

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF AMERICAN

ENERGY RESOURCES LLC,

FOR DE NOVO HEARING,

EDDY COUNTY, NEW MEXICO

CASE NO. 24517

CASE NO. 25237

WRITTEN APPLICATION FOR EMERGENCY MOTION TO STAY
DIVISION ORDER NO. R-23405 AND CASE NO 24517

American Energy Resources LLC (American) hereby submits this written application for emergency motion to stay division order no. R-23405, involving case no 24517, pursuant to 19.15.4.23(B) NMAC.

A copy of the final order is attached hereto as ("Exhibit A")

... 21) This order shall terminate automatically if the operator fails to comply with 19.15.4.12 B and 19.15.4.12 C NMAC.

State law requires that an applicant for compulsory pooling provide individual notice "to each owner of an interest in the mineral estate of any portion of the lands the applicant proposes to be pooled". 19.15.4.12(A)(1)(a) NMAC

The Final order grants automatic termination for failure to comply with State law.

Further, The final order failed to acknowledge that Silverback proposed its development plan on false and mistaken premises that disqualified it from operatorship.

- 1) Silverback Inhoused landman Larry K. Coshow willfully failed to run a current and proper chain of title search on interest owners interest ownership in the unit.
- 2) Silverback Inhoused landman Larry K. Coshow listed interest owners Meridain 102 LP, Michael Harison Moore, Ryan Moore SSMTT GST Exempt trust, Ryan Moore SSMTT Exempt trust are not valid owners in the proposed pooled lands.
- 3) The Quite title presented by Silverback does not follow State law that Notice must comport with due process to enable quite titling 100% interest in the leases being compulsory pooled in the proposed unit.

- 4) The manner in which Silverback attempted to present court documents of a Quite title to the division was misleading and sleight of hand at best.
- 5) Silverback willfully failed to offer effected parties their just consideration and willfully failed to recognize an interest owner.
- 6) Larry K. Coshow as a creature of nature and has shown to continually use his Inhouse landman position to abuse title searches for his employers benefit, as shown in Novo Oil & Gas Northern Delaware LLC case no 22957 order no R-22798.
- 7) Brandon Patrick is employed at Silverback.

Given the substantive implications and binding effect of the final order's terms, American respectfully requests an emergency stay to preserve the status quo and thereby prevent immediate and irreparable harm to effected parties of Silverbacks case no 24517 and order no R-23405.

BACKGROUND.

American is an interest owner in the proposed pool of Silverback Operating II LLC for the Roche wells covers the Yeso Formation underlying the S2 S2 of Section 2, and the N2 N2 of Section 11, both located in Township 19 South, Range 25 East, Eddy County.

Silverback filed their compulsory pool application on 5/7/2024 and was set for hearing on 6/27/2024 as Case No. 24517 for their proposed pool for the Roche wells in the S2 S2 of Section 2, and the N2 N2 of Section 11, both located in Township 19 South, Range 25 East, Eddy County.

OCD Director Gerasimos Razatos issued a final order no R-23405 on 9/19/2024.

Jonathan Samaniego filed a written application for de novo hearing on 2/16/2025, for case no 24517 and order no 23405 to OCD and OCC employees as of Gerasimos Razatos, Sheila Apodaca, Marlene Salvidrez, Felica L. Orth, and Florence Davidson for Silverback Operating II LLC violating the final order and state law.

CONSLUSIONS

The Examiner over compensated Silverback Operating II LLC through its mis representation of court documents and sleight of hand.

Silverback Inhoused landman Larry K. Coshow willfully failed to recognize interest owners and unjustly failed to provide interest owners just compensation.

American has lease ownership in Roche unit and lands and with American ownership in the Roche unit and lands, American has correlative rights that must be protected under state law 70-2-11 NMAC and court ruling:

Continental Oil Co. v. Oil Conservation Commission 1962

and

Sims v. Mechem 1963

The final order R-23405 is flawed on levels that are prohibited by State law and therefore should be granted an emergency stay.

...There are concerns that the OCD, in issuing the final order, did not review and consider the evidence, such as the misrepresentation of interest ownership.

The Examiner final order, once it was issued, was erroneous, arbitrary, and capricious in its decision to rashly deny interest owners their fair and just compensation.

Term 21 in the final order grants an automatic termination for failure to comply with the final order terms, such as 19.15.4.12 B and 19.15.4.12 C NMAC.

American has met the test for justifying a stay of the final order until such time as the commission issues its decision on the cases.

Under the fourth part test adopted by the commission in Tenneco Oil Co. v. N.M. Water Quality Control Comm'n, 1986-NMCA-033, ¶ 10 and applied in commission Order No. R-14300-A, ¶ 5, American satisfied the requirements for a stay of the Divisions final order.

After a review that accounts for the directives of the state obligation to protect correlative rights by allocating to owners their just and equitable share of production, the proper consideration of the total costs of a development plan to prevent economic waste,

First prong, is that American is justly owed dues and will succeed in collecting it's just dues on the merit, thus meeting the first element of the Tenneco Standard.

Second prong, is that Silverback failed requirements under state law and the final order that caused irreversible harm to correlative rights owners, causing economic waste, waste, and violating correlative rights of owners through their willful failed efforts to notify and compensate interest owners and imposing severe economic burdens on net returns, thus meeting the second element of the Tenneco Standard.

A stay, pursuant to Tenneco's Third prong, would not result in any substantial harm to other parties, as all owners subject to the order would receive their fair and just compensation due to parties from the illegal oil and gas sales proceeds.

In satisfaction of Tenneco's last prong, there is no harm to the public. In fact if the order is not stayed the public will be harmed through misprision of the act of concealing a crime, mandatory reporting, and federal law of misprision of a felony.

Manning v. Energy Minerals 2006 NMSC-027, ¶ 45-47, 144 P.3d 87 (showing that an administrative agency using its police powers to authorize a taking without compensation is UNCONSTITUTIONAL and subject to the TAKING CLAUSE).

Therefore, American correlative rights are protected by State law, which allows a correlative owner such as American the right to manage and protect its correlative rights, from any erroneous, arbitrary, and capricious decision, that would in fact cause great irreversible harm and future harm to an effected party such as American.

- 1) The final order grants an automatic termination if the operator fails to comply with 19.15.4.12 B and 19.15.4.12 C NMAC, and the only remedy is an automatic termination of case no R-23045 and case no 24317 in its entirety.
- 2) The final order failed to acknowledge Silverback proposed its development plan on false and mistaken premises that disqualify it from operatorship, and the only remedy is to deny, cancel, void, terminate order no R-23045 and case no 24317 in its entirety.
- 3) Issue sanctions, penalties, and fines against Silverback Operating II LLC for their fraudulent acts to abuse title and their willingness to harm correlative rights.
- 4) Larry K. Coshow credibility is compromised with fraudulent acts, the Division must issue permanent sanctions against Larry K. Coshow from participating or assisting in any New Mexico oil and gas title work, to further prevent these same issues from arising again that could cause potentially cause even more irreversible harm to correlative rights ownership.
- 5) The Division is charged with the duty to bring such acts to the Attorney General to bring civil action on the violator, with great respect to obligated duties toward the Statutes, Rules, and the Oil and Gas Act.

Furthermore, The Division and OCC are further charged and obligated with their duties to bring such sanctions, penalties, and other means of law against such a willful violator, who willfully violated State laws obligated duties to protect correlative rights with respect to obligated duties toward the Statutes, Rules, and the Oil and Gas Act.

Violation of the oil and gas act 70-2-31 (H) is subject to all the same penalties.

Enforcement of Statutes and Rules 19.15.5.8 Charges the Division with the duty and obligation of enforcing the state's rules and statutes relating to the conservation of oil and gas, including the prevention of waste and the protection of correlative rights;


70-2-28 If ANY PERSON violates, threatens to violate, any Statues with respect to the conservation of oil and gas, or both, or any provisions, or any rule, regulation or order made, the Division through the Attorney General will bring suit against such person or

operator for penalties, if any are applicable, and to RETRAIN SUCH A PERSON FROM CONTINUING SUCH VIOLATIONS OR FROM CARRYING OUT THE THREAT OF VIOLATIONS.

American has provided evidence that Silverback willfully failed at their obligated duties as required by the Final order and State law, its acts were unlawfully negligent, willfully negligent, gross negligent, sleight of hand, and fraudulent.

American respectfully requests to be heard before the Commission an Emergency Stay of Order no. 23405 and case no 24317 granted.

Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true a correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via Electronic mail on July 15, 2025:

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