

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF  
TEXAS, HOUSTON DIVISION

Saddleback Exploration, LLC v. Barbara Brunell et al.

Civil Action No. 4:23-CV-03091 · No. 4:23-CV-03091 · Decided March 2, 2026

SUMMARY

The court recommends sua sponte dismissal of an interpleader action as moot for lack of an ongoing Article III case or controversy. The recommendation concludes that competing royalty-interest claims concerning a Texas oil and gas well had been resolved or abandoned, leaving the stakeholder no longer exposed to multiple liability.

CASE DETAILS

|                       |                                                                                                                                                                                                             |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Southern District of Texas,<br>Houston Division                                                                                                                        |
| WRITING FOR THE COURT | Christina A. Bryan                                                                                                                                                                                          |
| JURISDICTION          | United States District Court for the Southern District of Texas,<br>Houston Division                                                                                                                        |
| DECIDED               | March 2, 2026                                                                                                                                                                                               |
| DOCKET                | 4:23-CV-03091                                                                                                                                                                                               |
| DISPOSITION           | other                                                                                                                                                                                                       |
| PROCEDURAL POSTURE    | Memorandum and recommendation by a magistrate judge recommending sua sponte dismissal of an interpleader action for lack of subject matter jurisdiction because the underlying controversy had become moot. |
| STANDARD OF REVIEW    | Federal subject matter jurisdiction and mootness must be considered sua sponte; a live controversy must exist at every stage of litigation.                                                                 |
| PRECEDENTIAL VALUE    | nonprecedential                                                                                                                                                                                             |

TOPICS

- interpleader
- subject matter jurisdiction
- civil procedure
- oil and gas
- minerals

PRACTICE AREAS

- civil procedure
- interpleader
- subject matter jurisdiction
- oil and gas
- mineral rights

## QUESTIONS PRESENTED

1. Whether the interpleader action remained a live case or controversy under Article III after the competing royalty claims were resolved, disclaimed, or left uncontested.
2. Whether the court should sua sponte recommend dismissal of the interpleader action as moot for lack of subject matter jurisdiction.

## HOLDINGS

1. The underlying dispute was moot because no remaining party identified competing claims to the interpleaded royalty interests or a continuing threat of multiple liability, leaving no live case or controversy.
2. The magistrate judge recommended that the amended complaint in interpleader be dismissed sua sponte as moot for lack of subject matter jurisdiction.

## KEY QUOTATIONS

*“There must be a live controversy “at every stage of the litigation[,]” and if “an intervening circumstance deprives a plaintiff of a personal stake in the outcome of the action or makes it impossible for the court to grant any effectual relief whatever to the prevailing party, the case must be dismissed as moot.”” (II)*

*“An interpleader action is designed to protect a stakeholder [the interpleader plaintiff] . . . from the possibility of multiple claims upon a single fund” (III)*

*“In response to the January 13 Order, Saddleback has failed to identify a live controversy or a continued threat of multiple liability regarding the remaining Interpleader Defendants.” (III)*

## FACTUAL BACKGROUND

Saddleback Exploration, LLC operated the Stonegate 6 No. 1H Well and owned a lease covering land in Winkler County, Texas. It filed an interpleader action after learning of potentially conflicting claims to production royalties. Following summary-judgment rulings and a new title opinion, Remnant Assets disclaimed any interest, and the parties who filed status reports identified no adverse competing claims or objections to the division of interests. Saddleback likewise identified no continuing dispute or threat of multiple liability.

## PROCEDURAL HISTORY

Saddleback brought an interpleader action concerning competing claims to production royalties from an oil and gas well. After summary-judgment rulings, a new title opinion, the disclaimer and dismissal of Remnant Assets, and the absence of objections from responding parties, the court ordered the remaining parties to address whether a live controversy remained. The magistrate judge concluded that no competing claims or continuing threat of multiple liability remained and recommended dismissal as moot, subject to objections under 28 U.S.C. § 636(b)(1)(C).

## DISPOSITION

other

#### CASES CITED

- Genesis Healthcare Corp. v. Symczyk, 569 U.S. 66, 71
- Payne v. Progressive Financial Services, Inc., 748 F.3d 605, 607 (5th Cir. 2014)
- Center for Individual Freedom v. Carmouche, 449 F.3d 655, 661 (5th Cir. 2006)
- Sannon v. United States, 631 F.2d 1247, 1250 (5th Cir. 1980)
- Matter of Bohart, 743 F.2d 313, 324 (5th Cir. 1984)
- Wausau Insurance Companies v. Gifford, 954 F.2d 1098, 1100-01 (5th Cir. 1992)
- National Wealth Real Estate, Inc. v. Cohen, No. 05-CV-01233-LTB, 2008 WL 4186003, at \*1 (D. Colo. Sept. 5, 2008)
- Carter Momsen PC v. DJ Collections & Investment Enterprise Corp., No. SA-18-CV-00053-XR, 2020 WL 12991144, at \*3 (W.D. Tex. May 13, 2020)
- Nash & Associates, LLC v. Gwynn, No. CIV. WDQ-14-0376, 2014 WL 3428933, at \*4 (D. Md. July 10, 2014)
- RSL Funding, LLC v. Saucier, No. CIV. 109CV300HSOJMR, 2010 WL 384529, at \*3 (S.D. Miss. Jan. 27, 2010)
- Grand Manor Health Related Facility, Inc. v. Hamilton Equities Inc., 941 F. Supp. 2d 406, 416 n.10 (S.D.N.Y. 2013)
- Douglass v. United Services Automobile Association, 79 F.3d 1415, 1428-29 (5th Cir. 1996) (en banc), superseded by statute on other grounds

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