

CAUSE NO. 067-243797-10

JOSEPH LEON MADDOX and wife	§	IN THE DISTRICT COURT OF
PATTI LYNN MADDOX, DAVID RICHEY	§	
and wife, JOYCE RICHEY, and	§	
LINDA FAYE WEBER	§	
Plaintiffs,	§	
	§	
v.	§	TARRANT COUNTY, TEXAS
	§	
VANTAGE ENERGY, LLC, and, THE CAFFEY	§	
GROUP, LLC	§	
Defendants.	§	67 th JUDICIAL DISTRICT

**PLAINTIFF JOSEPH AND PATTI MADDOX'S RESPONSES,
ANSWERS AND OBJECTIONS TO DEFENDANTS VANTAGE AND
CAFFEY'S SECOND SET OF INTEGRATED DISCOVERY**

TO: Defendants Vantage Energy and The Caffey Group by and through their attorney of record, Donald E. Herrmann, KELLY HART & HALLMAN LLP, 201 Main Street, Suite 2500, Fort Worth, Texas 76102; and Alfred G. Allen, III, TURNER & ALLEN, P.C., P.O. Drawer 930, 455 Elm St., Suite 100, Graham, Texas 76450.

COMES NOW, Joseph Leon Maddox and Patti Lynn Maddox, Plaintiffs herein, and hereby submit their Responses, Answers and Objections to Defendants Second Set of Integrated Discovery ("Discovery Requests"), as set forth herein.

I.

GENERAL OBJECTIONS

Plaintiffs assert the following objections to each of the interrogatories propounded by Defendants, and to the "Definitions and Instructions" contained in Defendants' Second Set of Integrated Discovery Requests:

1. Plaintiffs object to Defendants' Discovery Requests and the instructions thereto, to the extent they exceed the permissible scope of the Texas Rules of Civil Procedure and/or attempt to require the disclosure of information beyond the scope of discovery permissible under the Texas Rules of Civil Procedure. Plaintiffs further specifically object to Defendants' Discovery Requests to the extent they purport to require disclosure of information protected from

discovery by the attorney-client privilege, the work product doctrine or any other applicable privilege or exemption. Plaintiffs further object to each of Defendants' Discovery Requests insofar as they call for the identification of information that already is in the possession of, or is equally available to, Defendants as overly broad and unduly burdensome.

2. Plaintiffs object to producing the documents at the office of Defendants' counsel. In response to Defendants' Discovery Requests, Plaintiffs will either make available any non-privileged documents within the scope of discovery for inspection and copying on a mutually agreeable date, at a time between the hours of 9:00 a.m. and 5:00 p.m., in the offices of Mathis & Donheiser, P.C. 2575 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, or copies of said documents will be delivered to Defendants' counsel.

3. Plaintiffs' responses to Defendants' Discovery Requests have been prepared in compliance with the Texas Rules of Civil Procedure. Plaintiffs' responses accordingly reflect non-privileged, responsive information identified by Plaintiffs before the date of these objections and responses pursuant to a reasonable and duly diligent investigation. Plaintiffs acknowledge their obligation to change or otherwise modify their responses should information later revealed in discovery make it clear that while the response may have been correct at the time provided, it subsequently is determined to be incorrect. To the extent Defendants' Discovery Requests purport to require more, Plaintiffs object to each of the Discovery Requests as exceeding the scope of permissible discovery and imposing an undue burden and expense on the Plaintiffs.

4. By responding to a Discovery Request, Plaintiffs do not admit that the information provided is relevant or otherwise admissible as evidence at trial or for any other purpose. Rather, Plaintiffs expressly reserve and do not waive any and all objections they may have to the admissibility, authenticity, or relevancy of any information provided pursuant to Defendants' Discovery Requests.

II.

SPECIFIC OBJECTIONS AND RESPONSES

Subject to the foregoing, and without prejudice to or waiver of any of Plaintiffs' General Objections, Plaintiffs make and provide the following answers, responses and objections to Defendants' Discovery Requests:

III.
INTERROGATORY ANSWERS

INTERROGATORY NO. 1:

Identify all individuals who assisted you in answering these interrogatories.

RESPONSE:

Joseph Maddox
Patti Maddox
c/o Riddle & Williams, P.C.
3710 Rawlins Street
Suite 1400
Dallas, Texas 75219
214-760-6766

Dean A. Riddle
Chad E. Robinson
Caroline McClimon
Riddle & Williams, P.C.
3710 Rawlins Street
Suite 1400
Dallas, Texas 75219
214-760-6766

Kip Petroff
Carlos Fernandez
Petroff & Associates
3838 Oak Lawn Avenue
Dallas, Texas 75219
214-526-5300

INTERROGATORY NO. 2:

In regards to your allegation in paragraph 4.15 of your Petition that “[t]he Contract gave Plaintiffs a right to an irrevocable offer from Defendants to lease their unleased mineral interests”:

1. Identify what provision of “the Contract” that purportedly gave Plaintiffs a right to an irrevocable offer from Defendants to lease their mineral interests; and
2. Identify the consideration, if any, Plaintiffs gave to Defendants to receive such an irrevocable offer, and also identify the approximate date such consideration was given.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

Exploiting the Barnett Shale was a proposition unlike anything the Defendants had previously undertaken. Defendants faced two key problems with leasing in the Barnett Shale. First, they faced an expensive and time-consuming burden in that a high volume of leases would have to be negotiated on an individual basis. The minerals they sought in SFWA are located in an urban environment. Consequently, Defendants could not engage in the traditional method of mineral leasing, in which a gas company negotiates with one landowner who owns hundreds of acres of land; instead, they were confronted with the daunting task of negotiating thousands of deals with thousands of landowners, each of whom typically owned under half an acre of land. Second, in 2008, the competition for leases in the Barnett Shale was fierce. Competitors canvassed neighborhoods in a scrum of activity, making it difficult for any one company to easily gain a firm foothold in the market. The difficulty for gas companies with respect to market penetration is that simply obtaining leases is not enough; ideally, the leases that are obtained are for contiguous pieces of land. The goal is to build up an unbroken "unit" of property that is leased to one producer. When contiguous tracts are leased to different producers, it is more difficult to build a productive drilling unit. SFWA provided a turnkey solution for both of these problems.

SFWA was an alliance of landowners who banded together to negotiate the terms of a natural gas lease *en masse* for all of the landowners in the neighborhoods it represented. In the summer of 2008, SFWA represented approximately 30 neighborhoods, comprised of thousands of acres of property and thousands of landowners, SFWA negotiated with gas companies, including Defendants, through its negotiating committee, which was comprised of landowners from each of its member neighborhoods. SFWA's mission was to negotiate the best lease terms it could and to endorse that lease and that natural gas producer to the entire SFWA family. SFWA provided the Defendants with one-stop shopping at its finest: it delivered both efficiency in the contracting process and instant market penetration for its endorsed gas producer.

With respect to the contract process, the SFWA negotiating committee was a vehicle that provided Defendants with the capability to communicate with thousands of landowners in one conversation. SFWA did not own any land or minerals, but it did hold letters of intent from thousands of its members as well as the collective ear of the SWFA landowners, with whom the Defendants were eager to make a deal. SFWA was a godsend to Defendants, which is why Defendants spent a great deal of time courting the endorsement of the SFWA negotiating committee.

The negotiated lease terms were reached at the alliance level in a matter of a couple of months. Without the committee, such negotiations would likely have taken much longer and would have required massive resources. Defendants agreed that every single landowner within the boundaries of the neighborhoods in SFWA would have an opportunity to accept the lease terms it agreed to with SFWA. The lease provided for (1) a \$27,500 signing bonus per acre; (2) a 23% cost-free royalty; (3) a 3-year term with 2-year extension option; and (4) a lease form with favorable terms. In exchange for the negotiated lease terms, SFWA agreed to (1) communicate and endorse the deal to all landowners in SFWA; (2) endorse Defendants as the preferred natural gas developers for SFWA; and (3) help arrange signing events, at which all landowners in SFWA would have the opportunity to accept the lease. The contract is embodied in numerous documents and the course of conduct between SFWA and Defendants, highlights of which are detailed below:

- A. **Exhibit V-55¹**: August 13, 2008; John Wehrle (Vantage) email to Tolli Thomas (SFWA alliance leader); SFWA included in the negotiations with Defendants a document entitled “Lease Priorities” which it provided to Defendants. One of the priorities was that the lease, bonus, royalty and terms must be offered by total inclusion to all property owners within the boundaries of the Alliance’s Member Neighborhoods. Defendants expressly agreed to that provision and accordingly bound themselves to make the agreed-upon lease available to “all” owners within the geographical boundaries of SFWA. The email provides, in pertinent part:

Tolli-thanks very much to you and the rest of the SWFWA [sic] group for spending time with us last week and we are pleased to offer the following terms to the SWFWA [sic]:

- Bonus: \$27,500
 - Royalty: 23% with no fees deducted
 - Term: 3 year primary term and 2 year extension option at the same \$27,500 per net mineral acre
 - Good Neighbor Initiative 1: Vantage wants to have a net positive impact in the community and we are prepared to commit an additional \$1 million to the member HOAs for community improvements. We will have to discuss how we allocate those funds.
 - Good Neighbor Initiative 2: Vantage will pledge to operate in a cooperative manner throughout the neighborhood and we’ve marked up your “Lease Priorities” document (see attachment) with our response to each item...
- The Lease Priorities document was attached to Mr. Wehrle’s email and in that document Mr. Wehrle expressly agreed to the following priority:

Lease, Bonus, Royalty, and Terms to be offered **by total inclusion to all property owners within the boundaries of the Alliance’s member Neighborhoods.**

¹ The following exhibits are from the depositions of John Wehrle, Roger Biemans and/or Mark Caffey.
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[we agree]

(emphasis added).

- B. **Exhibit V-20**: August 18, 2008; John Wehrle email to Tolli Thomas: First Memorandum of Understanding to outline negotiated lease deal for (1) signing bonus of \$27,500 per net acre; (2) royalty of 23%, cost-free and (3) 3 year primary lease term, with 2 year extension.
- C. **Exhibit V-21**: August 22, 2008; Wehrle email to Thomas re: Second Memorandum of Understanding:

Tolli – per our recent discussions, Vantage is thrilled to work with SWFAW [sic] and make the enclosed leasing offer. Please review the memorandum of understanding as well as the lease form (clean and redline versions attached) that contains our most recently revised comments. Combined with the previously distributed points below, we hope to be able to move quickly in finalizing the lease and beginning the process of organizing the lease signings.

The Second Memorandum of Understanding contained the identical bonus, royalty and term as the First Memorandum of Understanding.

- D. **Exhibit V-18**: August 22, 2008; Thomas sent the following email to Vantage:

can the Southwest Fort Worth Alliance have Vantage's written authorization to release the following statement within our neighborhoods, **'The Southwest Fort Worth Alliance is pleased to announce that is [sic] has received a superior offer and lease from Vantage, LLC.'** and further, may we announce that it has been accepted? *(emphasis added)*.

In response, Wehrle stated:

Yes, Tolli – the statement ... is acceptable to Vantage and we are agreeable to announcing that the offer has been accepted. Congratulations – we are very excited to work with everyone! *(emphasis added)*.

- E. **Exhibit V-14**: August 27, 2008; Vantage sent an email to Thomas with a "Letter of Introduction." The letter's opening line stated, **"Vantage Energy, LLC ("Vantage") is thrilled to be making an offer to lease the Southwest Fort Worth Alliance's ("SWFWA") [sic] neighborhoods and would like to introduce itself more fully to the various neighborhood groups that make up SWFAW [sic]."** *(emphasis added)*.

- F. **Exhibit V-57**: August 28, 2008; Thomas received an email from Lucas Knickerbocker (The Caffey Group) that included the "Priority List that Roger [Biemans] created." It listed various SWFWA neighborhoods and their corresponding "priority" of leasing according to Vantage. Vantage/Caffey wanted to lease certain neighborhoods before others, but **PLAINTIFFS JOSEPH AND PATTI MADDOX'S RESPONSES, ANSWERS AND OBJECTIONS TO DEFENDANTS VANTAGE AND CAFFEY'S SECOND SET OF INTEGRATED DISCOVERY-PAGE 6**

Vantage/Caffey promised and SFWA understood that Vantage/Caffey would make the agreed-upon lease terms available to all landowners in SFWA to accept or not.

G. **Exhibits V-22, 26, 27 and 30**: August 29, 2008; Vantage confirms to SFWA by email that “**we agreed to make the SFWA offer available to all neighborhoods**, including Overton Woods and Tanglewood Park Homes.” Additionally, on September 15, 2008, Vantage wrote that “**we are making the offer to all of the Alliance neighborhoods**, including the ‘disputed’ Overtons.” (*emphasis added*).

H. **Exhibits V-65, 66 & 78**:

V-65 & 66: SFWA endorses Vantage/Caffey. The flyer says Vantage and SFWA are natural gas development partners. And, it identifies various neighborhoods in SFWA that qualify for the SFWA endorsed Vantage/Caffey agreement.

V-78: SFWA and Vantage are partners in natural gas development.

After Defendants and SFWA reached the agreement described above, SFWA delivered on its much-coveted promise to endorse the deal and Defendants as the “winner” in SFWA. With one announcement to its landowners, SFWA delivered automatic market penetration. Indeed, the market penetration that SFWA delivered was even more powerful because it made multiple announcements to its landowners. That announcement sent Defendants to the front of the line in SFWA and set the table for Defendants to systematically defeat their non-endorsed competitor gas companies. Additionally, after the deal was reached, SFWA followed through on its promise to help organize systematic signing events with its landowners to streamline Defendants’ acquisition of leases.

Possibly the most important benefit Defendants received from SFWA, however, was the forbearance of SFWA’s member landowners. That is, SFWA encouraged its members to wait to sign a mineral lease until SFWA delivered its endorsed and preferred deal and provider. Without this encouragement, Defendants’ competitors would have been able to pick off landowners in SFWA one at a time. Without this encouragement, the deal that was reached would have been meaningless; nobody would have remained to accept the deal. Much like a shepherd with his sheep, SFWA minded the flock and delivered the landowners to Defendants.

Defendants undeniably acknowledged the contract with SFWA through their own conduct. Defendants capitalized on the forbearance that SFWA and Plaintiffs delivered by holding a number of signing events at which thousands of landowners accepted the lease. Contrary to the terms of their agreement with SFWA, however, Defendants failed to give all landowners in SFWA the opportunity to accept the negotiated lease terms. Defendants alone had control over when a landowner in SFWA got his or her opportunity to accept the lease. Landowners fully performed their obligation by forbearing from signing or seeking alternative leases; that is all a landowner could do to effectuate the promised opportunity to accept or reject

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the lease. Defendants claimed that an economic downturn, including a decline in the market price of natural gas, made performance too costly for them. That is a fancy way of saying that the Defendants made a bad deal and that they refused to perform. Buyer's remorse is not a recognized reason to breach a contract. Plaintiffs waited patiently for the call that would inform them of the date of their signing party—a call that would never come—only to have the rug pulled out from under them by Defendants.

As a result of Defendants' misconduct, thousands of homeowners, including the Maddox's did not get an opportunity to accept the lease with Defendants. Moreover, in reliance on Defendants' actions, including the announcement of the deal that was reached, landowners refrained from accepting other lease offers and/or seeking to negotiate their own natural gas lease.

Specifically, the Maddox's have been damaged as follows:

1. Type of Damages

Plaintiffs seek recovery of the signing bonus they were promised. Alternatively, Plaintiffs seek recovery of the bonus, royalties and gas leases that they lost by forbearing from seeking and/or accepting oil and gas leases based on the negotiations and agreement reached between SFWA and Vantage/Caffey, as well as based on Vantage/Caffey's representations that the negotiated lease deal was available to all owners within the geographical boundaries of SFWA. Alternatively, Plaintiffs seek specific performance of the negotiated lease. Plaintiffs also seek recovery of their reasonable and necessary attorney's fees, costs of court and pre-judgment and post-judgment interest.

2. Amount of Damages

a. The signing bonus that was promised:

Plaintiffs seek approximately \$7,837.50 (\$27,500 x .285 acres). This answer is made subject to verification of the exact acreage of the Plaintiffs' property and Plaintiffs hereby reserve the right to supplement this response in accordance with the Texas Rules of Civil Procedure.

b. The leases that were lost:

In reliance on the course of dealing between Defendants and SFWA, the agreement reached between Defendants and SFWA and Defendants' representations that the parties had a deal which Plaintiffs could get by attending a signing party, Plaintiffs refrained from accepting alternative lease offers, with signing bonuses ranging in amount from \$13,000 to \$25,000 per mineral acre.

c. The lease that was promised:

- i. \$7,837.50 signing bonus
- ii. 23% cost-free royalty
- iii. 3 year lease term and 2 year renewal
- iv. Agreed lease form

This answer is made subject to verification of the exact acreage of the Plaintiffs' property and Plaintiffs hereby reserve the right to supplement this response in accordance with the Texas Rules of Civil Procedure.

3. Calculation of Damages

a. The signing bonus that was promised:

Plaintiffs seek approximately \$7,837.50 (\$27,500 x .285 acres). This answer is made subject to verification of the exact acreage of the Plaintiffs' property and Plaintiffs hereby reserve the right to supplement this response in accordance with the Texas Rules of Civil Procedure.

b. The leases that were lost:

- i. April 3, 2008 offer by Dale Properties on behalf of Chesapeake: \$13,000 signing bonus per acre;
- ii. April 8, 2008 offer by XTO: \$15,000 signing bonus per acre;
- iii. May 8, 2008 offer by XTO: \$20,000 signing bonus per acre;
- iv. June 13, 2008 & August 8, 2008 offers by Dale Properties on behalf of Chesapeake: \$20,000 signing bonus per acre;
- v. August 29, 2008 offer by XTO: \$25,000 signing bonus per acre;
- vi. September 5, 2008 offer by Dale Properties on behalf of Chesapeake: \$22,000 signing bonus per acre
- vii. Alliance offer: August 28, 2008, September 26, 2008 and October 8, 2008 offers from Four Sevens Energy Co. on behalf of Chesapeake Energy

c. The lease that was promised and agreed to by Defendants:

- i. \$7,837.50 signing bonus
- ii. 23% cost-free royalty
- iii. 3 year lease term and 2 year renewal
- iv. Agreed lease form

INTERROGATORY NO. 3:

With respect to your third party beneficiary claim please:

1. Identify the provision of the alleged contract between SFWA and Defendants that you allege in paragraph 5.02 of your Petition that “provided that Vantage/Caffey must extend an offer of the agreed lease form, with a right to accept that offer, to the Plaintiffs . . .”, and
2. Identify the contract in which the alleged provision is contained. If you have already produced the contract, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their answer to Interrogatory No. 2.

INTERROGATORY NO. 4:

Identify the damages you are seeking in regards to your third party beneficiary claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc. . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

1-3 Plaintiffs incorporate herein by reference their answer to Interrogatory No. 2.

4. Plaintiffs object to this subpart as vague and ambiguous. Defendants do not specify what “beliefs” they refer to. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. Subject to the

foregoing objections, Plaintiffs incorporate herein by reference their answer to Interrogatory No. 2.

5. Plaintiffs refer Defendants to the following non-exhaustive list of documents:
 - a. Plaintiffs refer Defendants to the list of documents identified in response to Interrogatory No. 2 above.
 - b. Plaintiffs refer Defendants to Exhibits V-151 through V-156 to the October 15, 2010 deposition of Patti Maddox and to documents produced by Defendants, which are marked JW-000166-167, 294-295, 423.

Plaintiffs reserve the right to supplement this response in accordance with the Texas Rules of Civil Procedure.

INTERROGATORY NO. 5:

With respect your contention in paragraph 6.02 that “Plaintiffs, by and through their agent SFWA, have entered into a contractual agreement with Defendants . . . [and] [t]he Plaintiffs, by and through the SFWA leadership accepted Vantage/Caffey’s offer, creating a contractual agreement with Vantage/Caffey . . .”.

1. Identify all facts that evidence the agency relationship between SFWA and yourself; and
2. Identify all facts that demonstrate that SFWA had the authority to accept Defendants’ supposed offer on your behalf.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their answer to Interrogatory No. 2.

INTERROGATORY NO. 6:

Identify the damages you are seeking in regards to your breach of contract and specific performance claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc. . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and

5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs incorporate herein by reference their response to Interrogatory No. 2 above.

INTERROGATORY NO. 7:

With respect to your contention in the Petition that “SFWA and/or Plaintiffs have a valid and existing unilateral Contract requiring Vantage/Caffey to specifically perform by offering the agreed upon lease form and lease terms to all mineral owners in SFWA”:

1. Describe all terms of the unilateral Contract;
2. Describe all facts that support your contention that a unilateral Contract was performed by SFWA;
3. Describe in reasonable detail, how you accepted the unilateral contract. In your answer please give the approximate date of when you accepted the unilateral Contract;
4. Identify all facts that support your contention that the unilateral Contract was “created by Vantage/Caffey promising to offer all mineral owners in SFWA.” See Pls.’ Pet. 7.02;
5. Identify the provision(s) of the unilateral Contract, if any, that requires Vantage or Caffey to offer a lease to all SFWA residents if SFWA endorsed Vantage;
6. Identify how you performed the alleged unilateral Contract, which supposedly entitles you to Vantage or Caffey’s offer to lease your minerals; and
7. Identify all documents that consist of the unilateral Contract. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their answer to Interrogatory No. 2.

INTERROGATORY NO. 8:

Identify the damages you are seeking in regards to your breach of unilateral contract claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);

2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs incorporate herein by reference their responses to Interrogatories Nos. 2 and 4.

INTERROGATORY NO. 9:

With respect to your contention in your Petition that “SFWA and/or Plaintiffs have a valid existing contract with Vantage/Caffey . . . pursuant to the Uniform Electronic Transactions Act (‘UETA’);

1. Identify all facts that demonstrate that Defendants agreed to conduct its business transactions by electronic means; and
2. Identify all documents, if any, that support such contention. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their response to Interrogatory No. 2.

INTERROGATORY NO. 10:

Identify all facts that support your allegation in your Petition that the “the doctrine of promissory estoppels prevents the Defendants from raising the Statute of Frauds as a defense.” In your answer also identify all documents, if any, that support such allegation. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs’ legal contentions, so Plaintiffs’ counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their answer to Interrogatory 2 above.

INTERROGATORY NO. 11:

Identify the damages you are seeking in regards to your promissory estoppel claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

1. Plaintiffs seek recovery of their reliance damages, in the form of lost opportunities to lease their minerals to other gas companies, which includes lost bonuses and royalties. Plaintiffs also seek recovery of pre and post-judgment interest, court costs and attorney's fees as provided by law.
- 2-5. Plaintiffs incorporate herein by reference their responses to Interrogatories No. 2 & 4 above.

INTERROGATORY NO. 12:

In regards to your fraudulent inducement claim:

1. Identify all facts that support your contention that the "Contract between SFWA and Vantage/Caffey created a binding contract benefitting the Plaintiffs";
2. Describe in reasonable detail how Plaintiffs were induced to accept the terms and conditions of the Contract;
3. Describe in reasonable detail how Plaintiffs "reasonably relied to their harm and detriment on the Contract with Vantage/Caffey, as well as relying on Vantage/Caffey's misleading and deceptive statements"; and
4. Identify all documents that demonstrate that Plaintiffs were fraudulently induced by Defendants. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs incorporate herein by reference their response to Interrogatory No 2.

INTERROGATORY NO. 13:

Identify the damages you are seeking in regards to your fraudulent inducement claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

Plaintiffs incorporate herein by reference their response to Interrogatory No. 14 below.

INTERROGATORY NO. 14:

Identify the damages you are seeking in regards to your fraudulent misrepresentation claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

- 1-2. Plaintiffs seek benefit of the bargain damages: \$27,500 bonus per acre, 23% cost-free royalties, and the agreed lease form. Alternatively, Plaintiffs seek reliance/out of pocket damages, including in the form of the lost opportunity to accept the offers identified above in response to Interrogatory No. 4. Plaintiffs also seek exemplary damages, court costs and pre and post-judgment interest.
3. Plaintiffs set out the calculation for the benefit of the bargain damages in response to Interrogatory No. 2 above.
- 4-5. Plaintiffs incorporate herein by reference their objections and answers to Interrogatories 2 & 4.

INTERROGATORY NO 15:

Identify the damages you are seeking in regards to your negligent misrepresentation claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

1-3

- i. April 3, 2008 offer by Dale Properties on behalf of Chesapeake: \$13,000 signing bonus per acre;
- ii. April 8, 2008 offer by XTO: \$15,000 signing bonus per acre;

- iii. May 8, 2008 offer by XTO: \$20,000 signing bonus per acre;
- iv. June 13, 2008 & August 8, 2008 offers by Dale Properties on behalf of Chesapeake: \$20,000 signing bonus per acre;
- v. August 29, 2008 offer by XTO: \$25,000 signing bonus per acre;
- vi. September 5, 2008 offer by Dale Properties on behalf of Chesapeake: \$22,000 signing bonus per acre
- vii. August 28, 2008, September 26, 2008 and October 8, 2008 offers from Four Sevens Energy Co. on behalf of Chesapeake Energy

4. Plaintiffs object to this subpart as vague and ambiguous. Defendants do not specify what "beliefs" they refer to. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. Subject to the foregoing objections, Plaintiffs refrained from accepting these offers and from seeking other offers based on the course of dealings between SFWA and Defendants and on Defendants' representations that all owners in the geographical boundaries of SFWA would be given the opportunity to accept the negotiated lease.

5. See the documents identified previously in these responses and in response to Defendants' requests for production.

INTERROGATORY NO. 16:

Identify the damages you are seeking in regards to your fraud in connection with the sale of real estate claim. In your answer:

1. Describe each type of damage you are seeking (e.g., benefit-of-the bargain, out-of-pocket, consequential, reliance etc . . .);
2. State the amount you believe you are entitled for each type of damage;
3. Describe, in reasonable detail, how you calculated the respective amounts;
4. Identify all facts upon which you rely on to support such beliefs; and
5. Identify all documents that support your respective damage model. If you have already produced these documents, please identify the documents by Bates label or Bates number.

RESPONSE: Plaintiffs object to this Interrogatory as an improper attempt to compel Plaintiffs to marshal all evidence Plaintiffs may rely on at trial. Plaintiffs further object on the grounds that this Interrogatory seeks the mental impressions, analysis, conclusions and work product of legal counsel. This Interrogatory asks for Plaintiffs' legal contentions, so Plaintiffs' counsel is answering this Interrogatory, in accordance with Texas Rule of Civil Procedure 197.2(d)(2). Subject to the foregoing objections, Plaintiffs answer:

Plaintiffs incorporate herein by reference their response to Interrogatory No. 14. Additionally, Plaintiffs seek recovery of statutory attorney's fees, as well as expert witness fees, deposition-copy fees and other court costs.

Global Reservation of Right to Supplement

Plaintiffs hereby reserve the right to supplement all of their interrogatory responses in accordance with the Texas Rules of Civil Procedure.

IV.

REQUEST FOR PRODUCTION RESPONSES

REQUEST FOR PRODUCTION NO. 1: Provide all documents supporting your answers to the above Interrogatories.

RESPONSE: Plaintiffs object to this Request as failing to identify the documents sought with reasonable particularity, as vague, ambiguous and overbroad. Contention requests for production are not permitted by the Texas Rules of Civil Procedure. *See Loftin v. Martin*, 776 S.W.2d 145, 148 (Tex. 1989); *In re TIG Ins. Co.*, 172 S.W.3d 160, 167-168 (Tex.App.—Beaumont 2005, no pet.). Subject to the foregoing objections, Plaintiffs will produce responsive documents to the extent they have not already been produced. Plaintiffs have already produced responsive documents: TCGL 0045286-0045396 & TCGL 0068315-0072326. Additionally, Plaintiffs refer Defendants to the following non-exhaustive list of documents: V-13, V-14, V-55, V-20, V-21, V-18, V-14, V-57, V-22, V-26, V-27, V-30, V-65, V-66, V-78, V-151-V156, JW 000166-JW000167, JW 294-295, JW 423.

REQUEST FOR PRODUCTION NO. 2: Provide all documents evidencing the attorneys' fees you seek in this case.

RESPONSE: Plaintiffs object to this Request as premature. Plaintiffs are withholding materials pursuant to the attorney/client and work product privileges. Subject to the foregoing objections, Plaintiffs will produce responsive documents at an appropriate time.

REQUEST FOR PRODUCTION NO. 3: Produce all documents that supports your allegation in paragraph 4.15 of your Petition that “[t]he Contract gave Plaintiffs a right to an irrevocable offer from Defendants to lease their unleased mineral interests.”

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 4: Produce all documents that support your allegation in paragraph 5.02 of your Petition that the purported contract between SFWA and Defendants “provided that Vantage/Caffey must extend an offer of the agreed lease form, with a right to accept that offer, to the Plaintiffs . . .”

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 5: Produce all documents that identify the amount of damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 6: Produce all documents relevant to or supporting your computation of damages.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 7: Produce all documents that evidence the actual damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 8: Produce all documents that evidence the direct damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 9: Produce all documents that evidence the out-of-pocket damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 10: Produce all documents that evidence the reliance damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 11: Produce all documents that evidence the consequential damages that you are seeking in this lawsuit.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 12: Produce all documents that support your allegation that “the doctrine of promissory estoppel the Defendants from raising the Statute of Frauds as a defense.”

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 13: Produce all documents that support your allegation in paragraph 6.02 that “Plaintiffs, by and through their agent SFWA, have entered into a contractual agreement with Defendants . . . [and] [t]he Plaintiffs, by and through the SFWA leadership accepted Vantage/Caffey’s offer, creating a contractual agreement with Vantage/Caffey . . .”

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 14: Produce all documents that demonstrate that Defendants and Plaintiffs and/or SFWA agreed to conduct their business transaction by electronic means.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 15: Produce all documents that evidence that the parties entered into a unilateral contract.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 16: Produce all documents that support your contention that the unilateral contract was performed by Plaintiffs and/or SFWA.

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 17: Produce all documents that support your contention in paragraph 10.04 that Plaintiffs were fraudulently induced to “accept the terms and conditions of the Contract with Vantage/Caffey . . .”

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

REQUEST FOR PRODUCTION NO. 18: Produce all documents that support your fraudulent inducement claim:

RESPONSE: Plaintiffs incorporate herein by reference their responses and objections to Request No. 1.

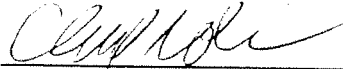
Respectfully submitted,

PETROFF & ASSOCIATES

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ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was forwarded to all counsel of record, via certified mail, return receipt requested, on this 07th day of December, 2010.

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Dean A. Riddle by CEP

Dean A. Riddle

VERIFICATION

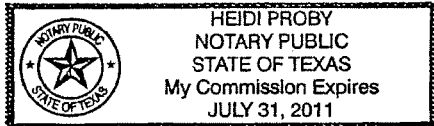
STATE OF TEXAS §
 §
COUNTY OF Williamson §

BEFORE ME, the undersigned authority, on this day personally appeared Joseph Maddox, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that after being sworn, stated on Plaintiff's oath that the foregoing answer to Interrogatory No. 15, subparts 1-3 is true and correct.

EXECUTED this 6 day of December, 2010.

Joseph Maddox
Joseph Maddox

SUBSCRIBED AND SWORN TO before me on this 6 day of December, 2010, to certify which witness my hand and seal of office.



Heidi Proby
Notary Public in and for
The State of Texas

VERIFICATION

STATE OF TEXAS §
 §
COUNTY OF Williamson §

BEFORE ME, the undersigned authority, on this day personally appeared Patti Maddox, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that after being sworn, stated on Plaintiff's oath that the foregoing answer to Interrogatory No. 15 subparts 1-3 is true and correct.

EXECUTED this 6 day of December, 2010.

Patti Maddox
Patti Maddox

SUBSCRIBED AND SWORN TO before me on this 6 day of December, 2010, to certify which witness my hand and seal of office.

Heidi Proby
Notary Public in and for
The State of Texas

