

EXHIBIT 3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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|---------------------------------------------------------------|---------------------------|
| In re: | § |
| | § Chapter 11 |
| | § |
| SHERIDAN HOLDING COMPANY I, LLC, <i>et al.</i> , ¹ | § Case No. 20-31884 (DRJ) |
| | § |
| Reorganized Debtors. | § (Jointly Administered) |
| | § |

**DECLARATION OF ALLAN DEVORE
IN SUPPORT OF CLASS REPRESENTATIVES’ AND
SETTLEMENT CLASS COUNSEL’S MOTION FOR APPROVAL OF:
(I) ADMINISTRATION EXPENSES; (II) CLASS COUNSEL FEES AND EXPENSES;
AND (III) CLASS REPRESENTATIVES FEE**

I, Allan DeVore, of lawful age, upon personal knowledge, and pursuant to 28 U.S.C. § 1746, declare the following under penalty of perjury:

1. I am the managing member of the DeVore Law Firm, PLC, located at 5709 N.W. 132nd Street, Oklahoma City, OK 73142. I am lead counsel in *Born v. Sheridan Production Company*, No. 2012-47, in the District Court of Caddo County, Oklahoma (the “Born Action”) and co-counsel with Sharp Law, LLP in the Class Lawsuit (defined below). Jandra Cox is my fellow attorney in the DeVore Law Firm, PLC, and is co-counsel in the Born Action and the action at bar.²

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, include: Sheridan Holding Company I, LLC (7648); Sheridan Investment Partners I, LLC (8607); Sheridan Production Partners I, LLC (8094); Sheridan Production Partners I-A, L.P. (8100); Sheridan Production Partners I-B, L.P. (8104); Sheridan Production Partners I-M, L.P. (8106); and SPP I-B GP, LLC (8092). The location of the Reorganized Debtors’ service address is: 1360 Post Oak Blvd., Suite 2500, Houston, Texas 77056. “Debtors” refers to these same entities before the Effective Date of the *Amended Joint Prepackaged Plan of Reorganization of Sheridan Holding Company I, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [ECF No. 11] (the “Plan”).

² Kerry Caywood and Angela Caywood Jones, of Park, Nelson, Caywood and Jones, in Chickasha, Oklahoma, are local counsel in the Born Action.

2. Sharp Law, L.L.P. (“Sharp Law” or “Sharp”) is lead co-counsel in the action at bar and lead counsel in the cases pending in the United States District Court for the Western District of Oklahoma against Sheridan (the “Class Lawsuit”). Michael Grant of the Grant Law Firm, P.L.L.C., serves as local counsel in the Class Lawsuit, and Charles Rubio of Diamond McCarthy, LLP, represents the Settlement Class in the Bankruptcy Proceeding. The Court has appointed the four law firms as Settlement Class Counsel. [ECF No. 123, Preliminary Approval Order at ¶ 12].³

3. Jandra Cox and I are members in good standing of the Oklahoma Bar and have been admitted *pro hac vice* in this matter. There are no disciplinary proceedings pending against either of us.

4. I have read the *Class Representatives’ and Settlement Class Counsel’s Motion for Approval of (I) Administration Expenses, (II) Class Counsel Fees and Expenses; and (III) Class Representatives’ Fee* (the “Fees and Expenses Motion”). To the best of my knowledge, information and belief, the statements in the Fees and Expenses Motion are true and correct.

5. In addition, I incorporate the statements in the *Declaration of Rex A. Sharp in Support of Joint Motion for Preliminary Settlement Approval* [ECF No. 41], which identifies Settlement Class Counsel, describes the history of the litigation, and analyzes the factors for class certification under Civil Rule 23(a) and (b)(3), including the qualifications and adequacy of Settlement Class Counsel, particularly Sharp Law.

³ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Settlement Agreement dated as of March 20, 2020 (the “Settlement Agreement”), which is attached as Exhibit 1 to the Preliminary Approval Order.

6. I submit this Declaration to provide the Court with the time and expenses that the DeVore Law Firm, PLC, has invested in the prosecution of the Born Action and in the negotiation and implementation of the Settlement Agreement of the Class Lawsuit and the Born Action in this Bankruptcy Proceeding.

History of the Born Action

7. More than eight (8) years ago, on May 1, 2012, Plaintiffs Stanley Ray Born and Ronda Jean Born filed a Petition against Sheridan Production Company, LLC (“Sheridan”), styled *Born v. Sheridan Production Company*, No. 2012-47, in the District Court of Caddo County, Oklahoma, asserting underpayment of royalty, breach of lease, breach of fiduciary duty, and claiming actual and punitive damages.

8. Sheridan produced more than 168,000 pages of document discovery that it agreed the Borns’ attorneys could use in the Born Action. We reviewed and analyzed that document discovery in the prosecution of the Born Action and the Settlement of the Class Lawsuit and the Born Action. In addition to the 168,000 pages of documents, Sheridan produced multiple spreadsheets and a large database that alone contained 1.4GB of data that we also reviewed and analyzed.

9. In late 2012, after we reviewed and analyzed the documents and data produced by Sheridan, we proposed a class-wide settlement involving certification of a statewide class of royalty owners in Oklahoma for the Born Action. Despite our negotiations, no settlement was reached at that time. Due to other ongoing litigation involving Sheridan, retirement of the trial judge, and other events affecting the Born Action, progress in the proceedings was slowed, although settlement discussions continued.

10. After the filing by Sharp of the Taylor and Whisenant Actions, Sheridan first engaged in separate, competing settlement discussions with both Sharp Law and the DeVore Law Firm, PLC. Eventually Sheridan determined that any settlement would need to be global. As a result, all parties in the three cases agreed to pursue a collective settlement and were ultimately successful in that pursuit.

11. Over a period of nearly eight (8) years, various counsel for plaintiffs in the Born, Whisenant, and Taylor Actions engaged in negotiations and extended the scheduling orders in the cases several times as a result.

Time Invested

12. The DeVore Law Firm, PLC prosecuted the Born Action on a contingent fee basis that provided for attorneys' fees in the amount of 40% of the gross recovery, plus reimbursement of actual expenses incurred in the representation if the representation was successful.

13. I have reviewed our time records in this matter, including the time expended in pursuing the settlement as part of the Bankruptcy Proceeding. We have spent 634.9 hours in the prosecution of the Born Action and in negotiating and implementing the settlement of the Class Lawsuit and Born Action to date. The time expended includes reviewing the Settlement Agreement, including its exhibits, with the Borns.

14. Because we represent clients like the Borns on a contingent fee, rather than an hourly fee, basis, we do not set hourly rates to charge clients for the time expended on these matters. If we are not successful in the matter, we receive nothing for our time and efforts. Also, not every matter we accept is successful. Consequently, we may receive

nothing despite spending many hours and substantial money on a matter that turns out to be unsuccessful.

15. When we accept a client, neither the client nor we know the ultimate outcome, which explains the use of the percentage of recovery approach to align the interests of the client and our law firm in maximizing the success of the matter.

16. Where, as here, defendants seek bankruptcy protection, the general unsecured creditors often get no recovery, so a five-million-dollar recovery in these circumstances is exceptional.

17. Based on prior Oklahoma cases where I have served as class counsel, the courts have regularly approved a 40% contingent fee as reasonable. Using the hourly rates employed in Kirkland & Ellis' Fee Application in this case, the value of time expended by us would approach \$1 million.

18. To date, we have received no payment for any of our time and efforts expended in this matter over the past eight (8) years.

Expenses Incurred

19. In the ordinary course of our practice, we maintain a record of expenses incurred in each matter so we can seek reimbursement of those actual expenses in the event of a recovery. If there is no recovery in the matter, we lose the expenses we paid in the matter.

20. Based on my review of these records, we are requesting reimbursement of \$27,970.90 in expenses to prosecute the Born Action and the case at bar, to date. The costs include routine expenses related to copying, printing, court fees, postage and shipping, phone

charges, legal research, and travel and transportation, as well as expenses for experts, and document production and review, which are typical of large, complex class actions such as this.

21. To date, we have received no reimbursement of our expenses incurred in this matter over the past eight (8) years.

Investment of Time and Expenses Going Forward

22. Settlement Class Counsel will continue to invest time and expense in this matter through final reconciliation and accounting to the Court for the distribution of the Settlement Proceeds.

23. Based on our experience in working with settlement administrators in other royalty underpayment class action settlements, we estimate investing another 100 hours, to complete the Settlement through final reconciliation and distribution of the Final Undistributed Fund in 2021.

24. I agree with Mr. Sharp's estimate of future expenses by Settlement Class Counsel to pay experts for implementing the Plan of Allocation and Distribution and for services in researching and responding to inquiries about Distribution Checks from Settlement Class Members and to pay Mr. Rubio for his services, should the expense exceed the retainer provided.

25. Class Counsel may present additional expenses incurred at the Settlement Fairness Hearing and ask the Court to approve payment of those expenses from the Settlement Proceeds.

Reasonableness of Class Counsel's Fees and Expenses

26. To support the reasonableness of Class Counsel's fee request, I incorporate the analysis of the *Johnson* factors in the *Joint Declaration of Settlement Class Counsel*

in Support of Class Representatives' and Settlement Class Counsel's Motion for Approval of: (I) Administration Expenses; (II) Class Counsel Fees and Expenses; and (III) Class Representatives Fee and the exhibits thereto ("Class Counsel Declaration").

DECLARATION UNDER PENALTY OF PERJURY UNDER 28 U.S.C. § 1746

I declare under penalty of perjury that the foregoing is true and correct.
Executed on May 14, 2020.



Allan DeVore