

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

**IN THE MATTER OF
AMERICAN ENERGY RESOURCES
DE NOVO APPEAL OF ORDER NO. R-23405
OCD CASE NO. 24517**

**ORDER NO. R-23919
OCC CASE NO. 25237**

**ORDER DISMISSING WITHOUT PREJUDICE AMERICAN ENERGY RESOURCES'
APPLICATION FOR DE NOVO HEARING**

This matter came before the New Mexico Oil Conservation Commission ("Commission") concerning American Energy Resources' (American) Application for De Novo Hearing. Having considered the request, and being fully appraised in the matter, IT IS HEREBY ORDERED as follows:

1. On February 17, 2025, American filed an Application for De Novo Hearing of New Mexico Oil Conservation Division Order R-23405.
2. On February 27, 2025, the New Mexico Oil Conservation Division (Division) filed an Entry of Appearance and Notice of Intervention.
3. On March 13, 2025, Silverback Operating II LLC (Silverback) filed an Entry of Appearance and Objection.
4. Silverback's filing attached a pleading "Silverback's Response to Motion to Re-Open" which asserted that American's property rights had been extinguished by a prior New Mexico District Court quiet title action.
5. On March 20, 2025, the Commission calendared the matter for its June 2025 meeting.
6. On June 23, 2025, American filed its Preliminary Statement.
7. On June 24, 2025, the Commission voted to postpone the hearing on the Application until its July meeting because American and Silverback had not filed timely prehearing statements at least four days in advance of the hearing pursuant to 19.15.4.13B NMAC.
8. On July 11, 2025, Silverback filed a Motion for Continuance until the August meeting.
9. On July 17, 2025, the Application was on the Commission's meeting agenda.
10. The Commission, as a pre-hearing matter, heard oral argument from the parties on Silverback's Motion for Continuance.
11. During American's presentation, American asserted that the prior New Mexico District Court quiet title action lacked validity to extinguish its property rights because the District Court judge and District Court proceeding failed to provide American (and its predecessor companies) with sufficient due process.
12. This raised the issue over the status of American's property rights.

13. The New Mexico State Supreme Court has provided that the Commission's jurisdiction does not supersede the District Court's authority over seeking redress over property rights. See Snyder Ranches v. Oil Conservation Comm'n, 110 NM 637, 640 (1990).
14. The Commission's long-standing practice is to decline to adjudicate property rights. See Order No. R-11855-B. "[The Commission] does not determine whether an applicant can validly claim real property interest in the property subject to the application, and therefore whether the applicant is 'duly authorized' to [manage] the . . . operation of a producing property." Id. (quoting Order No. R-11700-B, at ¶ 27).
15. Instead, "exclusive jurisdiction of such matters resides in the courts." See Order No. R-11855-B.
16. The Commission cannot take up this matter until it is resolved if American has standing to file an Application for De Novo under 19.15.4.8 NMAC and 19.15.4.23 NMAC.

THEREFORE, the status of American's property rights issue must be handled first by the District Court prior to any determination by the Commission on American's Application for De Novo Hearing.

IT IS SO ORDERED that American's Application is DENIED and DISMISSED WITHOUT PREJUDICE pending resolution of American's property rights issue.

DATED: 8/4/2025



Albert Chang, Chairman
New Mexico Oil Conservation Commission