

SUPREME COURT OF ARKANSAS

Ronald Sutton and Bonnie Sutton v. Lonnie Sutton and Lorene Sutton

2009 Ark. 109 (Ark. 2009) · No. No. 08-613 · Decided March 5, 2009

SUMMARY

The Arkansas Supreme Court affirmed a judgment holding that a warranty-deed reservation of one-half of the mineral rights was ineffective under the Duhig rule because the grantors owned only a twenty-five-percent mineral interest. The court rejected the appellants’ reliance on subjective intent and applied objective deed-construction principles. The mineral interests passed to the grantee and subsequently to the grantee’s transferee.

CASE DETAILS

COURT	Supreme Court of Arkansas
WRITING FOR THE COURT	Jim Hannah, Chief Justice
JURISDICTION	Arkansas
DECIDED	March 5, 2009
DOCKET	No. 08-613
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a Scott County Circuit Court decision in a quiet-title action holding that a reservation in a warranty deed was ineffective to retain appellants' title to mineral rights.
STANDARD OF REVIEW	The court applied rules of objective construction to interpret the warranty deed and reviewed the legal effect of the deed's mineral-rights language.
PRECEDENTIAL VALUE	Published Arkansas Supreme Court opinion; precedential.
PARTIES	Ronald Sutton, Bonnie Sutton v. Lonnie Sutton, Lorene Sutton

TOPICS

- mineral rights
- deeds
- title disputes
- quiet title
- appellate procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the subjective intent of the grantors could establish that they retained fifty percent of the mineral rights despite the language of the 1996 warranty deed.
2. Whether, under the Duhig rule, the mineral-rights reservation in the 1996 warranty deed failed because the appellants owned only twenty-five percent of the mineral rights but the deed purported to convey and reserve fifty percent each.

HOLDINGS

1. Subjective intent that is not manifested in the language of a warranty deed does not control its construction; the deed must be interpreted under objective rules of construction.
2. When a grantor's warranty deed purports to convey and reserve the entire mineral estate but the grantor owns less than the amount necessary to satisfy both provisions, the reservation fails and the risk of title loss falls on the grantor.
3. Lonnie acquired appellants' twenty-five percent mineral interest through the 1996 warranty deed, and Lorene acquired Lonnie's mineral interests through the subsequent quitclaim deed; Lorene therefore held fifty percent of the mineral rights.

KEY QUOTATIONS

“The Duhig rule provides that when an owner of a fractional mineral interest executes a warranty deed without limiting the interest in the minerals granted, the grant and reservation of mineral rights in the warranty deed cannot both be given effect, the reservation fails, and the risk of title is on the grantor.” (314 S.W.3d at 274)

“Subjective considerations are not appropriate in such cases.” (314 S.W.3d at 274)

FACTUAL BACKGROUND

In 1987, Ronald and Bonnie Sutton acquired an interest in property from William and Etta White, who reserved fifty percent of the mineral rights. Lonnie and Lorene Sutton were later added as grantees, and the deed conveyed the surface property in equal one-half interests, resulting in each side holding an individual twenty-five percent interest in the minerals. After Lonnie and Lorene divorced, the appellants conveyed a fifty percent surface interest to Lonnie by warranty deed that purported both to convey fifty percent of the minerals and reserve an undivided one-half mineral interest; Lonnie later conveyed the property to Lorene by quitclaim deed.

PROCEDURAL HISTORY

The Scott County Circuit Court found that the mineral-rights reservation in appellants' 1996 warranty deed was ineffective. Appellants argued on appeal that their subjective intent showed they retained fifty percent of the mineral rights. The Supreme Court of Arkansas rejected that argument, applied the Duhig rule, and affirmed.

DISPOSITION

affirmed

CASES CITED

- Peterson v. Simpson, 286 Ark. 177, 690 S.W.2d 720 (1985)
- Duhig v. Peavy-Moore Lumber Co., 135 Tex. 503, 144 S.W.2d 878 (1940)
- Hill v. Gilliam, 284 Ark. 383, 682 S.W.2d 737 (1985)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/arkansas-supreme-court-of-arkansas/2009/ronald-sutton-and-bonnie-sutton-v-lonnie-sutton-and-lorene-zojm5cj3>