subclasses.

QUESTIONS? CALL 1-888-503-1468.

4. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action and move toward a trial because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found in its August 4, 2021 Opinion and Order the following:

- There are “net proceeds” leases that fall into subclasses (a) (b) and/or (c), and “market enhancement” leases that fall into subclasses (d) and (e). The Court has inferred that these numerous leases are held by numerous people.
- The members of subclass (a), (b), and (c) share common questions in whether Ascent’s post-production deductions are unreasonable and whether affiliated party contracts are resulting in inflated prices. The members of subclass (d) and (e) share a common question in whether Ascent enhanced the prices obtained for as sold under market enhancement leases. The answers to these questions will resolve issues central to this litigation in one stroke.
- Plaintiffs have shown that the common questions are predominate over individual issues and a class action is the superior method of adjudicating this case.
- Plaintiffs’ claims arise out of the same practices or courses of conduct that give rise to the claims of the other class members, and their claims are based on the same legal theories.
- The Court sees no reason that the class representatives would do anything other than vigorously prosecute the claims of the class and their respective subclasses. Upon reviewing their credentials and experience, the Court approves of class counsel.
- Plaintiffs must show that the common questions of law or fact “predominate” over questions “affecting only individual members.” Plaintiffs have shown that the common questions are central and predominating.
- A class action is the superior method of adjudicating this case.

More information about why the Court is allowing this lawsuit to be a class action is in the Court’s Opinion and Order certifying the Class, which is available at AscentRoyaltyClassAction.com.

5. Is there money available now?

No money is available at this time. The Court has not ruled in favor of Plaintiffs or Ascent, and the parties have not reached any settlement. Any payments that at some time in the future may be available for Class Members and Subclass Members will only occur if the Court awards a judgment in favor of Plaintiffs or Plaintiffs and Ascent reach a settlement.

Updates regarding any payments which may be made in the future will be posted on the website, AscentRoyaltyClassAction.com.

WHO IS IN THE CLASS?

6. Am I part of this Class?

In general, you are a Class Member and Subclass Member if you meet any of the following definitions:

All persons or entities (including their predecessors and successors-in-interest who have received, or who are entitled to receive, royalty payments from natural gas or oil wells located in Ohio, who were paid royalties by Ascent at any time since October 1, 2014, and who fit in one or more of the following subclasses.

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Subclass (d): All persons or entities for which Ascent has classified the lessor as having a “market enhancement clause” lease who have had deductions for “processing” expenses taken from royalty payments by Ascent.

Subclass (e): All persons or entities for which Ascent has classified the lessor as having a “market enhancement clause” lease who have had deductions for “transportation” expenses taken from royalty payments by Ascent.

Exclusions: Excluded from the Class and each Subclass are Ascent, any of its affiliates, parents, subsidiaries, officers, directors, employees, legal representatives, successors, and assigns, and any entity in which Ascent has a controlling interest, as well as that entity’s officers, directors, employees, legal representatives, successors, and assigns, in addition to the judicial officers and their immediate family members and court staff assigned to this lawsuit. Also excluded are those persons or entities whose royalties are paid per an overriding royalty interest, or those with working interests, or those whose leases contain governing arbitration clauses.

7. I’m still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-888-503-1468 or visit AscentRoyaltyClassAction.com for more information.

YOUR RIGHTS AND OPTIONS

8. What happens if I do nothing at all?

You don’t have to do anything now if you want to keep the possibility of getting money or benefits from this lawsuit. By doing nothing you are staying in the class. If you stay in and Plaintiffs obtain money or benefits, either as a result of a trial or settlement, you will be notified about the outcome of the trial or settlement and how to obtain money or benefits. Keep in mind that if you do nothing now, regardless of whether Plaintiffs win or lose this lawsuit, you will not be able to sue, or continue to sue, Ascent—as part of any other lawsuit—about the same legal claims that are the subject of this lawsuit. You will also be legally bound by all of the Orders the Court will issue and the judgments the Court will make in this class action.

9. Why would I ask to be excluded?

If you already have your own royalty lawsuit against Ascent and want to continue with it, you need to ask to be excluded from the Class. If you exclude yourself from the Class—which also means to remove yourself from the Class and is sometimes called “opting-out” of the Class—you will not get any money or benefits from this lawsuit even if Plaintiffs obtain them as a result of a trial or from any settlement (that may or may not be reached) between Plaintiffs and Ascent. However, you may then be able to sue or continue to sue Ascent. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action.

If you start your own lawsuit against Ascent after you exclude yourself, you will have to hire and pay for your own lawyer for that lawsuit, and you will have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against Ascent, you should talk to your own lawyer soon because your claims may be subject to a statute of limitations.

10. How do I ask the Court to exclude me from the Class?

If you fall within the Class and Subclass definitions but want to keep the right to sue or continue to sue Ascent (at your own expense) about the legal issues in this case, then you must take steps to get out of the Class and Subclasses. This is called excluding yourself from--which also means to remove yourself, or to opt out of--the Class and Subclasses.

To exclude yourself from (opt out of) Plaintiffs’ class action lawsuit against Ascent, you must send an Opt-Out Request Letter to the Notice Administrator at the mailing address or email address provided below. The Request Letter (1) must include a statement substantially to the effect of “I want to be excluded from the *Eaton et al. v. Ascent Resources – Utica LLC* class action lawsuit”; (2) must include your full legal name, address, and telephone number; and (3) must include your handwritten signature and be dated. If you email the Request Letter, the letter should be sent as an attachment to your email.

QUESTIONS? CALL 1-888-503-1468.

GETTING MORE INFORMATION

14. Are more details about the Class and Subclasses and the lawsuit available?

Yes. This Notice summarizes the class action lawsuit. More information about the ongoing class action lawsuit, including Plaintiffs' class action complaint, Ascent's answer to the complaint, and other case documents can also be viewed or printed at AscentRoyaltyClassAction.com. You may also call, write, or email the Notice Administrator with your questions at:

Ascent Royalty Class Action Notice Administrator

P.O. Box 4735

Portland, OR 97208-4735

Contact@AscentRoyaltyClassAction.com

1-888-503-1468

PLEASE DO NOT CONTACT THE COURT, THE COURT CLERK'S OFFICE, OR ASCENT. YOU SHOULD DIRECT ANY QUESTIONS YOU MAY HAVE ABOUT THIS NOTICE OR THE LAWSUIT TO THE NOTICE ADMINISTRATOR AND/OR TO CLASS COUNSEL.

You may also seek the advice and counsel of your own attorney at your own expense if you desire.

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