

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and among: (1) the United States of America (“United States”) acting through the United States Department of Justice; (2) Bobby L. Maxwell (“Maxwell” or the “Relator”); and (3) Kerr-McGee Oil & Gas Corporation, n/k/a Anadarko US Offshore Corporation (for itself, its subsidiaries, parents, affiliates, and successors and as successor to the oil and gas properties of Oryx Energy Company) (collectively “Kerr-McGee”). Each of the above is a “Settlement Party,” and all of the above are referred to collectively as the “Settlement Parties.”

Recitals

A. At all applicable times, Kerr-McGee or its affiliated companies produced crude oil and condensate from federal lands in the United States and the Gulf of Mexico under the terms of various federal oil and gas leases.

B. On June 14, 2004, Maxwell filed a *qui tam* action against Kerr-McGee Oil & Gas Corporation and three other affiliated companies under the False Claims Act, 31 U.S.C. §§ 3729 *et seq.* in the United States District Court for the District of Colorado, captioned *United States ex rel. Maxwell v. Kerr-McGee Oil & Gas Corp.*, Civil Action No. 04-cv-01224 (D. Colo.) (the “Maxwell Case”). Maxwell filed an original Complaint and one Amended Complaint in this action (the “Maxwell Complaints”).

C. In the Maxwell Complaints, Maxwell alleged that, for production months January 1, 1999 through July 31, 2003, Kerr-McGee had undervalued, for federal royalty reporting and payment purposes, crude oil and condensate produced from federal leases in the Gulf of Mexico and sold to Texon L.P., and thus had underpaid the federal royalties attributable to that crude oil and condensate production. The federal leases from which production was sold to Texon were listed in the Maxwell Complaints (see Amended Complaint ¶ 2), added to the list later by Maxwell, and/or referred to in the evidence or damages calculations presented to the jury at trial (collectively, the “Federal Leases”). See the chart attached as Schedule A to this Agreement. Maxwell alleged that Kerr-McGee had agreed to sell oil and condensate from the Federal Leases to Texon at less than fair market value in exchange for Texon paying more for non-federal oil and for performing certain marketing and other services for Kerr-McGee. Maxwell also alleged that, Kerr-McGee did not “gross up” the sales proceeds received from Texon to reflect the true fair market value of the oil and condensate sold, breached its duty to market the oil and condensate from the Federal Leases, violated federal requirements to report and pay federal royalties on the basis of the fair market value of the oil and condensate produced from the Federal Leases, knowingly made false statements to the Minerals Management Service (“MMS”) in monthly MMS-2014 forms for the Federal Leases, failed to file amended or corrected MMS-2014 forms for the Federal Leases, knowingly underpaid federal royalties on all oil and condensate production from the Federal Leases sold to Texon, and thus violated the False Claims Act. The allegations and conduct described in this paragraph are referred to as the “Covered Conduct.”

D. The United States declined to intervene in the Maxwell Case, and Maxwell prosecuted the case as a relator.

- E. At trial, a jury returned a verdict of \$7,555,886.28 in Maxwell's favor.
- F. Shortly after trial, the district court dismissed the Maxwell Case for lack of subject matter jurisdiction. Maxwell appealed, and the Tenth Circuit reversed and remanded.
- G. On remand, after disposing of certain motions, the district court entered a judgment of \$22,931,658.78 in Maxwell's favor and against Kerr-McGee. Kerr-McGee appealed (No. 10-1474), and Maxwell cross-appealed (No. 10-1486).
- H. The district court assessed costs of \$18,715.28 against Kerr-McGee and later awarded Maxwell \$2,287,974.04 in statutory attorneys' fees and additional expenses, which represented the Relator's attorneys' fees, expenses, and costs through approximately October 8, 2010. Kerr-McGee appealed (No. 11-1300), and Maxwell cross-appealed (No. 11-1321).
- I. The four appeals to the Tenth Circuit identified in Recitals G and H above are referred to collectively as the "Appeals."
- J. After October 8, 2010, Maxwell incurred additional attorneys' fees, expenses, and costs. As of June 30, 2010, the amount of those additional attorneys' fees, expenses, and costs was approximately \$304,700. None of those additional attorneys' fees, expenses, or costs represents compensation to Maxwell himself.
- K. The three judgments currently in place were entered on September 16, 2010 (Judgment) [Doc. No. 333], October 13, 2010 (Costs Taxed) [Doc. No. 341], and June 2, 2011 (Order and Opinion Granting, In Part, Application for Award of Attorneys' Fees, Expenses and Costs) [Doc. No. 359] (collectively, the "Judgments").
- L. Effective September 1, 2011, Kerr-McGee Oil & Gas Corporation changed its name to Anadarko US Offshore Corporation.
- M. On September 8, 2011, on the joint motion of Maxwell and Kerr-McGee, the Tenth Circuit abated and remanded the Appeals to the district court for consideration of the proposed settlement reflected in this Agreement. The Tenth Circuit retained jurisdiction over the Appeals.
- N. This Agreement is neither an admission of royalty underpayment or liability by Kerr-McGee nor a concession by the United States or Maxwell that the Relator's claims are not well-founded.
- O. To avoid the delay, uncertainty, inconvenience, and expense of continued protracted litigation of the above claims, and in consideration of the mutual promises and obligations in this Agreement, the Settlement Parties reach a full and final settlement pursuant to the terms and conditions below.
- P. A list of defined terms used in this Agreement is found on Schedule B to this Agreement.

Terms and Conditions

1. Payment to the United States. Kerr-McGee agrees that it will pay the United States twenty three million, three hundred eighty nine thousand, one hundred sixty one dollars, and thirty one cents (\$23,389,161.31) plus interest on that amount at a 1.00 percent annual simple interest rate (together, the “Settlement Amount”). The interest shall begin to accrue on August 15, 2011 and shall continue to accrue until the Settlement Amount is paid in full by Kerr-McGee pursuant to the terms of this Agreement. Kerr-McGee will pay the Settlement Amount within ten (10) business days of the Effective Date of this Agreement (as defined in paragraph 31 below) by electronic funds transfer in accordance with written instructions that the Department of Justice will provide.

2. Relator’s Share. Conditioned upon the United States receiving the Settlement Amount from Kerr-McGee and as soon as feasible after receipt, the United States shall pay to the Relator seven million, sixteen thousand, seven hundred forty eight dollars, and thirty nine cents (\$7,016,748.39) plus the portion of the interest paid by Kerr-McGee to the United States pursuant to paragraph 1 above that is attributable to the seven million, sixteen thousand, seven hundred forty eight dollars, and thirty nine cents (\$7,016,748.39) (together, the “Relator’s Share”). The United States will pay the Relator’s Share by electronic funds transfer into the trust account of Michael S. Porter, one of Maxwell’s attorneys, in accordance with written instructions that he will provide.

3. Relator’s Statutory Attorneys’ Fees and Expenses. In addition to the Settlement Amount to be paid to the United States as described in paragraph 1, Kerr-McGee agrees that it separately will pay to the Relator two million, six hundred ten thousand, eight hundred thirty eight dollars, and sixty nine cents (\$2,610,838.69) (the “Statutory Fees”). Kerr-McGee will pay the Statutory Fees within ten (10) business days of the Effective Date of this Agreement (as defined in paragraph 31 below) by electronic funds transfer into the trust account of Michael S. Porter in accordance with written instructions that he will provide. Upon the dismissal of the Maxwell Case, Mr. Porter shall allocate and disburse the Statutory Fees to Maxwell’s other attorneys as appropriate, and Kerr-McGee shall have no responsibility for that allocation or disbursement. The Relator acknowledges that, upon payment of the Statutory Fees by Kerr-McGee into Mr. Porter’s trust account, all claims of the Relator and the Relator’s attorneys against Kerr-McGee are extinguished, and neither the Relator nor any of the Relator’s attorneys shall have any further claim against Kerr-McGee, including claims for statutory attorneys’ fees under 30 U.S.C. § 3730(d)(2), arising out of, associated with, emanating from, or related to the Maxwell Case.

4. United States’ Release of Kerr-McGee. Subject to the exclusions in paragraph 9 below, and conditioned upon the payment by Kerr-McGee of the Settlement Amount described in paragraph 1, the United States releases Kerr-McGee, together with its predecessors, successors, assigns, subsidiaries, parents, and Affiliates (as defined in paragraph 14 below) and any of their respective current or former directors, officers, employees, attorneys, or agents from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729 *et seq.*, the Federal Oil and Gas Royalty Management Act, 30 U.S.C. § 1722, the Mineral Leasing Act, 30 U.S.C. § 195(c), the Outer Continental Shelf Lands Act, 43 U.S.C. § 1350(a), any other federal mineral leasing statutes and regulations that

govern the calculation, reporting, or payment of royalties on crude oil and condensate produced from federal leases, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, and the common law theories of breach of contract, payment by mistake, unjust enrichment, disgorgement, fraud, and negligent misrepresentation.

5. Relator's Release of Kerr-McGee. In consideration of, and conditioned upon, the payment by Kerr-McGee of the Settlement Amount described in paragraph 1 and the Statutory Fees described in paragraph 3, the Relator and his heirs, attorneys, agents, successors and assigns fully and finally release and forever discharge Kerr-McGee together with its predecessors, successors, assigns, subsidiaries, parents, and Affiliates (as defined in paragraph 14 below) and any of their respective current or former directors, officers, employees, attorneys, and agents from any and all past or present claims or causes of action, whether arising in tort, contract or otherwise at common law, whether arising by statute, regulation or otherwise and including intentional, reckless or negligent acts or omissions which the Relator or his heirs, successors or assigns have, known or unknown, now existing, relating to, arising out of, or attributable to (a) the Covered Conduct, (b) all claims of Maxwell of any kind against Kerr-McGee, including private claims for royalty underpayment, (c) claims which were or could have been raised on behalf of the United States in the Maxwell Complaints or the Maxwell Case, and (d) claims for attorneys' fees, expenses, or costs incurred in the prosecution of the Maxwell Case. The Relator and his heirs, attorneys, agents, and successors and assigns further agree never to institute, commence, or prosecute any action, case, suit, cause, or cause of action against Kerr-McGee or its predecessors, successors, subsidiaries, parents, or Affiliates or the present or former directors, officers, employees, attorneys, or agents of any of them, for any loss, injury, or damage which arises out of, is associated with, or relates to the claims released in this paragraph. Nor will they assist anyone else in doing so. This Agreement is a full and final settlement that fully resolves, settles, and releases all liabilities of Kerr-McGee to the Relator, and all such liability, if any, is fully and immediately extinguished as of the date on which Kerr-McGee pay the sums that it has agreed to pay in paragraphs 1 and 3.

6. Relator's Release of the United States. The Relator and his heirs, attorneys, agents, successors and assigns shall not object to this Agreement, but rather they agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon the Relator's receipt of the payment described in paragraph 2, the Relator and his heirs, attorneys, agents, successors and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants from any claims arising from the filing of the Maxwell Case or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Maxwell Case.

7. Kerr-McGee's Release of the United States. Contingent upon the United States fulfilling its obligations under paragraphs 11 and 12 below, Kerr-McGee fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Kerr-McGee has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' investigation and prosecution thereof.

8. Kerr McGee's Release of the Relator. In consideration of the Relator's releases provided for by this Agreement, and contingent on the Relator fulfilling the obligations identified in paragraphs 11 and 12 of this Agreement, Kerr-McGee fully and finally releases the Relator and his attorneys from any and all claims that Kerr-McGee has asserted, could have asserted, or may assert in the future against the Relator and his attorneys related to the Covered Conduct and to the Relator's and his attorneys investigation and prosecution of the Maxwell Case. This release does not prohibit future claims that might arise under the obligations created by this Agreement.

9. Exclusions from the Agreement. Notwithstanding the releases given in paragraphs 4 and 5 of this Agreement, the following claims of the United States are specifically reserved and are not released. This paragraph does not reserve any claims that could be asserted by the Relator.

(a) Underreporting and/or underpaying royalties for leases reported on Forms MMS-2014 by Kerr-McGee with respect to crude oil or condensate produced from any federal or Indian leases not listed in Schedule A to this Agreement;

(b) Underreporting and/or underpaying royalties for leases reported on Forms MMS-2014 by Kerr-McGee with respect to crude oil or condensate produced from the Federal Leases for months other than production months January 1999 through July 2003;

(c) Underreporting and/or underpaying royalties for products other than crude oil reported under Product Code 01 and condensate reported under Product Code 02;

(d) Use of an improper royalty rate;

(e) Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

(f) Any liability arising under Title 26, U.S. Code (the Internal Revenue Code);

(g) Any administrative liability, including the suspension and debarment rights of any federal agency;

(h) Any criminal liability; and

(i) Any liability based on the obligations created by this Agreement.

10. Intervention. The United States will intervene in the Maxwell Case for the limited purposes of implementing the settlement and facilitating the dismissal of the case as set forth in this Agreement.

11. Stipulation of Dismissal and Dismissals. To effectuate the settlement that is set forth in this Agreement, the Settlement Parties agree that

(a) Within five (5) business days of the receipt of the Settlement Amount described in paragraph 1 above and the Statutory Fees described in paragraph 3, the Settlement Parties shall execute the Joint Stipulation of Dismissal of All Claims (attached as Schedule C to this Agreement), dismissing all of the claims for the Covered Conduct with prejudice as to both the United States and the Relator. That stipulation will confirm that Kerr-McGee's payment obligations to the United States under this Agreement have been satisfied by the payment of the Settlement Amount described in paragraph 1 and that all attorneys' fees owed to the Relator or to the Relator's attorneys and any other attorneys' fees that might be owed by Kerr-McGee to any person pursuant to 31 U.S.C. § 3730(d) or other entitlement have been satisfied by the payment of the Statutory Fees described in paragraph 3.

(b) Within five (5) business days of the receipt of the Settlement Amount described in paragraph 1 and the Statutory Fees described in paragraph 3, the Settlement Parties shall file the stipulation with the United States District Court for the District of Colorado.

(c) Within five (5) business days of the receipt of the Settlement Amount described in paragraph 1 and the Statutory Fees described in paragraph 3, and thereafter, the Settlement Parties shall take all necessary or appropriate steps, including those required by paragraph 13 below, to effectuate the dismissal of the Maxwell Case.

(d) The Relator and Kerr-McGee shall take all steps that might be necessary or appropriate to remove any liens, if any, created by the entry of the Judgments or by any registration of the Judgments and to obtain the release of the bonds filed by Kerr-McGee in connection with the Appeals.

(e) Within five (5) business days of the receipt of an order from the district court dismissing the Maxwell Case, the Relator and Kerr-McGee, consistent with the requirements of the Tenth Circuit's September 8, 2011 remand order, shall file a joint motion or motions or other appropriate pleadings to inform the court of appeals of the disposition of the case by the district court and shall take all further necessary actions, if any, to withdraw the Appeals.

12. Satisfaction, Release, and Discharge of Judgments. Within five (5) business days of the receipt of the Settlement Amount described in paragraph 1 and the Statutory Fees described in paragraph 3, the United States and the Relator agree to file the Satisfaction of Judgments in Full that is attached to this Agreement as Schedule D. After the filing of Satisfaction of Judgment in Full, Kerr-McGee may file a motion with the district court under Federal Rule of Civil Procedure 60(b) requesting that the Judgments be vacated under the grounds that they have satisfied, released, or discharged. The Relator agrees not to oppose such motion.

13. Court Approval. The Settlement Parties agree that the settlement reflected in this Agreement is fair, adequate, and reasonable under all the circumstances. The Settlement Parties agree that, if the district court fails to enter an order dismissing the Maxwell Case with prejudice as to the United States and the Relator as to the Covered Conduct, this Agreement shall be null and void and the United States will promptly return the Settlement Amount described in paragraph 1 (less the Relator's Share defined in paragraph 3 if already paid to the Relator) to Kerr-McGee. The Relator will promptly return the Relator's Share described in paragraph 2 (if already received from the United States) and the Statutory Fees described in paragraph 3 to Kerr-McGee. The Relator and his attorneys agree that the Relator's Share and the Statutory Fees described in paragraphs 2 and 3 will be held intact in the trust account of Mr. Porter and will not be distributed further unless and until the district court enters an order dismissing the Maxwell Case.

14. Definition of Affiliate. For the purposes of this Agreement, the term "Affiliate" shall mean, with respect to Kerr-McGee, all corporations, partnerships, limited liability companies, or other entities existing during the period from January 1, 1999 through the Effective Date of this Agreement, that directly or indirectly through one or more intermediaries, (i) are/were controlled by, or are/were under common control with Kerr-McGee, or (ii) control/controlled Kerr-McGee. For the purpose of this definition, the term "control" when used with respect to an entity means (a) the beneficial ownership (as defined in Rule 13d-3 promulgated under the Securities and Exchange Act of 1934, as amended) of 50 percent or more of the voting interest in such entity, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.

15. Waiver of Defenses. Kerr-McGee waives and shall not assert any defenses Kerr-McGee may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution or the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

16. No Characterization for Tax Purposes. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

17. Government Contracts and Unallowable Costs.

(a) *Unallowable Costs Defined:* Kerr-McGee agrees that all costs (as defined by Federal Acquisition Regulation 31.205-47(a)) incurred by or on behalf of Kerr-McGee and its successors, Affiliates (as defined in paragraph 14), parents, subsidiaries, officers, directors, agents, or employees in connection with:

(1) The matters covered by this Agreement,

- (2) The United States' audits and civil investigations of the matters covered by this Agreement,
- (3) Kerr-McGee's investigation, defense, and corrective actions undertaken in response to the United States' audits and civil investigations in connection with the matters covered by this Agreement (including attorneys' fees),
- (4) The negotiation and performance of this Agreement, and
- (5) Kerr-McGee's payment of the Settlement Amount to the United States and its payment of the Statutory Fees to the Relator pursuant to this Agreement

are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

(b) *Future Treatment of Unallowable Costs:* Unallowable Costs will be separately determined and accounted for by Kerr-McGee, and Kerr-McGee shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

(c) *Treatment of Unallowable Costs Previously Submitted for Payment:* Within 90 days of the Effective Date of this Agreement, Kerr-McGee shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs, if any, included in payments previously sought by Kerr-McGee or any of its subsidiaries or affiliates from the United States. Kerr-McGee agrees that the United States, at a minimum, shall be entitled to recoup from Kerr-McGee any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Kerr-McGee's books and records and to disagree with any calculations submitted by Kerr-McGee or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Kerr-McGee, or the effect of any such Unallowable Costs on the amount of such payments.

18. Settlement Parties Bear Their Own Costs. The Settlement Parties agree that each Settlement Party shall bear its own costs, attorneys' fees, and expenses incurred in connection with the Maxwell Case, including the preparation and performance of this Agreement, except as expressly set forth in this Agreement.

19. No Binding Precedent. This Agreement is executed for the purpose of settling the Covered Conduct. No party shall be deemed to have approved, accepted, or consented to any concept, method, theory, principle, statutory, regulatory, or contractual interpretation underlying, or supposedly underlying, any of the matters agreed to herein or raised in connection with the Covered Conduct. This Agreement shall have no precedent-setting value and shall not be binding on any Settlement Party as to any issues, or any time periods, other than those specifically addressed in this Agreement.

20. No Third Party Beneficiaries. This Agreement is intended to be for the benefit of the Settlement Parties only. The Settlement Parties do not release, limit, or affect any claims against any other person or entity except as set forth in this Agreement.

21. Representations Regarding Fees. By executing this Agreement, the Relator and the Relator's attorneys agree that the amounts paid by Kerr-McGee to the Relator are in full and final satisfaction of any and all claims any of them may have for attorneys' fees, expenses, and costs against Kerr-McGee under the False Claims Act or otherwise. Upon payment by Kerr-McGee of the Statutory Fees described in paragraph 3, any obligation of Kerr-McGee for fees, expenses, and costs to the Relator's attorneys shall be fully satisfied and discharged.

22. No Assignment of Claims by the Relator or the Relator's Attorneys. The Relator and each of his attorneys warrant and represent that neither the Relator nor any one of his attorneys has made any assignment of any rights they may have against Kerr-McGee or its Affiliates, including in any cause of action they have or may have as set forth in the Maxwell Complaints or the Maxwell Case. The Relator agrees that should anyone assert a claim by, through, under, or on behalf of the Relator or his attorneys against Kerr-McGee, the Relator (including the Relator's heirs, successors and assigns) will indemnify and hold harmless Kerr-McGee from any liability to any parties making any such claims and from the cost and expense of defending any such claims, provided that Kerr-McGee promptly notifies the Relator in writing of the assertion of any such claims.

23. Disclosure of the Agreement and Publicity. The Settlement Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public. The Settlement Parties also consent to this Agreement being filed with the district court and made part of the public record. Nothing in this Agreement prohibits any Settlement Party from accurately discussing the facts of this case in a public forum. The Relator and Kerr-McGee shall not, however, knowingly make any material and factually inaccurate statement about any other Settlement Party, including statements pertaining in any way to this Agreement, the Maxwell Case, the circumstances that gave rise to the Maxwell Case, or its settlement. Likewise, neither the Relator nor Kerr-McGee shall knowingly make any injurious and false statement which would tend to materially impugn or denigrate the character, reputation, business, or personnel of any other Settlement Party.

24. Consultation with Counsel. Each Settlement Party acknowledges that the Agreement has been executed after full opportunity to consult with counsel, that counsel has reviewed the Agreement, and that none of the Settlement Parties is relying on any representation, warranty, or promise not contained in the Agreement or on any implied promise or undertaking concerning the subject matter of this Agreement. The Settlement Parties further agree that they are entering into the Agreement based on their own judgment and the judgment of their attorneys and advisors and not on anything said by the other Settlement Parties, except for the promises contained in the Agreement.

25. Entire Agreement. This writing constitutes the entire agreement of the Settlement Parties with respect to the subject matter of the Agreement. This Agreement may not be modified, amended, or terminated, except by a written agreement signed by all the Settlement Parties specifically referring to this Agreement.

26. Construction of the Agreement. For purposes of construction, this Agreement shall be deemed to have been drafted by all the Settlement Parties and thus shall not be construed against any party for that reason in any subsequent dispute.

27. Governing Law. This Agreement shall be governed by the laws of the United States. The Settlement Parties agree that the exclusive jurisdiction and venue for any dispute arising between or among the Settlement Parties under this Agreement will be the United States District Court for the District of Colorado.

28. Binding on Successors. This Agreement is binding on Kerr-McGee's transferees, successors and assigns. This Agreement is binding on the Relator and his heirs, transferees, successors and assigns.

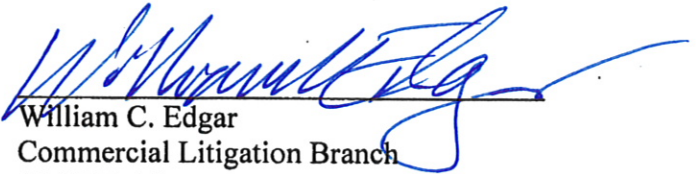
29. Authority. Each of the signatories executing this Agreement represents that he or she has full authority to sign on behalf of the designated Settlement Party and to bind that Settlement Party to all terms, conditions, and covenants of the Agreement. The individual signing this Agreement on behalf of Kerr-McGee represents and warrants that he or she is authorized by Kerr-McGee to execute the Agreement and to file all documents required by this Agreement. The Relator and the Relator's attorneys represent and warrant that they are authorized to execute this Agreement and to file all documents required by this Agreement, including the Satisfaction of Judgments in Full. The signatories for the United States represent that they are executing this Agreement in their official capacities and that they are authorized to execute the Agreement and to file all documents required by this Agreement, including the Satisfaction of Judgments in Full.

30. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which taken together shall constitute a single instrument.


31. Effective Date. This Agreement is effective on the date of signature of the last signature that is affixed to the Agreement (the "Effective Date" of this Agreement). Facsimiles and pdf copies of signatures shall constitute acceptable, binding signatures for purposes of this Agreement and for making it effective.

On behalf of the United States of America

Dated: 12/14/2011

By: 
William C. Edgar
Commercial Litigation Branch
Civil Division
Department of Justice

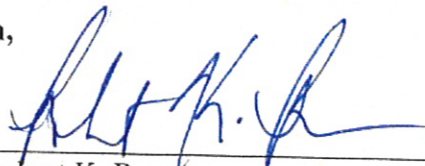
Dated: 12-8-11

By: 
Amanda Rocque
Assistant United States Attorney
United States Attorney's Office for the
District of Colorado

On behalf of Kerr-McGee Oil & Gas Corporation,
n/k/a Anadarko US Offshore Corporation

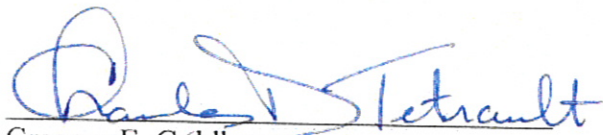
Dated: 12-13-2011

By:


Robert K. Reeves
Senior Vice President
Kerr-McGee Oil & Gas Corporation,
n/k/a Anadarko US Offshore Corporation

Dated: 12/13/11

By:

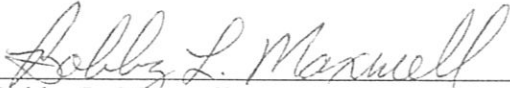

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Attorneys for Kerr-McGee Oil & Gas Corporation,
n/k/a Anadarko US Offshore Corporation

The Relator

Dated: 12/05/2011



Bobby L. Maxwell

The Relator's Attorneys

Dated: _____

By: _____
Richard C. LaFond
Richard C. LaFond P.C.
1756 Gilpin Street
Denver, CO 80218

Dated: _____

By: _____
Michael S. Porter
4465 Kipling Street
Wheat Ridge, CO 80033

Dated: _____

By: _____
Sean Connelly
Daniel M. Reilly
Matthew D. Spohn
Reilly Pozner LLP
1900 16th Street, #1700
Denver, CO 80202

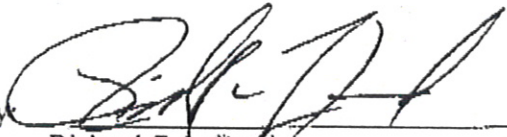
The Relator

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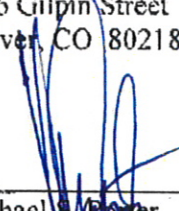
Bobby L. Maxwell

The Relator's Attorneys

Dated: 12-5-11

By: 
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Dated: 12-5-11

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The Relator

Dated: _____

Bobby L. Maxwell

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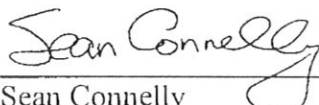
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Dated: 12-5-11

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SCHEDULE A

SCHEDULE A
List of federal leases in dispute

Lease No.	Lease No.	Lease No.
0540010220	0540068990	0540142090
0540010230	0540074610	0540142240
0540010250	0540074620	0540143910
0540015260	0054007760	0540149420
0540020630	0540079230	0540151240
0540024180	0540084830	0540152930
0540026650	0540091830	0540158520
0540031690	0540091840	0550003330
0540042680	0540091910	0550003340
0540044600	0540092160	0550003350
0540048320	0540096310	0550003360
0540049400	0540097710	0550003450
0540050060	0540109680	0550003460
0540056600	0540109880	0550003470
0540057780	0540129800	0550008280
0540058000	0540130790	0550008300
0540058090	0540130810	0550008310
0540061360	0540139680	754393003A
0540068880	0540142050	754396015A
0540068980	0540142080	0540015280

SCHEDULE B

SCHEDULE B
List of Defined Terms

1. “**Affiliate**” is defined in Paragraph 14.
2. “**Agreement**” is defined in the Preamble.
3. “**Appeals**” are defined in Paragraph I.
4. “**Covered Conduct**” is defined in Paragraph C.
5. “**Effective Date**” is defined in Paragraph 31.
6. “**Federal Leases**” are defined in Paragraph C.
7. “**Judgments**” are defined in Paragraph K.
8. “**Kerr-McGee**” is defined in the Preamble.
9. “**Maxwell**” is defined in the Preamble.
10. “**Maxwell Case**” is defined in Paragraph B.
11. “**Maxwell Complaints**” are defined in Paragraph B.
12. “**MMS**” is defined in the Paragraph C.
13. “**Relator**” is defined in the Preamble.
14. “**Relator’s Share**” is defined in Paragraph 2.
15. “**Settlement Amount**” is defined in Paragraph 1.
16. “**Settlement Party**” and “**Settlement Parties**” are defined in the Preamble.
17. “**Statutory Fees**” is defined in Paragraph 3.
18. “**Unallowable Costs**” are defined in Paragraph 17.

SCHEDULE C

**IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF COLORADO**

Civil Action No. 04-cv-01224-MSK-CBS

**UNITED STATES OF AMERICA ex rel.
BOBBY L. MAXWELL,**

Plaintiff,

v.

KERR-McGEE OIL & GAS CORPORATION,

Defendant.

JOINT STIPULATION OF DISMISSAL OF ALL CLAIMS

A settlement agreement having been executed among the parties and the United States having intervened for settlement purposes as to all claims asserted in this matter against Kerr-McGee Oil & Gas Corporation, n/k/a Anadarko US Offshore Corporation (for itself, its subsidiaries, parents, affiliates, and its successors and as successor to the oil and gas properties of Oryx Energy Company) (collectively “Kerr-McGee”), the United States, Bobby L. Maxwell, and Kerr-McGee submit this joint stipulation of dismissal. The aforementioned jointly stipulate to:

- 1) Dismissal with prejudice as to the United States of the following False Claims Act claims against Kerr-McGee:
 - a) That for production months January 1, 1999 through July 31, 2003, Kerr-McGee undervalued, for federal royalty reporting and payment purposes, crude oil and condensate produced from federal leases in the Gulf of Mexico and sold to Texon L.P., and thus underpaid the federal royalties attributable to that crude oil and condensate production. The federal

leases from which production was sold to Texon were listed in the Maxwell Complaints, added to the list later by Maxwell, and/or referred to in the evidence or damages calculations presented to the jury at trial (the “Federal Leases”);

b) That for production months January 1, 1999 to July 31, 2003, Kerr-McGee agreed to sell oil and condensate from the Federal Leases to Texon at less than fair market value in exchange for Texon paying more for non-federal oil and for performing certain marketing and other services for Kerr-McGee;

c) That for production months January 1, 1999 to July 31, 2003, Kerr-McGee did not “gross up” the sales proceeds received from Texon to reflect the true fair market value of the oil and condensate sold, breached its duty to market the oil and condensate from the Federal Leases, violated federal requirements to report and pay federal royalties on the basis of the fair market value of the oil and condensate produced from the Federal Leases, knowingly made false statements to the Minerals Management Service (“MMS”) in monthly MMS-2014 forms for the Federal Leases, failed to file amended or corrected MMS-2014 forms for the Federal Leases, knowingly underpaid federal royalties on all oil and condensate production from the Federal Leases sold to Texon; and

2) Dismissal without prejudice as to the United States of all other claims in the Maxwell Complaints against Kerr-McGee; and

- 3) Dismissal with prejudice as to Bobby L. Maxwell of all claims in the Maxwell Complaints against Kerr-McGee.

This stipulation is subject to the terms and conditions in the settlement agreement among the parties and as set forth in the proposed Final Judgment and Order of Dismissal filed herewith. This stipulation also confirms that the payment made to the United States under the settlement agreement satisfies Kerr-McGee's payment obligations to the United States and that the payment made to relator's attorney under the settlement agreement satisfies Kerr-McGee's obligations to pay attorneys' fees, expenses, or any other entitlement to the relator, his attorneys, or any other person under 31 U.S.C. § 3730(d) or otherwise.

Respectfully submitted,

TONY WEST
Assistant Attorney General
Civil Division

Date: _____

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ANADARKO US OFFSHORE CORPORATION

CERTIFICATE OF SERVICE

I certify that this _____ day of December, 2011, a copy of the foregoing JOINT STIPULATION OF DISMISSAL OF ALL CLAIMS was filed electronically. Therefore, this document was served on all counsel who are deemed to have consented to electronic service on that same date.

William C. Edgar

**IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF COLORADO**

Civil Action No. 04-cv-01224-MSK-CBS

**UNITED STATES OF AMERICA ex rel.
BOBBY L. MAXWELL,**

Plaintiff,

v.

KERR-McGEE OIL & GAS CORPORATION,

Defendant.

FINAL JUDGMENT AND ORDER OF DISMISSAL

A settlement agreement having been executed among the parties, the United States having intervened for settlement purposes as to all claims, and a joint stipulation of dismissal having been filed by the United States of America, Bobby L. Maxwell and Kerr-McGee Oil & Gas Corporation, n/k/a Anadarko US Offshore Corporation (for itself, its subsidiaries, parents, affiliates, and its successors and as successor to the oil and gas properties of Oryx Energy Company) (collectively “Kerr-McGee”), and for good cause shown, IT IS HEREBY ORDERED THAT:

- 1) The following False Claims Act claims against Kerr-McGee are dismissed with prejudice as to the United States:
 - a) All claims that for production months January 1, 1999 through July 31, 2003, Kerr-McGee undervalued, for federal royalty reporting and payment purposes, crude oil and condensate produced from federal leases in the

Gulf of Mexico and sold to Texon L.P., and thus underpaid the federal royalties attributable to that crude oil and condensate production. The federal leases from which production was sold to Texon were listed in the Maxwell Complaints, added to the list later by Maxwell, and/or referred to in the evidence or damages calculations presented to the jury at trial (the “Federal Leases”);

- b) All claims that for production months January 1, 1999 to July 31, 2003, Kerr-McGee agreed to sell oil and condensate from the Federal Leases to Texon at less than fair market value in exchange for Texon paying more for non-federal oil and for performing certain marketing and other services for Kerr-McGee;
- c) All Claims that from January 1, 1999 to July 31, 2003, Kerr-McGee did not “gross up” the sales proceeds received from Texon to reflect the true fair market value of the oil and condensate sold, breached its duty to market the oil and condensate from the Federal Leases, violated federal requirements to report and pay federal royalties on the basis of the fair market value of the oil and condensate produced from the Federal Leases, knowingly made false statements to the Minerals Management Service (“MMS”) in monthly MMS-2014 forms for the Federal Leases, failed to file amended or corrected MMS-2014 forms for the Federal Leases, knowingly underpaid federal royalties on all oil and condensate production from the Federal Leases sold to Texon; and

- 2) All other claims in this action against Kerr-McGee are dismissed without prejudice to the United States; and
- 3) All claims in this action against Kerr-McGee are dismissed with prejudice to relator Bobby L. Maxwell.

Date: _____

United States District Court Judge

SCHEDULE D

IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF COLORADO

Civil Action No. 04-cv-01224-MSK-CBS

UNITED STATES OF AMERICA ex rel.
BOBBY L. MAXWELL,

Plaintiff,

v.

KERR-McGEE OIL & GAS CORPORATION,

Defendant.

SATISFACTION OF JUDGMENTS IN FULL

In the above-captioned action, the Court entered two judgments in favor of Plaintiff, United States of America ex rel. Bobby L. Maxwell (“Maxwell”), and against Defendant, Kerr-McGee Oil & Gas Corporation (“Kerr-McGee”), on September 16, 2010 (Judgment) [Doc. No. 333] and October 13, 2010 (Costs Taxed) [Doc. No. 341]. The Court later entered a third judgment against Kerr-McGee and in favor of Maxwell alone on June 2, 2011 (Order and Opinion Granting, in Part, Application for Award of Attorneys’ Fees, Expenses and Costs) [Doc. No. 359]. The three judgments are referred to collectively as the “Judgments.”

Maxwell and the United States of America, which is the real party in interest in this *qui tam* action, each acknowledges that (i) Kerr-McGee, by virtue of settlement payments, has paid the Judgments, the related costs, and the interest on the Judgments in full and (ii) Kerr-McGee has fully and completely satisfied the Judgments.

As a result, Maxwell and the United States of America each releases and discharges the Judgments and authorizes the Clerk of the Court to enter and record this Satisfaction of Judgments in Full on the docket in the above-captioned action.

Bobby L. Maxwell

SUBSCRIBED AND SWORN to before me in the County of _____,
State of _____, this ____ day of _____, 2011

My Commission Expires: _____

Notary Public

United States of America
[Name]
Authorized Representative of the United
States of America

SUBSCRIBED AND SWORN TO before me in the District of Columbia this ____ day
of _____, 2011

My Commission Expires: _____

Notary Public

SEEN AND AGREED:

Michael S. Porter
Counsel for Bobby L. Maxwell

William C. Edgar
Counsel for the United States of America