

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF ARKANSAS
LITTLE ROCK DIVISION**

**SARA LYNN KIDD JONES a/k/a SARA KIDD JONES
and PALMER JONES, her husband**

PLAINTIFFS

v.

No.: 4:10CV-01992-BSM

**PANHANDLE ROYALTY COMPANY n/k/a
PANHANDLE OIL AND GAS, INC.;
FARMERS' UNION COOPERATIVE ROYALTY COMPANY
n/k/a FARMERS ROYALTY COMPANY, an Oklahoma cooperative;
PATHFINDER EXPLORATION, L.L.C.; and
CHESAPEAKE EXPLORATION LIMITED PARTNERSHIP**

**and anyone claiming an interest in and to the following lands
and mineral rights with right of ingress and egress for the
drilling of any wells, development of any mines or quarries
for the removal of any oil, gas and minerals which may be
found under the following described lands, located in
Van Buren County, Arkansas:**

**THE NORTH SEVEN EIGHTHS (N 7/8) OF THE
SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER
(SW 1/4 SE 1/4) OF SECTION THIRTY-ONE (31),
TOWNSHIP ELEVEN (11) NORTH, RANGE THIRTEEN (13)
WEST OF THE 5TH PRINCIPAL MERIDIAN, VAN BUREN
COUNTY, ARKANSAS**

DEFENDANTS

AGREED STIPULATION OF JUDGMENT

Plaintiffs, Sara Lynn Kidd Jones a/k/a Sara Kidd Jones and Palmer Jones, her husband ("Plaintiffs"), and Separate Defendants, Panhandle Royalty Company, now known as Panhandle Oil and Gas Inc. ("Panhandle") and Farmers' Union Cooperative Royalty Company, now known as Farmers' Royalty Company ("Farmers' Union") ("Defendants" collectively), stipulate to allow judgment to be taken against Defendants in

this action. More specifically, Defendants recognize and acknowledge the Plaintiffs' title and right to the mineral estate underlying certain real property described as follows:

THE NORTH SEVEN-EIGHTHS (N 7/8) OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER (SW ¼ SE ¼) OF SECTION THIRTY-ONE (31), TOWNSHIP ELEVEN (11) NORTH, RANGE THIRTEEN (13) WEST OF 5TH PRINCIPAL MERIDIAN, VAN BUREN COUNTY, ARKANSAS.

(the "Subject Property").

The Parties stipulate and agree that Defendants shall be forever barred from asserting any right, title, or interest adverse to Plaintiffs in and to the mineral estate underlying the Subject Property other than those arising from the Oil and Gas Lease described below or those hereafter duly acquired by Defendants or either of them.

Plaintiffs and Defendants further stipulate as follows: (a) nothing contained in this Agreed Stipulation of Judgment shall be construed to affect Defendants' rights to pursue claims in and to sums attributable to an undivided seven-eighths (7/8) mineral interest in the Subject Property arising before the date this Agreed Stipulation of Judgment is recorded in the real property records of Van Buren County, Arkansas; (b) nothing contained in this Agreed Stipulation of Judgment shall be construed to constitute an abandonment of, or to affect, any rights Defendants may now have or hereafter acquire in that certain Oil and Gas Lease between Plaintiffs and New Century Production Company, LLC, which was recorded on February 5, 2004, as Document #20040960 in the real property records of Van Buren County, Arkansas;¹ (3) Plaintiffs release and discharge the Defendant Parties from any and all claims which were or could have been pursued in this

¹ Such Lease remains in effect regardless of this Agreed Stipulation of Judgment.

lawsuit as well as any and all claims otherwise related to this lawsuit, including any claims for attorney's fees, expert witness fees, or costs, and any attorney lien or claim, complaints (including, but not limited to, complaints to any governmental agencies or entities), liabilities, proceedings, demands, disputes, losses, and damages, whether known or unknown, that accrued on or before the date this Agreed Stipulation of Judgment is recorded in the real property records of Van Buren County, Arkansas; and (4) each party agrees to pay its own attorneys' fees and costs.

IT IS THEREFORE CONSIDERED, ORDERED, ADJUDGED AND DECREED that the title to the above-described property be and is hereby quieted and confirmed in the Plaintiffs, Sara Kidd Jones and Palmer Jones from the Recording Date² forward; that the claims of the Defendants, Farmers Royalty Company and Panhandle Oil and Gas Inc. be and hereby are extinguished and declared null and void from the Recording Date forward, subject to any right, title, or interest the Defendants, Farmers Royalty Company and Panhandle Oil and Gas Inc., or any such person may now or hereafter claim (whether by assignment or otherwise) pursuant to the Oil and Gas Lease between Plaintiffs and New Century Production Company, LLC, which was recorded on February 5, 2004, as Document #20040960 in the real property records of Van Buren County, Arkansas.

Dated this 16th day of May, 2012.



HON. BRIAN S. MILLER
JUDGE OF THE DISTRICT COURT

² The term "Recording Date," as used in this Agreed Stipulation of Judgment, shall refer to the date this Agreed Stipulation of Judgment is properly recorded in the office of the County Clerk of Van Buren County, Arkansas.

APPROVED AS TO FORM:

/s/ M. Edward Morgan

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