Supreme Court of Texas

No. 26-0013

Sonrisa Pipeline, LLC,
Petitioner[1]

v.

M-Tex Oil Co.,
Respondent

On Appeal from the Sixteenth Court of Appeals, and
the Nineteenth Division Business Court
Honorable Alyson Martinez, Judge Presiding

ORDER[2]

THE COURT GRANTS THE PETITION FOR REVIEW AND SCHEDULES ORAL ARGUMENT ON THE FOLLOWING QUESTIONS PRESENTED:

1. Is the notice of removal to the business court timely?

2. Does Texas Government Code § 25A.004 confer jurisdiction on the business court in this matter?

3. Are M-Tex's claims barred by res judicata?

4. In the alternative, are M-Tex's claims ripe?

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[1] Sonrisa seeks review of Issues 3 & 4. M-Tex seeks review of Issues 1 & 2. While all issues relate to jurisdiction, the Court will review the Business Court's jurisdiction first as a threshold matter.

[2] Texas Young Lawyers Association 2026 State Moot Court Competition Problem. Written by Elizabeth Geary, Board Certified in Civil Appellate Law, Partner, GearyBeck, LLP (elizabeth@gearybeck.com).

In the

Sixteenth[3] Court of Appeals

M-Tex Oil Co., Appellants

v.

Sonrisa Pipeline, LLC, Appellees

No. 16-25-00048

Filed: February 2, 2026

From the Nineteenth Division Business Court, No. 2025-523,019,
The Honorable Alyson Martinez, Judge Presiding

OPINION

Hill, F., C.J., joined by McGraw and Sheridan

This is a dispute concerning subsurface trespass causing injury to a mineral estate. The questions here present issues of ripeness and res judicata concerning when such claims accrue and should be brought. In addition, this matter involves

[3] For purposes of this problem, the Sixteenth Court of Appeals holds all authority and jurisdiction of the present Fifteenth Court of Appeals in Texas.

questions of the jurisdiction of the business court and whether the assignment is a "qualified transaction" as contemplated in Texas Government Code § 25A.004. We further consider whether a change in the law constitutes "facts" that establish jurisdiction on the business court. We affirm in part, reverse in part, and remand to the Nineteenth Division Business Court for further proceedings consistent with this opinion.

I. BACKGROUND

In 2016, Sonrisa obtained a permit to operate a Hydrogen Sulfide ("H2S") injection well on the Queen Ranch in Scarlet County, Texas. The well injects highly concentrated H2S into the Scarlet formation, a depleted mineral field located about 6,200 feet below the surface. Above the Scarlet formation, at about 5,000 feet, is the Matador aquifer, a significant water source. Below the Scarlet formation, at about 7,500 feet and 10,000 feet respectively, are the Hamm and Thornton formations, two high-producing mineral fields. H2S is not native to the Scarlet formation and is present there only because of Sonrisa's disposal operations. While injected H2S generally spreads horizontally away from the well site, its rate and direction of travel are not always predictable.

The Texas Supreme Court outlined similar issues in *Regency Field Services, LLC v. Swift Energy Operating, LLC*, 622 S.W.3d 807 (Tex. 2021), providing context for this dispute:

> Natural gas is either sweet or sour. Sour gas, which contains high levels of [H2S], is unfit for use in generating light or fuel for domestic purposes. Often described as smelling like rotten eggs, [H2S] is extremely poisonous, corrosive, flammable, and explosive. Among other things, it

> contaminates hydrocarbons and destroys wells and equipment used to produce them.
>
> Natural gas producers can treat sour gas to remove [H2S]. But then they must carefully dispose of it. Sometimes they burn (or 'flare') it off or haul it away to a disposal site. But they may also dispose of it by injecting it through a well into a depleted subsurface reservoir. Those who plan to operate such an injection well must first obtain a permit from the Texas Railroad Commission [("TRC")].

622 S.W.3d at 811-12 (internal citations omitted).

In August 2018, H2S was detected on the Queen Ranch in the Burkley #1 oil and gas well located 3,500 feet from the H2S injection site, operated by the mineral lessee, Triple Hawk Oil, Co. Sonrisa temporarily ceased operations of the H2S injection well to perform remedial measures. Shortly thereafter, it resumed injecting at a reduced rate and pressure. In November of 2018, H2S was again detected on the Queen Ranch in the Burkley #2 oil and gas well, an inactive well located 2,000 feet from the injection site. That same month, H2S escaped to the surface and killed over 30 ostriches on the Queen Ranch. Triple Hawk also paused oil and gas operations for a period of time after the incident. Triple Hawk implemented certain remedial measures to its oil and gas wells and resumed operations within 60 days.

In 2019, owners of the Queen Ranch sued Sonrisa for H2S-related injuries due to the death of the ostriches (herein identified as the "Queen Ranch litigation"). At the time, the surface and mineral estates remained unsevered and undivided among the Queen Ranch family members, who had jointly entered into a mineral lease with Triple Hawk. Although the Queen Ranch family members were and are the mineral lessors in addition to being the owners of the surface estate, Triple Hawk, the mineral

lessee, was not a party to the Queen Ranch litigation. In 2019, Queen Ranch owners and Sonrisa reached a confidential settlement and dismissed all claims with prejudice.

In August of 2023, Triple Hawk assigned its Queen Ranch lease interests to M-Tex, including leases for the wells involved in the prior H2S leaks (the "Assignment"). The Assignment included a provision providing for the assignment of all interests, claims, and causes of action. M-Tex paid Triple Hawk a total of $4 million for the Assignment. At the time of the Assignment, M-Tex was aware of the H2S injection site and internally discussed future drill sites and precautions related to drilling near or through the H2S field.

In January of 2024, M-Tex obtained a permit to drill a new oil and gas well on the Queen Ranch, located 800 feet from Sonrisa's H2S disposal well. M-Tex's permit application noted that its well would be in an "area adjacent to an [H2S] field." Further, M-Tex's drilling fluid program noted that "[Sonrisa's injection well] is inject[ing] H2S in the Scarlet Formation" and "H2S is as high as 24%." M-Tex's program also contained a discussion of "H2S concerns" relating to its drilling operation and how these concerns would be addressed. In addition, M-Tex's permit application included various acknowledgements that drilling near an H2S injection site presented "certain risks of accidental release of a potentially hazardous volume of [H2S]."

In July of 2024, upon attempting its drilling operations and proceeding to a depth of around 6,000 feet, H2S vapor spewed from the ground, triggering sirens and

flares. M-Tex immediately ceased all operations on the Queen Ranch and their leases expired due to 90 days elapsing without marketable production. M-Tex contends that if it had continued operations, then H2S would most certainly eat through M-Tex's drill pipe and would sever it—causing significantly increased damages and more seriously interfering in M-Tex's drilling operations. After testing, M-Tex determined that even if it used state-of-the-art equipment and techniques, exposure to the corrosive effects of concentrated H2S would prevent drilling through the H2S field. M-Tex claims that Sonrisa—by operating its injection well without accommodating M-Tex's drilling operations—interfered in M-Tex's mineral development. M-Tex contends that Sonrisa should have paused H2S injections and taken further measures so as to not trespass or interfere in M-Tex's operations. Sonrisa refused to pause operations or take further remedial measures.

M-Tex contends that it saved millions in damages by ceasing its exploration prior to sustaining losses to its equipment. In addition to the $4 million in damages that M-Tex claims as a result of the expired leases, M-Tex assessed its actual damages in excess of $1 million due to the unsuccessful exploration costs.

Sonrisa asserts two alternative arguments. Sonrisa contends first that M-Tex's claims either accrued in 2018 and are barred by res judicata as a result of the Queen Ranch litigation, but in the alternative, M-Tex's claims are not ripe because M-Tex failed to develop the mineral estate and asserted a hypothetical injury that never occurred. Sonrisa argues that even if the mineral lessor did not bring claims in that ligitation, the claims *should* have been brought because the Queen Ranch owners

owned both the surface and mineral estates. Further, Sonrisa contends that M-Tex's damages are a result of their own actions before determining whether the H2S injection site would actually prevent or interfere with its operations. Sonrisa filed a conditional cross-appeal of the business court's determination on ripeness—contending that this Court should ultimately affirm the judgment on the other grounds advanced concerning ripeness.

In response, M-Tex argues that in 2018, Sonrisa's H2S injection well did not prevent Triple Hawk from continuing operations. M-Tex asserts that taking remedial measures is a normal part of operations—not a basis for this claim to have accrued. If the claim accrued later than 2018 but before it acquired the interests, Triple Hawk assigned interests, claims, and causes of action in the Assignment. And even if the H2S injection site became progressively more problematic overtime, the claims do not accrue until the interference prevents and substantially hinders other operations. Further, M-Tex contends that its claims are ripe now because M-Tex is not required to continue operations when experts have opined that further operations would have implicated a risk to safety for its personnel and equipment.

Procedural Background and the Business Court's Jurisdiction

In January 2025, M-Tex sued Sonrisa in Scarlet County district court asserting claims for negligence, nuisance, and trespass. M-Tex alleges that its damages total over $5 million, including over $1 million in damages it asserts as a result of the unsuccessful well operations and $4 million due to the loss of its leases.

In March of 2025, Sonrisa filed a notice of removal to the Nineteenth Division Business Court, contending that M-Tex's pleadings support jurisdiction. The Nineteenth Division business court found that the amount in controversy requirement of $10 million was not met and therefore, remanded the case back to Scarlet County district court. Then, on September 8, 2025, Sonrisa filed a second notice of removal to the Nineteenth Division business court, citing a change in the law reducing the amount in controversy requirement to $5 million, effective on September 1, 2025. Sonrisa also filed a plea to the jurisdiction contending that M-Tex's claims are barred by res judicata and in the alternative, the claims are not yet ripe because M-Tex failed to adequately develop the mineral estate prior to asserting its claims. M-Tex filed a motion to remand to the Scarlet County district court, contending that the notice of removal is untimely and that the Assignment is not a "Qualified Transaction" under the Government Code.

The Nineteenth Division business court denied M-Tex's motion to remand, finding that the amount in controversy was met and the change in the law constituted new facts that conferred jurisdiction. The business court then proceeded to consider Sonrisa's plea to the jurisdiction for lack of standing. The business court found that M-Tex's claims are barred by res judicata by the Queen Ranch litigation. M-Tex then timely brought this appeal.

Sonrisa contends on appeal that nothing within the statutory language prevents multiple removal attempts and that the language includes "facts" that establish jurisdiction—which it contends supports a change in law as a basis for

removal. Further, Sonrisa contends that Texas courts have broadly aggregated damages when determining jurisdiction—consistent with its position that the damages may be aggregated regardless of whether the qualified transaction amounts to $5 million on its own.

M-Tex conversely argues that "facts" within the statutory language is limited to facts related to the dispute between the Parties. M-Tex contends that because nothing changed regarding the facts of the case between the first removal and the second removal, that the second removal was not timely. In addition, M-Tex argues that the Assignment does not qualify as a "qualified transaction" because Sonrisa was not a party to the Assignment and there are no claims directly arising from the Assignment. M-Tex further contends that the plain language of the statute dictates that a "qualified transaction" must involve over $5 million in consideration on its own without aggregating other damage amounts.

Following the business court's judgment, M-Tex timely appealed and Sonrisa filed a conditional cross-appeal of the business court's determination on ripeness—contending that the alternative grounds that the claims are not presently ripe support the judgment.

II. DISCUSSION

A. Jurisdiction and the Business Court

M-Tex contends that the business court lacked subject matter jurisdiction and should have remanded this case to the Scarlet County district court. A challenge to the jurisdiction of the trial court presents a question of law that is reviewed de novo.

See Tex. A & M Univ. v. Snider, 721 S.W.3d 607, 610 (Tex. App.—Austin [15th] 2025, pet. filed). Further, we review questions of statutory instruction de novo—seeking the "'truest manifestation'" of legislative intent. *See Baumgardner v. Brazos River Auth.*, 714 S.W.3d 597, 601 (Tex. 2025) (quoting *Alex Sheshunoff Mgmt. Servs., L.P. v. Johnson*, 209 S.W.3d 644, 651 (Tex. 2006)). Texas courts should "rely on the plain meaning of the text as expressing legislative intent unless a different meaning is supplied by legislative definition or is apparent from the context, or the plain meaning leads to absurd results." *Fort Worth Transp. Auth. v. Rodriguez*, 547 S.W.3d 830, 838 (Tex. 2018). Therefore, our analysis seeks to construe the legislative intent as expressed in the statute. *See id.*

1. Timeliness of the notice of removal

Sonrisa filed its initial notice of removal on March 12, 2025, asserting that the business court had jurisdiction to hear the matter under Section 25A.004(d)(1) and (e) of the Texas Government Code. M-Tex successfully contested and sought remand of the initial removal on the basis that the amount in controversy was not met. At the time of the initial removal, Chapter 25A provided that the amount in controversy must exceed $10 million. The business court granted M-Tex's first motion for remand.

Following the initial remand, the Texas Legislature enacted House Bill 40 (H.B. 40), which lowered the amount in controversy from $10 million to $5 million for actions arising out of qualified transactions. *See* Act of June 1, 2025, 89th Leg., R.S., Ch. 912, §45, sec. 25A.004(d)(1), 2025 Tex. Sess. Law Serv. 912 (to be codified as an amendment to Tex. Gov't Code 25A.004(d)(1)). The law took effect on September 1,

2025. *Id.* One week after H.B. 40's effective date, Sonrisa again filed a notice of removal to the Nineteenth Division Business Court, contending that the change in the amount in controversy qualified as "facts establishing the business court's authority to hear the action." Tex. R. Civ. P. 355(c)(2)(A). We agree.

Removal is timely so long as notice is provided not later than 30 days after a party discovered or reasonably should have discovered, facts establishing the Business Court's jurisdiction over the action. *See* Tex. Gov't Code § 25A.006(f). The court's "primary objective" is to ascertain the intent of the legislature derived from the plain meaning of the words that the legislature chose. *See In re Estate of Nash*, 220 S.W.3d 914, 917 (Tex. 2007).

Here, the plain language of Section 25A.006(f)(1)(B) provides jurisdictional facts that apply in this case. M-Tex argues that Sonrisa did not "discover" any new "facts" and that a change in the law does not constitute a change in "facts" that would permit removal of an action filed prior to September 1, 2025. This interpretation overlooks the statute's plain meaning of "facts establishing the business court's jurisdiction." The context that the Legislature provided within the statute dictates that the change in law is a "fact" that implicates the Court's jurisdiction in this case. This interpretation is consistent with another decision of a Texas business court. *See Owl Assetco I LLC v. EOG Res., Inc.*, Cause No. 25-BC11A-0052, 2025 Tex. Bus. 47, 2025 TXBC LEXIS 51. Consequently, we overrule M-Tex's first point.

2. "Qualified Transaction" and amount-in-controversy threshold

We next consider whether the Nineteenth Division Business Court held authority and jurisdiction over this matter pursuant to Texas Government Code Section 25A.004. The Texas Legislature created the new statewide business court as of September 1, 2024 through House Bill 19. *See* Act of May 25, 2023, 88th Leg., R.S., ch. 380, § 5. The Act provided for removal of actions pending in a local trial court to the business court, to be accomplished by filing a notice of removal in both courts within 30 days after "the party requesting removal of the action discovered, or reasonably should have discovered, facts establishing the business court's jurisdiction over the action." *See* Tex. Gov't Code § 25A.006(d) & (f). Further, the Act provided that "[t]he changes in law made by this Act apply to civil actions commenced on or after September 1, 2024." *See* Act of May 25, 2023, 88th Leg., R.S., ch. 380, §§ 8, 9.

The question here is whether the value of the Qualified Transaction and other amounts in controversy may be combined to confer jurisdiction on the business court. We hold that it can. The Legislature has provided that "[t]he amount in controversy for jurisdictional purposes under Subsection (b) or (d) is the total amount of all joined parties' claims." *See* Tex. Gov't Code § 25A.004(i).

Sonrisa alleges that this case falls within the business court's jurisdiction under Section 25A.004(d)(1) of the Texas Government Code and that the aggregated amount in controversy exceeds the $5 million minimum amount-in-controversy threshold. M-Tex contends that the Qualified Transaction requirement is not met here because the Assignment only involved consideration of $4 million. M-Tex argues

that its damages in excess of $1 million may not be aggregated with the Assignment's value to meet this Court's jurisdictional requirements. We agree with Sonrisa.

The Supreme Court of Texas has previously held that "the phrase 'amount in controversy,' in the jurisdictional context, means 'the sum of money or the *value of the thing* originally sued for[.]'" *Tune v. Tex. Dep't of Pub. Safety*, 23 S.W.3d 358, 361-62 (Tex. 2000) (emphasis in original) (quoting *Gulf, C. & S.F.Ry. Co. v. Cunnigan*, 95 Tex. 439, 441, 67 S.W. 888, 890 (1902)). Accordingly, while the "Qualified Transaction" may not have originally amounted to more than $5 million, the "thing originally sued for" as related to the Assignment does exceed the $5 million threshold.

M-Tex relies on the Houston Court of Appeals' decision in *Medina v. Benkiser*. *See* 262 S.W.3d 25, 27 (Tex. App.—Houston [1st Dist.] 2008, no pet.) and *Goosehead Ins. Agency, LLC v. Williams Ins. & Consulting, Inc.*, 533 F.Supp.3d 367 (N.D. Tex. 2020) ("The statute uses terms such as 'consideration' and 'transaction' rather than 'dispute' or 'liability.'"). First, *Medina* is distinguishable to this matter because it involved a dispute regarding whether a statutory county court at law could issue an injunction pursuant to the Election Code. *Id.* The relief sought in *Medina* related to the procedures a political party would follow at its state convention, and there was no discussion of any argument that the rights sued for had any monetary value. *Id.* Second, *Goosehead*—a federal court case—ultimately resulted in a finding that the court had jurisdiction due to aggregating the value of the qualified transaction. But regardless, this Court is bound to follow Texas Supreme Court precedent and

therefore, *Tune* controls here and the amount in controversy threshold is satisfied in this matter. We overrule M-Tex's second point on appeal.

B. Standing and Accrual of the Claims

Standing is a prerequisite to subject matter jurisdiction. *See State v. Naylor*, 466 S.W.3d 783, 787 (Tex. 2015). Texas courts look to whether a party holds a sufficient relationship with the lawsuit to have a "justiciable interest" in its outcome. *See Austin Nursing Ctr., Inc. v. Lovato*, 171 S.W.3d 845, 848 (Tex. 2005). A party may challenge standing at any time. *Id.* at 849. Whether a party has standing, and thus whether a court has subject-matter jurisdiction, is a question of law this is reviewed de novo. *See McFadin v. Broadway Coffeehouse, LLC*, 539 S.W.3d 278, 282 (Tex. 2018).

When jurisdictional facts are challenged, we may look beyond the pleadings and consider relevant evidence, even if the evidence implicates the merits of the case. *See Alamo Heights Indep. Sch. Dist. v. Clark*, 544 S.W.3d 755, 770-71 (Tex. 2018). A plea to the jurisdiction for standing may resemble a traditional summary judgment motion: "[I]f the plaintiffs' factual allegations are challenged with supporting evidence . . . , to avoid dismissal plaintiffs must raise a genuine issue of material fact to overcome the [jurisdictional] challenge[.]" *Id.* at 771. In determining whether a fact issue exists, we take as true all evidence favorable to the non-moving party, indulging every reasonable inference and resolving any doubts in the non-moving party's favor. *Id.*

1. Res judicata and accrual of injury to land

A claim for injury to land accrues at the time the injury occurs. *See Exxon Corp. v. Emerald Oil & Gas Co., L.C.*, 331 S.W.3d 419, 424 (Tex. 2010) (citing *Houston Water-Works Co. v. Kennedy*, 70 Tex. 233, 8 S.W. 36, 37 (1888)). The right to sue belongs to the person who owns the land when the injury occurs and does not pass to a subsequent owner unless expressly assigned. *Id.*

M-Tex asserts claims of negligence, nuisance, trespass, and fraud by non-disclosure. Texas courts have considered when each of these claims accrue:

> (a) a negligence claim accrues when the conduct at issue causes any legal injury for which legal relief may be obtained;
>
> (b) a nuisance claim accrues when the conduct first substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities; and
>
> (c) a claim for trespass to a *mineral lessee's* rights accrues when "unauthorized conduct first invades or interferes with the claimant's legal rights 'to explore, obtain, produce, and possess the minerals subject to the lease'," while a claim for trespass to a *surface owner's* rights accrues "when the unauthorized entry occurs, even if the entry does not cause a discernable injury or damages."

Etc Tex. Pipeline, Ltd. v. Ageron Energy, LLC, 697 S.W.3d 334, 341 (Tex. App.—El Paso 2023, pet. denied) (quoting *Regency Field Servs., LLC*, 622 S.W.3d at 815-16, 816 n.18) (emphasis in original).

As further explained in *Regency*, the legal-injury and single-action rules impact when an injury-to-land claim accrues. *Id.* Under the legal-injury rule, a party's claims based on wrongful conduct still accrue even if the claimant "(1) does not yet know a legal injury occurred, (2) has not yet experienced or gained knowledge of the

full extent of the injury, (3) does not yet know the specific cause of the injury or the party responsible, (4) later suffers additional injuries, or (5) has not yet suffered or cannot yet ascertain any or all of the resulting damages." *Id.* The single-action rule "recognizes that a defendant's wrongful conduct may breach multiple legal duties, produce multiple legal injuries, or cause multiple types of damages, and thus give rise to multiple causes of action." *Regency Field Servs., LLC*, 622 S.W.3d at 814-15.

While this matter was pending, the Supreme Court of Texas denied the petition for review in *Ageron Energy, LLC v. Etc Tex. Pipeline, Ltd.*, 69 Tex. Sup. J. 63, 2025 Tex. LEXIS 995 (Tex. Oct. 31, 2025). While certain facts that are not applicable here led the Court to deny the petition in *Ageron*, Justice Busby, joined by Justice Devine, opined that the holding in the court of appeals "undermines [an] important protection of mineral rights, holding that a lessee's suit can be barred by res judicata even if its claims for interference with subsurface development are not yet ripe and could not have been brought earlier." *Ageron Energy, LLC*, 2025 Tex. LEXIS 995, at *1-2. We agree with Justice Busby's reasoning as applied to this matter. The accrual of claims cannot proceed unless those claims are ripe. *Id.* at *2 ("That holding—which would put lessees in an impossible position—is contrary to our cases.").

Contrary to Sonrisa's contentions, res judicata does not bar a plaintiff's claim unless that claim "arises out of the same subject matter of a previous suit and . . . [,] through the exercise of diligence, could have been litigated in a prior suit." *Barr v. Resol. Tr. Corp.*, 837 S.W.2d 627, 631 (Tex. 1992). Claim preclusion serves to block a

second bite at the apple—not a first. The transactional approach that the Court set out in *Barr* "does not necessarily penalize a plaintiff for not bringing a claim arising out of the same facts that nonetheless could not have been litigated in the initial action." *See Ageron Energy, LLC*, 2025 Tex. LEXIS 995, at *3. And unless this cause of action was ripe at the time that the prior suit was brought, the claim had not yet accrued. We find that to be the case in this matter.

Here, Sonrisa contends that the claim accrues when the trespassing gas reaches a particular location or concentration. Conversely, M-Tex contends the claim accrues when a drilling attempt fails or ceases due to the risk. Neither position is correct.

> An unauthorized interference with the place where the minerals are located constitutes a trespass as to the mineral estate only if the interference infringes on the mineral lessee's ability to exercise its rights" to "explore, obtain, produce, and possess the minerals subject to the lease.

See Lightning Oil, 520 S.W.3d at 49. "[S]peculation [about future interference] is not enough." *See Regency Field Servs.*, 622 S.W.3d at 820. Migration alone does not on its own establish an injury. *See Ageron Energy, LLC*, 2025 Tex. LEXIS 995, at *3.

Sonrisa presented evidence that in 2018, the prior lessee, Triple Hawk, paused operations for 60 days and incurred costs while taking remedial measures due to interference from Sonrisa's operation of the H2S injection well. Sonrisa contends the claims asserted in this cause of action accrued at that time and are therefore, barred by the Queen Ranch litigation. But claim accrual to the Queen Ranch owners would

not necessarily implicate claims that a mineral owner or lessee holds. The Queen Ranch owners were not the mineral lessee in 2018.

Further, we find the evidence that Triple Hawk paused operations and expended costs does not rise to the level of claim accrual as a matter of law. As M-Tex asserts, taking remedial measures is a normal part of operations—not a basis on its own for this claim to have accrued. While there are a number of factual circumstances that could show claim accrual, we do not believe these set of facts do so. Sonrisa did not present evidence that Triple Hawk was forced to permanently stop drilling operations, and the evidence of remedial measures is not conclusive.

And we agree with M-Tex that if this claim accrued between 2018 and the Assignment in 2023, Triple Hawk assigned all interests, claims, and causes of action. Sonrisa would still be permitted to show that the claims accrued outside the statutory period. But that question is not presently before us for consideration. Therefore, at this stage of the case, we cannot say that the claims are barred by res judicata. We sustain M-Tex's first point.

2. Ripeness

Sonrisa filed a conditional appeal of the business court's determination that M-Tex's claims "are ripe now just as they were in 2018." Sonrisa contends that even if this Court finds that the claims are not barred by res judicata, this Court should affirm the judgment because it is supported by the alternative argument that the claims are not ripe. Ripeness is a "threshold issue that implicates subject matter jurisdiction, and like standing, emphasizes the need for a concrete injury for a

justiciable claim to be presented." *See Patterson v. Planned Parenthood of Houston and Se. Tex., Inc.*, 971 S.W.2d 439, 442 (Tex. 1998). The principles of ripeness are grounded in the constitutional requirement that courts are prohibited from issuing advisory opinions, which arises from the separation of powers doctrine. *See* Tex. Const. art. II, § 1, art. V, § 8. In addition, ripeness concerns more than constitutional requirements, but also judicial efficiency. *See Patterson*, 971 S.W.2d at 442. In deciding whether a suit is ripe for adjudication, Texas courts ask whether the facts "have developed sufficiently so that an injury has occurred or is likely to occur, rather than being contingent or remote." *See id*. When a case involves contingent or hypothetical future activity, the case is not yet ripe for adjudication and must be dismissed. *See id.*

The Texas Supreme Court has held that mineral owners cannot sue or restrain surface use based on a future or hypothetical injury. *See Lightning Oil Co.*, 520 S.W.3d at 52. In *Anadarko*, Lightning (standing in the shoes of the surface owners) tried to prevent the operator from a neighboring mineral estate from drilling a well through the surface estate above Lightning's minerals. *Id.* Lightning alleged that allowing Anadarko to proceed would "depreciate the mineral estate's dominance and impair Lightning's right to use as much of the surface as is reasonably necessary to produce its minerals." *See id*. at 52. The Court rejected Lightning's argument, holding that such a ruling would render the mineral estate "absolutely" dominant—effectively condemning any use of the surface. *See id.* (citing *Coyote Lake Ranch, LLC v. City of Lubbock*, 498 S.W.3d 53, 60 (Tex. 2016) ("In the law of servitudes, the mineral estate

is called 'dominant' and the surface estate 'servient,' not because the mineral estate is in some sense superior, but because it receives the benefit of the implied right of use of the surface estate."). Lightning's mineral estate remained dominant and the surface estate remained servient, but only to the degree necessary for Lightning to develop and recover minerals. *Id.* Therefore, Lightning could not—as the dominant estate—prevent any and all use of the surface that it perceived as a potential threat of harm in the future. *See id.*

In *Lyle v. Midway Solar, LLC*, the plaintiffs claimed that they could not develop the mineral estate because 70 percent of the surface was covered with solar panels. 618 S.W.3d 857, 874-75 (Tex. App.—El Paso 2020, pet. denied). The surface owners had allowed a solar energy company (Midway) to install solar panels and transmission lines on the surface. *Id.* at 863. The Lyles filed suit for breach of contract and trespass, claiming the surface owners and Midway "destroyed and/or greatly diminished the value" of their mineral estate. *Id.* at 865.

The court observed, however, that the Lyles had not actually initiated any development of the minerals on the property. *See id.* at 872. The Lyles tried to argue that they could not "realistically" begin development because of the coverage of the surface with the solar panels and that "construction of an impediment on the surface that blocks mineral development is sufficient to justify a claim for damages." *Id.* The court rejected this argument, holding that the surface owners did not owe any duty to a "mineral owner who undertakes no efforts to develop the mineral estate." *Id.* at 874.

Here, as opposed to the plaintiffs in *Lightning* and *Lyle*, M-Tex applied for and obtained permits. M-Tex then proceeded to commence testing and engaged in meaningful operations. M-Tex attempted drilling operations and proceeded to a depth of around 6,000 feet where it encountered high levels of H2S. After testing, M-Tex determined that even if it used state-of-the-art equipment and techniques, exposure to the corrosive effects of concentrated H2S would prevent drilling through the H2S field. M-Tex is not required to willingly incur severe damage in order to bring its claims. Whether M-Tex can ultimately establish that Sonrisa interfered in its mineral operations is a fact question that should proceed to trial. Therefore, we find that M-Tex's claims are ripe.

III. CONCLUSION

We affirm in part and reverse in part the judgment of the business court and remand for further proceedings consistent with this opinion.

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The Business Court of Texas,
Nineteenth Division

M-TEX OIL CO.,	§	
Plaintiff,	§	
	§	
v.	§	Cause No. 2025-523,019
	§	
SONRISA PIPELINE, LLC,	§	
Defendant.	§	

Memorandum Opinion and Order

Before the Court is M-Tex Oil Company's motion to remand this matter to the Scarlet County District Court and Sonrisa Pipeline, LLC's plea to the jurisdiction for lack of standing. Having carefully examined the pleadings, briefs, and evidence, the Court denies the motion to remand and grants the plea to the jurisdiction.

Overview

This is an oil and gas dispute wherein M-Tex Oil Co. alleges that Sonrisa Pipeline, LLC trespassed and interfered in its mineral development on certain acres in Scarlet County, Texas. The facts are generally not disputed as they pertain to the motions before the Court and are detailed in each of the Parties' briefing. The Court turns first to M-Tex's request that this Court remand to the Scarlet County District Court.

I. Removal to this Court is proper.

Sonrisa previously attempted to remove this matter on March 12, 2025 and M-Tex filed a motion to remand contending that the $10 million amount-in-controversy threshold was not met. This Court agreed with M-Tex and granted the motion to remand. After the Court's consideration of the first motion to remand, the Texas Legislature amended the amount-in-controversy threshold from $10 million to $5 million. *See* Act of June 1, 2025, 89th Leg., R.S., Ch. 912, §45, sec. 25A.004(d)(1), 2025 Tex. Sess. Law Serv. 912 (to be codified as an amendment to Tex. Gov't Code 25A.004(d)(1)). On September 8, 2025, Sonrisa filed a second notice of removal in light of the new legislation changing the jurisdictional amount in controversy. M-Tex contends this Court should remand this matter for two reasons:

1) the second notice of removal is not timely as it must be filed within 30 days of learning "facts establishing the Business Court's jurisdiction," and

2) the amount in controversy threshold is not met because the Lease Assignment is not a "qualified transaction" that may be aggregated with other damage amounts.

See Second Remand Notice at 2.

First, under Section 25A.006 of the Government Code and Texas Rule of Civil Procedure 355, a party may remove the cause of action to the Business Court by timely filing a notice in both courts. *See* Tex. Gov't Code 25A.006; Tex. R. Civ. P. 355. A notice of removal must be filed "within 30 days after the date the party requesting removal of the action discovered, or reasonably should have discovered, facts establishing the business court's authority to hear the action." *See* Tex. R. Civ. P. 355(c)(2)(A). Similar to the Government Code, Rule 355 requires the Court to remand an action if it determines that removal was improper. *See* Tex. R. Civ. P. 355 (f)(2).

M-Tex argues that the amount in controversy in this dispute has not changed since it originally filed this cause of action. It contends that no new facts have emerged or developed concerning the case and that a change in the law does not constitute new facts that would warrant a new 30-day period to remove the case to the Business Court.

The parties disagree on the interpretation of the words "discover" and "facts" in Section 25A.006(f)(1)(B). M-Tex argues that the "statutory requirement that 'facts' must be 'discovered' confirms that changes in law do not trigger a right to remove." Second Remand Motion at 4. But both fail to focus on other language within the statute.

The Texas Legislature utilized a present-participial phrase—"establishing the business court's jurisdiction over an action." Use of a present-participial phrase restricts "facts" to those capable of establishing jurisdiction. *See D.A. v. Tex. Health*

Presbyterian Hosp. of Denton, 514 S.W.3d 431, 435 (Tex. App.—Fort Worth 2017), rev'd on other grounds, 569 S.W.3d 126 (Tex. 2018). The Business Court considered a similar issue in *Safelease Ins. Services LLC v. Storable, Inc.*, 2025 Tex. Bus. 6, 707 S.W.3d 130 (3rd Div. 2025). There, the Court held that the removal period is not triggered solely by the removing party's knowledge of facts, but the deadline "pivot[s] on the discovery of facts '*establishing* the business court's jurisdiction to hear the action.'" *Id.* (emphasis added). The Court follows *Safelease*'s analysis. Until the change in law through H.B. 40, no facts could have established this Court's jurisdiction. Sonrisa's removal is timely.

Second, M-Tex argues that the creation of the Texas Business Courts provides for specific and limited jurisdiction and that this matter does not fit within the legislative carve out for Business Court jurisdiction. M-Tex contends that this Court might have jurisdiction if a "qualified transaction" exceeded $5 million, but here, the Lease Assignment does not exceed $5 million and was entered with a different party than the Defendant. M-Tex argues that a "qualified transaction" refers to the transaction's aggregate value when made, relying on *Goosehead Ins. Agency, LLC v. Williams Ins. & Consulting, Inc.*, 533 F.Supp.3d 367 (N.D. Tex. 2020) ("The statute uses terms such as 'consideration' and 'transaction' rather than 'dispute' or 'liability.'").

Sonrisa contends that "M-Tex's claims arise out of the Lease Assignment" and most importantly, M-Tex seeks $5 million in damages because the leases expired automatically upon the cessation of production in paying quantities. Sonrisa argues

that this Court should aggregate the damages sought to reach the amount-in-controversy threshold to find jurisdiction, citing *Tune v. Tex. Dep't of Pub. Safety*, 23 S.W.3d 358, 361-62 (Tex. 2000). The Court agrees with Sonrisa.

As the Texas Supreme Court has recognized, "the phrase 'amount in controversy,' in the jurisdictional context, means 'the sum of money or the value of the thing originally sued for[.]'" *See id.* at 360-61. The Court has held that even when damages were not sought, a party may nevertheless satisfy jurisdictional amount-in-controversy minimums with the value of the rights or interests at issue. *Id.* M-Tex relies on a federal case to support its contention that the Court should determine the "qualified transaction" amount based only on the consideration exchanged at the time of the Lease Assignment. *See Goosehead Ins. Agency, LLC*, 533 F. Supp. 3d 367 (N.D. Tex. 2020). But *Tune* suggests a broader interpretation.

The Texas Government Code grants the Court jurisdiction in specifically enumerated actions "in which the amount in controversy exceeds $5 million, excluding interest, statutory damages, exemplary damages, penalties, attorney's fees, and court costs." *See* Tex. Gov't Code § 25A.004(b) & (d). The listed actions include proceedings involving the following:

- derivative proceedings;
- actions regarding an organization's governance, governing documents, or internal affairs;
- actions against certain defendants in which a claim is asserted under state or federal securities or trade regulation law;
- certain actions by an organization or its owner against the organization's owner, controlling person, or managerial official;

- certain actions alleging a breach of a duty owed to an organization or its owner;
- actions seeking to pierce the corporate veil; and
- actions arising out of the Business Organizations Code.

Id. In addition, the Business Court has jurisdiction over disputes involving a "qualified transaction" as defined in Texas Government Code § 25A.001. The Code provides that a "[q]ualified transaction" means a transaction, or series of related transactions other than a transaction involving a loan or an advance of money or credit by a bank, credit union, or savings and loan institution, under which a party. . . pays or receives, or is obligated to pay or is entitled to receive, consideration with an aggregate value of at least $5 million . . . ." *Id.*

Texas courts interpret "arising out of" broadly. Here, even if the Lease Assignment by itself does not reach the $5 million threshold, M-Tex has alleged that it has incurred in excess of $1 million in additional damages due to the failed mineral development efforts for the same leases. M-Tex entered an additional "series of transactions" with third-party service companies to develop the mineral estate. All of M-Tex's damages are related to the Qualified Transaction. Consequently, by applying *Tune*, the Court finds that the Assignment, along with the series of subsequent transactions related to the leases, meets the Qualified Transaction definition as contemplated by Texas Government Code § 25A.001.

II. M-Tex's claims accrued in 2018.

Sonrisa contends that M-Tex does not hold standing because the claims accrued to the prior lessee, Triple Hawk, and the Queen Ranch owners in 2018 when H2S caused Triple Hawk to temporarily cease operations and implement remedial measures due to the presence of the H2S at the Queen Ranch. In the alternative, Sonrisa contends that if the claims did not previously accrue to the mineral lessor, then they are not ripe now because M-Tex did not proceed to drill and develop the estate. Sonrisa relies on the Texas Supreme Court's opinions in *Lightning Oil Co. v. Anadarko E&P Onshore, LLC*, 520 S.W.3d 39 (Tex. 2017) and *Regency*, and the El Paso Court of Appeals' opinion in *Lyle v. Midway Solar, LLC*, 618 S.W.3d 857 (Tex. App.—El Paso 2020, pet. denied). Further, in Sonrisa's view, under the legal-injury and single-action rules, it does not matter whether other injuries suffered by Queen Ranch as a result of migrating H2S injected by Sonrisa might then have been unknown, not yet experienced, or unattributed to their source—any and all claims accrued at the same time. Regardless of Sonrisa's theory, the ultimate question is when mineral interference claims accrued.

M-Tex contends that mineral interference and trespass claims would not have been ripe in 2018 because Triple Hawk was able to continue operations after remedial measures. Further, it contends that those claims only accrue after a failed or thwarted drilling attempt.

But the fact that a claim may be unripe will not stop it from accruing at the same time as a ripe claim arising from the same wrongful conduct. As the Supreme

Court of Texas has explained: "wrongful conduct may breach multiple legal duties [and] produce multiple legal injuries," but "under the single-action rule, [such] conduct gives rise to a single, indivisible action in which the claimant must pursue all claims for all damages resulting from all injuries that arise from the wrongful conduct, and those claims all accrue when the first such injury occurs." *See Regency*, 622 S.W.3d at 815.

Consequently, the death of Queen Ranch ostriches triggered the accrual of not only the surface claims arising from the H2S leak, but also any and all other claims that could have been brought as a result of the same conduct, whether those claims accrued to the surface or mineral owner. The Queen Ranch ownership was undivided among its surface and mineral owners in 2019 when the owners filed suit. "The law abhors a multiplicity of suits." *See Taylor v. Catalon*, 166 S.W.2d 102, 105 (Tex. 1942).

Ultimately, the Court finds that M-Tex lacks standing to bring its claims due to the legal-injury and single-action rules. M-Tex's claims accrued at the time the Queen Ranch owners were first injured. As a result, M-Tex's claims are ripe now just as they were in 2018. But because the Queen Ranch litigation disposed of the claim as it arose in 2018, M-Tex's claims are barred by res judicata. Because subject-matter jurisdiction is lacking, the Court grants Sonrisa's plea to the jurisdiction and renders judgment dismissing M-Tex's claims.

SIGNED: October 6, 2025

SO ORDERED.

Alyson Martinez
JUDGE PRESIDING

2025 Tex. Bus. 67

The Business Court of Texas,
Nineteenth Division

M-TEX OIL CO.,	§	
Plaintiff,	§	
	§	
v.	§	Cause No. 2025-523,019
	§	
SONRISA PIPELINE, LLC,	§	
Defendant.	§	

FINAL JUDGMENT

On October 6, 2025, this cause came on to be heard and the Court considered the plea to the jurisdiction of Defendant, Sonrisa Pipeline, LLC. After considering the pleadings, motions, briefs, and arguments of counsel, the Court sustained the plea to the jurisdiction of Defendant, Sonrisa Pipeline, LLC.

It is therefore, ORDERED, ADJUDGED, and DECREED by the Court that M-Tex Oil Company should take nothing by its claims.

All attorney's fees and costs of court are adjudged against the party incurring the same. All relief requested in this case and not expressly granted is hereby denied. This judgment finally disposes of all parties and all claims and is appealable.

SIGNED this 6th day of October, 2025.

Alyson Martinez
JUDGE PRESIDING