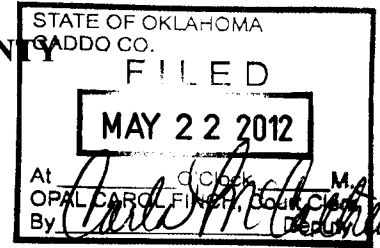


IN THE DISTRICT COURT OF CADDO COUNTY
STATE OF OKLAHOMA



STANLEY RAY BORN, and
RONDA JEAN BORN,

Plaintiffs,

v.

SHERIDAN PRODUCTION COMPANY,
LLC,

Defendant.

Case No. CJ-2012-47

**ANSWER TO PETITION BY DEFENDANT,
SHERIDAN PRODUCTION COMPANY, LLC**

Defendant, Sheridan Production Company, LLC ("Sheridan"), for its Answer to the Petition filed by Plaintiffs, Stanley Ray Born and Ronda Jean Born (collectively "Born" or "Plaintiffs"), denies all material allegations therein to the extent they are not expressly admitted herein. For further answer, Sheridan states as follows:

1. Regarding the allegations of Paragraph 1 of Plaintiffs' Petition, Sheridan is without sufficient knowledge or information to admit or deny the same.
2. Regarding the allegations of Paragraph 2 of Plaintiffs' Petition, Sheridan admits that it is organized under the laws of the State of Delaware and that its principle place of business is in Houston, Texas. Sheridan is without sufficient knowledge or information to admit or deny the remaining allegations in Paragraph 2 of Plaintiffs' Petition.
3. Sheridan denies the allegations contained in Paragraph 3 of Plaintiffs' Petition.
4. Sheridan denies the allegations contained in Paragraph 4 of Plaintiffs' Petition.
5. Sheridan denies the allegations contained in Paragraph 5 of Plaintiffs' Petition.
6. Sheridan denies the allegations contained in Paragraph 6 of Plaintiffs' Petition.
7. Sheridan denies the allegations contained in Paragraph 7 of Plaintiffs' Petition.

8. Sheridan denies the allegations contained in Paragraph 8 of Plaintiffs' Petition.
9. Sheridan denies the allegations contained in Paragraph 9 of Plaintiffs' Petition.
10. Sheridan denies the allegations contained in Paragraph 10 of Plaintiffs' Petition.
11. Sheridan denies the allegations contained in Paragraph 11 of Plaintiffs' Petition.
12. Sheridan denies the allegations contained in Paragraph 12 of Plaintiffs' Petition.
13. Sheridan denies the allegations contained in Paragraph 13 of Plaintiffs' Petition.
14. Sheridan denies the allegations contained in Paragraph 14 of Plaintiffs' Petition.
15. Sheridan denies the allegations contained in Paragraph 15 of Plaintiffs' Petition.
16. Sheridan denies the allegations contained in Paragraph 16 of Plaintiffs' Petition.
17. Sheridan denies the allegations contained in Paragraph 17 of Plaintiffs' Petition.
18. Sheridan denies the allegations contained in Paragraph 18 of Plaintiffs' Petition.
19. Sheridan denies the allegations contained in Paragraph 19 of Plaintiffs' Petition.
20. Regarding the allegations of Paragraph 20 of Plaintiffs' Petition, Sheridan asserts that such allegations are insufficient to satisfy the requirements of the Oklahoma Pleading Code, 12 Okla. Stat. §§ 2008(A)(2), and 2009(G). Sheridan further denies that Plaintiffs have suffered any monetary loss or damages as alleged in Paragraph 20 of Plaintiffs' Petition. Sheridan is without sufficient knowledge or information to admit or deny the remaining allegations contained in Paragraph 20 of Plaintiffs' Petition.
21. Sheridan denies the allegations contained in Paragraph 21 of Plaintiffs' Petition, and specifically denies that Plaintiffs are entitled to any form of relief as requested by Plaintiffs.

AFFIRMATIVE DEFENSES

1. Plaintiffs failed to state a claim upon which relief can be granted.

2. Plaintiffs' allegations regarding their alleged damages are insufficient to comply with the requirements of 12 Okla. Stat. §§ 2008(A)(2), and 2009(G).

3. Venue is improper.

4. Plaintiffs' claims are barred in whole or in part by pending and/or prior litigation involving the same or similar claims.

5. Plaintiffs' claims are barred under the doctrines of issue and claim preclusion or collateral attack.

6. Plaintiffs' royalty checks have not suffered an impermissible deduction.

7. Plaintiffs' conspiracy claims fail because Plaintiffs failed to identify any alleged co-conspirator.

8. Plaintiffs' claims are barred, in whole or in part, by the doctrines of payment, settlement, release, or accord and satisfaction.

9. Plaintiffs' claims are barred, in whole or in part, by applicable statutes of limitations, contractual limitations periods, laches, passage of time or other inaction on the part of Plaintiffs.

10. Plaintiffs' claims are barred, in whole or in part, by the equitable doctrines of laches, waiver, estoppel, consent, ratification and acquiescence.

11. Sheridan prudently operated the wells which are the apparent subject of Plaintiffs' claims.

12. Sheridan fulfilled any and all duties owed to Plaintiffs, both legal and equitable.

13. Plaintiffs failed to establish entitlement to an accounting.

14. Requiring Sheridan to account to Plaintiffs on the theories of royalty payment and liability alleged by Plaintiffs would be inequitable, would constitute an unconstitutional and

illegal taking of Sheridan's property and would be an excessive and unconstitutional penalty against Sheridan.

15. Plaintiffs' purported tort claims based upon an alleged breach of contract are barred by Oklahoma law.

16. Sheridan acted in good faith and in substantial compliance with applicable state and federal laws, rules and regulations.

17. Plaintiffs are not entitled to recover interest.

18. To the extent Plaintiffs seeks recovery of interest under 52 Okla. Stat. § 570.10 (formerly 52 Okla. Stat. § 540) based on any alleged breach of a lease contract formed or executed prior to the effective date of such statute, application thereof would be unconstitutional and otherwise impermissibly impair Sheridan's then-existing contractual rights.

19. To the extent Plaintiffs seek to assert claims based on an implied covenant in an oil and gas lease, Plaintiffs waived those claims by failing to make proper demand for the performance of the alleged covenant.

20. Plaintiffs have been paid all amounts due and owing in accordance with the controlling legal documents, including oil and gas leases, division orders and other instruments.

21. Plaintiffs' claims are barred by the express terms of the applicable written leases, agreements, transfer orders, unit agreements, communitization agreements and/or division orders, if any.

22. Plaintiffs' claims are barred by the doctrines of course of dealing and/or trade custom or usage of trade.

23. The statutes upon which Plaintiffs base their claims relating to information to be shown on monthly production check stubs/remittances are unconstitutionally vague and ambiguous.

24. To the extent a new and different duty is found to apply to Sheridan's alleged conduct, each new and different duty can only be applied prospectively, not retroactively.

25. Plaintiffs' claims are barred, in whole or in part, by their own negligence, including, without limitation, their comparative or contributory negligence.

26. Plaintiffs' claims against Sheridan are barred, in whole or in part, because of their own actions, including, without limitation, Plaintiffs' failure to take reasonable, prudent or necessary actions to mitigate their alleged damages, if any.

27. The imposition of punitive damages or statutory penalties against Sheridan in this case would violate Sheridan's rights under the Oklahoma and United States Constitutions, including the rights to due process under the Fourteenth Amendment to the United States Constitution and the due process provisions of the Oklahoma Constitution.

28. The imposition of punitive damages or statutory penalties against Sheridan in this case would violate Sheridan's rights under the Eighth Amendment to the United States Constitution and the excessive fines and punishment provisions of the Oklahoma Constitution.

29. The imposition of punitive damages or statutory penalties against Sheridan in this case would violate Sheridan's equal protection rights under the Oklahoma and United States Constitutions.

30. If plaintiffs recover anything from Sheridan, Sheridan is entitled to set-off and to deduct certain severance taxes from Plaintiffs' recovery that may have been paid on the sums

sought to be recovered and/or which may be owing, depending upon the nature of the recovery sought and/or awarded by the Court.

31. The term "marketable," as used by the Oklahoma Supreme Court with respect to royalty payment issues, is vague and ambiguous.

32. Plaintiffs' claim for fraud fails because Plaintiffs failed to plead the same with requisite particularity.

33. Plaintiffs lack standing to bring the claims asserted in this action.

34. Plaintiffs are precluded from asserting their claims alleging a breach of implied covenant because Plaintiffs failed to provide Sheridan with the required prior notice and demand alleging such breach prior to instituting this action.

35. Plaintiffs failed to state a claim for conversion because the property they allege Sheridan converted was money.

36. Plaintiffs' tort and equitable claims fail for a lack of reliance.

37. Plaintiffs' unjust enrichment claim is not available where the underlying claim is based on a contract.

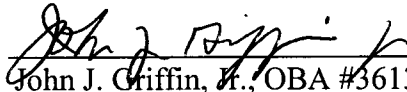
38. Plaintiffs' unjust enrichment claim is not available because Plaintiffs have not and will not suffer any injustice.

39. If any costs were deducted from Plaintiffs' royalty checks, such deductions were proper under *Mittelstaedt v. Santa Fe Minerals, Inc.*, 1998 OK 7,954 P.2d 1203.

Because Sheridan is currently without knowledge or information sufficient to form a belief as to whether it might have additional affirmative defenses to Plaintiffs' claims, Sheridan reserves the right to assert any other affirmative defenses after further discovery or as otherwise permitted by the Court.

PRAYER

Sheridan prays that the relief requested in Plaintiffs' Petition be denied in all respects; that Sheridan be awarded its allowable costs of this action, including attorneys' fees; and that the Court grant Sheridan such other and further relief as may be just and equitable.



John J. Griffin, Jr., OBA #3613
L. Mark Walker, OBA #10508
Christopher S. Staine, OBA #30263

CROWE & DUNLEVY
A Professional Corporation
20 North Broadway
Suite 1800
Oklahoma City, OK 73102-8273
(405) 235-7700
(405) 239-6651 (Facsimile)

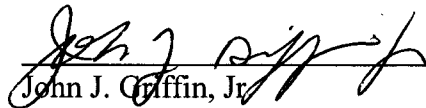
ATTORNEYS FOR DEFENDANT,
SHERIDAN PRODUCTION COMPANY, LLC

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing Answer to Petition by Defendant, Sheridan Production Company, LLC, was mailed, postage prepaid, this 22nd day of May, 2012 to:

Kerry W. Caywood
Angela Caywood Jones
Park, Nelson, Caywood, Jones
P.O. Box 968
Chickasha, OK 73023

Allan DeVore
Jandra Jorgenson
Devore & Jorgenson, PLC
5709 NW 132nd Street
Oklahoma City, OK 73142



John J. Griffin, Jr.