

RULE 11 AGREEMENT

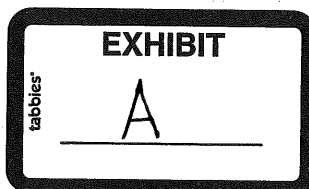
This Rule 11 Agreement ("Agreement"), dated effective as of February 21, 2012, is entered into by and between Milo H. Segner, Jr., in his capacity as Liquidating Trustee of the PR Liquidating Trust ("Trustee"), Dennis L. Roossien, Jr., as the Court-appointed Receiver ("Receiver") over the Debtors in addition to other entities, and Henry Harrison ("Harrison") and Brendan Coughlin ("Coughlin") (collectively Harrison and Coughlin are the "Defendants"). The Trustee, the Receiver, and the Defendants are sometimes referred to collectively herein as the "Parties", and individually as a "Party."

RECITALS

WHEREAS, on June 22, 2009 (the "Petition Date"), the Debtors¹ each filed their respective Voluntary Petition for Relief Under Chapter 11 of the Bankruptcy Code, thereby initiating the herein-referenced cases (collectively, the "Bankruptcy Cases"). The Bankruptcy Cases were each filed in the U.S. Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"), thereby commencing the jointly administered cases styled *In Re Provident Royalties, LLC, et al.*, Jointly Administered Under Case No. 09-33886-HDH-11.

WHEREAS, on July 1, 2009, the Securities & Exchange Commission filed an action styled *Securities & Exchange Commission v. Provident Royalties, LLC, et al.*, pending in the United States District Court for the Northern District of Texas as Civil Action No. 3-09 CV 1238 before the Honorable Sam A. Lindsay ("SEC Enforcement Action").

¹ The Debtors include the following: Provident Royalties, LLC, Case No. 09-33886; Provident Operating Company, LLC, Case No. 09-33893; Somerset Lease Holdings, Inc., Case No. 09-33892; Somerset Development, Inc., Case No. 09-33912; Provident Energy 1, LP, Case No. 09-33888; Provident Resources 1, LP, Case No. 09-33887; Provident Energy 2, LP, Case No. 09-33894; Provident Energy 3, LP, Case No. 09-33899; Shale Royalties II, Inc., Case No. 09-33889; Shale Royalties 3, LLC, Case No. 09-33891; Shale Royalties 4, Inc., Case No. 09-33890; Shale Royalties 5, Inc., Case No. 09-33895; Shale Royalties 6, Inc., Case No. 09-33896; Shale Royalties 7, Inc., Case No. 09-33898; Shale Royalties 8, Inc., Case No. 09-33900; Shale Royalties 9, Inc., Case No. 09-33902; Shale Royalties 10, Inc., Case No. 09-33901; Shale Royalties 12, Inc., Case No. 09-33903; Shale Royalties 14, Inc., Case No. 09-33905; Shale Royalties 15, Inc., Case No. 09-33904; Shale Royalties 16, Inc., Case No. 09-33906; Shale Royalties 17, Inc., Case No. 09-33913; Shale Royalties 18, Inc., Case No. 09-33907; Shale Royalties 19, Inc., Case No. 09-33908; Shale Royalties 20, Inc., Case No. 09-33910; Shale Royalties 21, Inc., Case No. 09-33909; and Shale Royalties 22, Inc., Case No. 09-33911.



WHEREAS, in the SEC Enforcement Action the SEC sought and received the appointment of Dennis L. Roossien, Jr. as the Court-appointed Receiver ("Receiver") over the Debtors in addition to other entities.

WHEREAS, on or about June 10, 2010, the Court entered an Order confirming the Fourth Amended Consolidated Plan of Liquidation for Debtors' Estates Under Chapter 11 of the United States Bankruptcy Code (the "Plan"). The Plan established the PR Liquidating Trust ("Trust") and appointed Milo H. Segner, Jr. as the Trustee.

WHEREAS, on March 9, 2011, the Trustee filed Adversary Proceeding No. 11-03184-HDH; styled *Segner v. Jordan, et al.* (the "Adversary Proceeding") in the Bankruptcy Court. In the Adversary Proceeding, the Trustee asserted, among other things, common law officer and director liability claims and fraudulent transfer claims against the Defendants.² The Adversary Proceeding was brought by the Trustee in his capacity as the representative of the Trust and as the duly appointed and authorized representative of the Debtors' Estates pursuant to 11 U.S.C. § 1123(b)(3)(B).

WHEREAS, each of the Defendants has either answered, otherwise filed a response, or otherwise completely denied any liability as asserted in the Adversary Proceeding and any other proceedings.

WHEREAS, on or about February 20-21, 2012, the Trustee and the Receiver attended mediation with the Defendants and the Securities and Exchange Commission.

WHEREAS, the Parties wish to resolve the Adversary Proceeding and all other disputes amongst themselves in order to avoid the costs and uncertainties of litigation.³

² Defendants Harrison and Coughlin are also Defendants in the SEC Enforcement Action. The claims against Harrison and Coughlin in the SEC Enforcement Action include claims for securities fraud.

³ The Securities & Exchange Commission ("SEC"), along with Harrison and Coughlin, have also agreed to completely and finally resolve the SEC Enforcement Action. The settlement of the SEC Enforcement Action will include, among other items, a requirement that Harrison and Coughlin pay \$3.0 million to the SEC, minus a \$700,000 credit, for further transfer to the Receiver for further distribution to the Trust. It is the understanding of the Parties that the SEC is aware of this Settlement and does not object to its implementation.

AGREEMENT

In consideration of mutual covenants and releases, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged by the Parties, the Parties hereby expressly agree as follows:

1. Payment of Settlement Amount

Within thirty (30) business days after both an order approving this Agreement is entered and Judgements are entered pursuant to the SEC settlement, the Trustee shall receive the total sum of \$2,300,000.00 (the "Settlement Amount"), which shall be paid by the following Parties in the amounts so stated:

Coughlin	\$ 1,450,000.00
Harrison	\$ 850,000.00

The payment by Harrison and Coughlin shall be made by either cashier's check made payable to "Dennis L. Roossien, Jr., Receiver" and delivered to Munsch Hardt Kopf & Harr, P.C., attention James M. McGee, 3800 Lincoln Plaza, 500 North Akard Street, Dallas, Texas 75201, or via other means acceptable to the Trustee.

In addition, the SEC has agreed to release all frozen assets of Harrison and Coughlin in the SEC Enforcement Action.

The parties will sign off on an agreed order releasing the \$75,000 to Henry Harrison and Brendan Coughlin, being held in the registry of the court, originally deposited by Harrison's and Coughlin's previous counsel, Strasburger and Price.

Access to all of the funds is necessary to fund the settlement. The parties agree to cooperate in obtaining an order from the Court unfreezing all of Harrison's and Coughlin's funds.

2. Release by Trustee and the Receiver

Effective upon the receipt of the Settlement Amount, the Trustee and the Receiver, on behalf of themselves, the Debtors, the Debtors' Bankruptcy Estates, the PR Liquidating Trust, and any other party to whom the Trustee or the Receiver hold claims or whom they represent,

now or in the future, release and forever discharge the Defendants, including each of their agents, attorneys, heirs, successors, assigns, and representatives from any and all actions, causes of action, suits, claims, and demands of whatever kind or character, in law or in equity, whether known or unknown, where now or in the future, suspected or unsuspected, choate or inchoate, including, but not limited to, any of the claims and causes of action asserted or which could have been asserted in the Adversary Proceeding, or any other proceeding, including any matters related directly or indirectly with any actions, inactions, omissions, or failures in connection with any matter relating to any of the Debtors or Defendants, or any of the operations of any of the Debtors or Defendants.

3. Release by Defendants

Effective upon the receipt of the Settlement Amount, the Defendants release and forever discharge each other and the Trustee and the Receiver, the Debtors, the Debtors' Estates, and the PR Liquidating Trust, including each of their respective current and former affiliates, subsidiaries, agents, attorneys, employees, heirs, successors, assigns, officers, directors, shareholders, partners, and representatives from all actions, causes of action, suits, claims, and demands of whatever kind or character, in law or in equity, whether known or unknown, suspected or unsuspected, choate or inchoate, including, but not limited to, the claims and causes of action asserted in the Adversary Proceeding (the "Claims"), any claims related to these Claims, and any counterclaims that were or could have been brought.

4. Dismissal of Proceeding

Within five (5) business days of the date on which the Settlement Amount is received, the Parties shall file a joint stipulation and order in the Adversary Proceeding dismissing that proceeding with prejudice with cost and fees taxed to the Party incurring same.

5. Bankruptcy Court Approval

The Trustee shall prepare and file a motion (the "Settlement Motion") in the Bankruptcy Court seeking approval of the Agreement by no later than February 24, 2012. Each of the

Parties shall reasonably cooperate and assist in the prosecution of the Settlement Motion, the obtaining the entry of an order granting the Settlement Motion, and in the drafting and execution of such additional documents as are required to implement the terms of this Agreement. This Agreement is contingent upon the Bankruptcy Court entering a final and non-appealable order approving this Agreement, and in the absence of such an order, every part of this Agreement is null, void *ab initio*, unenforceable, and of no effect.

6. No Admissions

The Parties understand and acknowledge that this Agreement is in compromise of disputed claims and defenses. Therefore, neither this Agreement, nor any of its provisions, nor any Party's performance of any of the terms of this Agreement, shall constitute, or be deemed to constitute, any admission whatsoever as to any liability on any of the claims in the Adversary Proceeding, or any other proceeding, the viability of any defenses to such claims, or otherwise.

7. Attorney's Fees and Costs

Each party shall be responsible for the payment of his/her/its own fees and costs in connection with the matters referred to in this Agreement.

8. Disallowance of Proofs of Claims

To the extent that any settling Party has filed, or subsequently files, a proof of claim in one or more of the Bankruptcy Cases based in whole or in part on the claims released in this Agreement, such proof of claim shall be disallowed and expunged from the claims register maintained in the Bankruptcy cases to the extent it includes a claim released in this Agreement.

9. Governing Law

This Agreement shall be governed by and interpreted pursuant to the laws of the State of Texas.

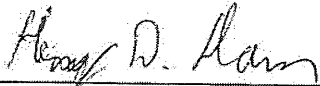
IN WITNESS WHEREOF, each of the Parties has executed this Agreement as of the date first written above.



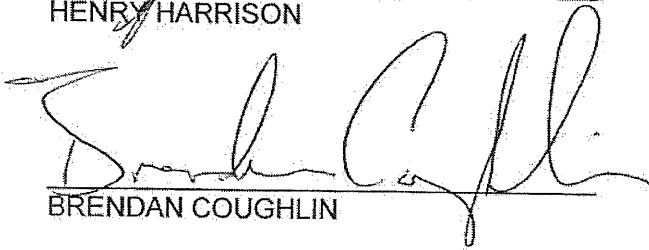
MILO H. SEGNER, JR., IN HIS CAPACITY
AS THE TRUSTEE OF THE PR LIQUIDATING TRUST



DENNIS L. ROOSSIEEN, JR., IN HIS CAPACITY
AS COURT-APPOINTED RECEIVER



HENRY HARRISON



BRENDAN COUGHLIN