



OIL AND GAS UPDATE

**2026 RECENT DEVELOPMENTS BY THE
JUDICIARY SEMINAR**

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LOUISIANA'S NEW ECONOMY

In 2025, the Haynesville Shale region produced an average 14.9 billion cubic feet per day of natural gas, with the U.S. Energy Information Administration forecasting another 1.4 Bcf/d of growth in 2026. The region's proximity to Gulf Coast liquefied natural gas terminals and major industrial consumers is the principal reason exploration and production companies continue to invest in and expand natural gas production in Louisiana.

Venture Global announced an \$18 billion expansion of its Plaquemines LNG facility, while its CP2 project in Cameron Parish reached a final investment decision of \$20.7 billion. Woodside Energy also committed \$17.5 billion to its Louisiana LNG project in Calcasieu Parish. And, Commonwealth LNG will build a \$13 billion LNG export facility in Cameron Parish. These projects chose Louisiana because of our abundant natural gas supplies, robust energy infrastructure, and access to international markets.

The availability of low-cost energy is also attracting other projects to the state. Meta will spend \$50 billion in Richland Parish building its Hyperion data center. The Meta project alone will include five gigawatts of compute capacity, much of it powered by natural gas-fueled electric generation. Other data centers are locating in Caddo/Bossier Parishes (Amazon/STACK \$18 billion), West Feliciana (Hut \$8-10 billion), and Rapides Parish (Applied Digital \$3.6 billion).



Meta's Hyperion Data Center-Richland Parish, Louisiana

Beyond data centers, Hyundai-POSCO Steel will build a \$5.8 billion low-carbon steel plant in Ascension Parish. In August, SpaceX proposed an astounding \$100 billion spaceport for Vermilion Parish. Since the beginning of 2024, Louisiana Economic Development (LED) has announced over \$250 billion in projects for the state. These projects are all driven, at least in part, by abundant, cheap, and available supplies of natural gas. Louisiana has long benefited from its location on the Gulf Coast. Today, the state's combination of world-class natural gas production, energy infrastructure, industrial sites, and transportation access is creating a new economy.

The author thanks Lisa C. Cronin, W. Drew Burnham, and J. Bert Babington for their contributions.

RECENT DEVELOPMENTS

Coastal suits

- (1) *Chevron U.S.A. Inc. v. Plaquemines Parish*, 608 U.S. 1 (2026).

Plaquemines Parish and other Louisiana coastal parishes filed state-court actions against Chevron U.S.A. Inc. (“Chevron”) and other oil and gas companies under the Louisiana State and Local Coastal Resources Management Act (“SLCRMA”). SLCRMA generally requires permits for specified uses of Louisiana’s coastal zone, but exempts uses legally commenced before 1980. The parishes alleged that defendants conducted unpermitted oil and gas activities and that certain pre-1980 uses were not exempt because they had been illegally commenced. With respect to Chevron, the parishes challenged World War II-era crude-oil production practices, including vertical drilling, canals, and earthen pits.

During World War II, Chevron’s predecessor, The Texas Company, contracted with the federal government to refine crude oil into high-octane aviation gasoline (“avgas”) for the military. Chevron argued that its wartime crude-oil production was closely related to those federal contractual duties because crude oil was the essential feedstock for avgas; the government sought maximum wartime petroleum output; and the challenged methods increased crude production or reflected federal wartime priorities. Chevron and other defendants, therefore, removed the coastal suits to federal court under the federal officer removal statute, 28 U.S.C. § 1442(a)(1).

The federal district courts granted the parishes’ motions to remand the cases to state court. On consolidated appeals, the United States Fifth Circuit Court of Appeals affirmed. The appellate court agreed that Chevron had acted under a federal officer when performing its wartime avgas-refining contract, but held that the crude oil production claims did not sufficiently relate to those federal duties because the refining contract did not direct how Chevron was to obtain or produce crude oil. The United States Supreme Court granted a writ of certiorari to decide whether the challenged wartime production activities satisfied § 1442(a)(1)’s requirement that the suit be “for or relating to” an act under color of federal office.

In an opinion by Justice Thomas, the Supreme Court vacated the Fifth Circuit’s judgment. The Court explained that “relating to” is broad and does not require a strict causal relationship or proof that federal duties specifically required the challenged conduct. According to the court, Chevron plausibly alleged a close, rather than tenuous or remote, relationship between the challenged crude oil production and its federal avgas-refining duties. Much of the crude oil produced in Plaquemines Parish was, in fact, ultimately used for Chevron’s avgas refining. The challenged wartime methods increased production, and the federal government had emphasized increased crude oil production as part of the war effort. The court, therefore, held that Chevron had satisfied § 1442(a)(1)’s “relating to” requirement, vacated, and remanded.

Legacy

- (2) *Vinton Harbor & Terminal District v. Reunion Energy Co.*, No. 25-00971 (La. 5/29/26), 2026 WL 1584405.

Vinton Harbor & Terminal District (“Vinton Harbor”), a political subdivision of the State of Louisiana, owned several tracts in Calcasieu Parish that it acquired from Cleon Land Development, Inc. (“Cleon Land”), in 1968, 1976, 1977, and 1987. In the conveyances, Cleon Land reserved the mineral rights. In 1943, before Vinton Harbor acquired the property, Cleon Land had granted a mineral lease to Union Sulphur Company, Inc. (“Union”). The lease was repeatedly assigned over the ensuing decades and terminated in 2020. Honeywell International (“Honeywell”) is the successor to Union. Texas Pacific Oil Company, Inc. (“Texas Pacific”) is the successor to Frankfort Oil Company and Seagram, which held lease rights during part of 1968. Honeywell and Texas Pacific were two of thirteen defendants sued by Vinton Harbor.

In 2023, Vinton Harbor filed suit, asserting tort and breach-of-contract claims for alleged contamination and other property damage resulting from oil and gas exploration and production dating back to the 1930s. Vinton Harbor alleged that the defendants or their predecessors damaged the property and sought recovery and restoration. Honeywell and Texas Pacific filed peremptory exceptions of no right of action based on the subsequent purchaser rule recognized in *Eagle Pipe & Supply, Inc. v. Amerada Hess Corp.*, arguing that claims for damage occurring before Vinton Harbor acquired the property belonged to the owners at the time of the injury and did not pass with title absent an express assignment. No such assignment was alleged.

The district court denied the exceptions. On supervisory review, the Louisiana Third Circuit Court of Appeal reversed in part. As to Honeywell, the appellate court held that all alleged damage attributable to Honeywell’s predecessors predated Vinton Harbor’s acquisitions and dismissed those claims with prejudice. As to Texas Pacific, the court likewise barred claims for pre-acquisition damage, but held that Vinton Harbor had a right of action under Civil Code article 2315 for damage allegedly caused during an 87-day period in which Vinton Harbor owned one tract and Texas Pacific’s predecessor still held rights under the mineral lease. The Louisiana Supreme Court granted Vinton Harbor's writ application.

In a split decision, the supreme court reaffirmed *Eagle Pipe* and extended the subsequent purchaser rule to mineral leases. The court reasoned that, although a mineral lease creates a real right in favor of the mineral lessee, a claim for physical damage to property is a personal right belonging to the owner when the damage occurs. Thus, absent an express assignment or subrogation, a subsequent surface owner cannot recover for pre-acquisition property damage. The court rejected Vinton Harbor's attempt to characterize historic contamination and oilfield remnants as a continuing condition, and it held that Mineral Code article 11 and Civil Code article 667 did not create an independent transferable right of action for pre-acquisition injury. The court, nevertheless, agreed that Vinton Harbor could pursue any tort claim for damage actually inflicted during the 87-day overlap period.

The Court also recognized a separate, limited right of action under Mineral Code article 122, which requires a mineral lessee to act as a reasonably prudent operator. Because Vinton Harbor acquired the property while the recorded mineral lease remained in force and the lease did not terminate until 2020, Vinton Harbor could seek enforcement of termination obligations that matured only when the lease ended. That right is limited to consequences of unreasonable or excessive operations. Article 122 does not require restoration for ordinary, customary, and necessary mineral operations or automatically require restoration to pre-lease condition. The scope of any corrective obligation was a factual issue for remand. The Court further held that prior lessees and assignors, including Honeywell and Texas Pacific, may remain liable for lease obligations unless they were expressly released in writing under La. R.S. 31:128-129. Accordingly, the supreme court affirmed in part, reversed in part, and remanded for further proceedings on the 1968 overlap claim, and whether the defendants had been released from lease obligations.

- (3) *Gilcrease v. Maximus Operating, Ltd.*, No. 56,300 (La. App. 2d Cir. 10/1/25), 423 So. 3d 246, *writ denied*, No. 25-1394 (La. 1/21/26), 425 So. 3d 105.

The plaintiff, Danny Ray Gilcrease, owns 88 acres in Bienville Parish that include a residence and a stocked pond. Adjacent property was owned by Tanos Exploration II, LLC and was used for drilling operations between December 13 and 29, 2018. Shortly after the operations, the plaintiff observed a sheen on his pond and discovered numerous dead fish. The plaintiff contended that Tanos and/or a mineral lessee authorized the drilling of a natural gas well on the property and that a breach in the reserve pit at the well site caused contamination that migrated onto his property. Gilcrease filed suit against Maximus Operating, LTD, Sewell Drilling LLC, and Stallion Oilfield Services, LTD and later amended his petition several times. In December 2023—almost five years after discovering the damage—he added a group referred to as the “Hunt Servitude Defendants,” claiming they owned mineral servitudes covering his property, that the drilling operations were conducted under their mineral rights, and that they were liable under both the Civil Code and the Mineral Code for remediation and restoration of the property.

The Hunt Servitude Defendants argued that the claims against them were prescribed because tort claims prescribe in one year, and the plaintiff waited nearly five years to add them. They further contended that the amended petition adding them did not relate back to the original petition and that they had no notice of the lawsuit. The plaintiff responded that prescription was interrupted because the Hunt Servitude Defendants were solidary obligors with the original defendants. According to the plaintiff, the mineral servitude owners and the tortfeasor operators share coextensive obligations to remediate environmental damage, meaning timely suit against one interrupts prescription as to all.

The trial court denied the Hunt Servitude Defendants’ peremptory exception of prescription. The Hunt Servitude Defendants applied to the Louisiana Second Circuit Court of Appeal for a supervisory writ, which was granted to docket. The appellate court observed that under *Walton v. Burns*, No. 47,388 (La. App. 2d Cir. 1/16/13), 151 So. 3d 616, mineral lessees and mineral servitude owners may be solidary obligors for restoration

duties, even when their obligations arise from different sources. If the plaintiff were to prove such solidarity, then his timely suit against the original operator defendants would interrupt prescription as to the Hunt Servitude Defendants. Since the issue involved factual determinations and did not require extraordinary supervisory review, the court declined to exercise its supervisory authority. The writ was recalled, and the case was remanded for continued proceedings in the district court.

Conversion

- (4) *Furlow v. Petro-Chem Operating Co., Inc.*, No. 56,802 (La. App. 2d Cir. 8/26/26), 2026 WL 2507847.

In 2012, the plaintiffs granted mineral leases, giving their lessee the “exclusive right to enter upon and use the land” for “all purposes incident to the exploration for and production, ownership, possession and transportation of said minerals.” The original lessee, AIX, drilled eleven wells in the area, eight on the plaintiffs’ property or lands unitized therewith and three on other tracts, and gathered the natural gas produced from all eleven into a pipeline. Near the terminus of the pipeline, a separator separated the natural gas condensate out of the commingled gas stream, and the condensate (or drip) was piped to a drip tank located on a nearby wellsite (one of the three wells in which the plaintiffs has no interest) where it was periodically sold by AIX. AIX paid royalties to the various mineral lessors based on each well’s allocated share of drip production.

After AIX’s bankruptcy, the ownership of the properties split. Contango took the plaintiffs’ eight wells, the pipeline, and the separator, and began operating them. A different owner took the three remaining wells, including the drip tank, and hired Petro-Chem to operate them. With Contango’s consent, Petro-Chem kept selling the accumulated drip as AIX had done, and, once the allocation among the wells contributing to the drip was determined, paid Contango for its share of the proceeds from the drip sales. Each operator, then, paid royalties to their respective royalty owners.

The plaintiffs sued Petro-Chem, alleging that Petro-Chem had converted some of the drip. The trial court denied Petro-Chem’s motion for summary judgment. The Louisiana Second Circuit Court of Appeal granted Petro-Chem’s application for a supervisory writ.

In reversing the district court, the Second Circuit explained that conversion “is an intentional tort and consists of an act in derogation of the plaintiff’s possessory rights.” *Capers v. NorthPro Props. Mgmt., LLC*, No. 53,919 (La. App. 2d Cir. 5/5/21), 321 So. 3d 502, writ denied, 21-00768 (La. 10/1/21), 324 So. 3d 1055. Under Mineral Code articles 6, 7 and 114, and *Frey v. Amoco Prod. Co.*, 603 So. 2d 166 (La. 1992), title to fugitive minerals, like natural gas, vests when the minerals are reduced to possession at the wellhead.

In this instance, according to the appellate court, the plaintiffs “severed their right of ownership to all minerals in exchange for a royalty to be paid to them by their lessee.” Ownership of natural gas produced from the plaintiffs’ wells and the drip derived therefrom vested in Contango at the point of capture, so the plaintiffs did not own the drip when it

was allegedly converted by Petro-Chem.

The plaintiffs adduced an affidavit from a petroleum engineer, stating that the drip “was owned by the mineral owners of each well.” However, this affidavit could not satisfy their burden as a non-movant on summary judgment. To defeat a properly supported motion for summary judgment, an expert’s opinion must be more than a conclusory assertion about the ultimate legal issues. *Nelson v. Shelat*, No. 54,099 (La. App. 2d Cir. 8/18/21), 325 So. 3d 1170, writ denied, No. 21-01354 (La. 11/17/21), 327 So. 3d 997. Nothing in the expert qualifications addressed Louisiana property or mineral law, and the expert neither identified who the “mineral owners” were, nor explained how the plaintiffs could own minerals which their mineral lessee had severed under a valid mineral lease.

Accordingly, the plaintiffs could not create a genuine issue of fact with respect to an essential element of their conversion claims, viz., that they owned, or had a possessory interest in, the drip, and Petro-Chem was entitled to summary judgment.

Pipelines

- (5) *Louisiana Energy Gateway, LLC v. ETC Texas Pipeline, Ltd., et al*, No. 25-31 (La. App. 3d Cir. 10/1/25), 422 So. 3d 819.

This case is a pipeline crossing dispute between two pipeline companies in Vernon Parish, Louisiana. ETC Texas Pipeline and its affiliates (collectively, “ETP”) had pipeline servitudes on land owned by Martin Timberlands and FS Louisiana II. Louisiana Energy Gateway (“LEG”) later obtained its own servitudes from those landowners to build a new 42-inch gas pipeline that would cross under several ETP lines. When LEG notified ETP of its plans and designs, ETP objected and tried to block the crossings.

LEG sued for a permanent injunction to stop ETP from interfering with construction, operation, and maintenance of its line. ETP counter-sued for its own injunction and a declaratory judgment that LEG could not cross without ETP’s consent. After a bench trial, the district court granted LEG’s requested injunction and denied all of ETP’s relief. ETP’s motion for new trial failed, and it appealed.

The Louisiana Third Circuit Court of Appeal focused first on the language of ETP’s older servitude agreements with Martin and FS. Those documents granted ETP the right to build and operate one pipeline (one was described as “exclusive”), but they also expressly reserved to the landowners the right to grant additional pipeline servitudes, provided those new uses did not unreasonably interfere with ETP’s pipeline. Nothing in the agreements required ETP’s consent for future servitudes or crossings. Applying Civil Code article 720 and recent pipeline cases involving ETP affiliates, the court held LEG did not need ETP’s consent: ETP had a right to its pipeline at a certain depth, not to control all subsurface development beneath it.

The appellate court then reviewed the trial judge’s factual findings on safety and interference. LEG’s expert and project witnesses testified that the crossings would be built

by standard “open-cut” methods, with at least two feet of vertical separation, meeting or exceeding industry standards and regulations. ETP’s own guidelines call for the same spacing and allow open-cut crossings, and ETP managers admitted they had safely used that method before. ETP expressed worries about subsidence and future maintenance complications, but the trial court found those concerns speculative. The court agreed that the Civil Code “neighborhood” articles (667–669), which require neighbors to tolerate some inconvenience absent actionable damage, apply by analogy to overlapping rights-of-use servitudes like these, since both companies hold interests in the same land. Under the deferential “manifest error” standard, the appellate court upheld the finding that LEG’s crossings would not adversely or unreasonably interfere with ETP’s servitude and would be constructed and operated safely, so ETP was not entitled to an injunction.

ETP’s constitutional “taking” claim also failed. The court held that even where a servitude is labeled “exclusive,” it does not give the holder ownership of the entire subsurface column “to the center of the earth” absent explicit language. ETP’s rights were limited to building and operating its own line. The landowners retained their right to grant additional servitudes and LEG’s servitudes did not take any right away from ETP.

By the time of argument, LEG’s pipeline was already built. The parties so stipulated, and the appellate court slightly amended the trial court’s injunction to remove references to preventing interference with “construction.” In all other respects, the judgment was affirmed, leaving LEG protected in operating and maintaining its crossings under ETP’s lines and assessing appellate costs to ETP.

- (6) *ETC Tiger Pipeline, LLC v. DT Midstream, Inc.*, No. 55,534 (La. App. 2d Cir. 4/10/24), 384 So. 3d 458, 460, *writ denied*, No. 24-763 (La. 10/8/24), 394 So. 3d 271.

Enable Midstream Partners, LP v. Louisiana Energy Gateway LLC, No. 55,916 (La. App. 2d Cir. 10/2/24), 400 So. 3d 1142, *writ denied*, No. 24-1523 (La. 2/25/25), 400 So. 3d 662.

ETC Tiger Pipeline, LLC v. Louisiana Energy Gateway LLC, No. 55,913 (La. App. 2d Cir. 10/2/24), 400 So. 3d 1123, *writ denied*, No. 24-1350 (La. 1/14/25).

Code of Civil Procedure article 3608 states:

The court may allow damages for the wrongful issuance of a temporary restraining order or preliminary injunction on a motion to dissolve or on a reconventional demand. Attorney's fees for the services rendered in connection with the dissolution of a restraining order or preliminary injunction may be included as an element of damages whether the restraining order or preliminary injunction is dissolved on motion or after trial on the merits.

- (7) *Harvest Midstream Co. v. Williams*, No. 26-0537 (E.D. La. 3/27/26), 2026 WL 850396.

Harvest Midstream Company (“Harvest”) owns and operates a crude-oil pipeline crossing

property owned by Robert C. Williams, Jr., and Elizabeth Williams (the “Williams”) under a 1951 right-of-way agreement. The Williams were constructing a residence on the property. The agreement granted Harvest’s predecessor the right to lay, construct, operate, maintain, inspect, repair, replace, change the size of, and remove the pipeline, together with rights of ingress and egress, but it did not specify the width of the right of way.

On March 12, 2026, Harvest sued the Williams in the United States District Court for the Eastern District of Louisiana and sought a temporary restraining order and preliminary injunction. Harvest alleged that construction near the pipeline created immediate and long-term safety risks, interfered with its ability to operate and maintain the pipeline, and breached the right-of-way agreement. Harvest asked the court to prohibit construction within fifteen feet on either side of the pipeline, effectively creating a thirty-foot corridor. On March 13, the court entered a temporary restraining order. At the March 25 preliminary injunction hearing, the parties agreed under Federal Rule of Civil Procedure 65(a)(2) to consolidate the hearing with a trial on the merits, so the court made a final determination of Harvest’s request for injunctive relief.

The district court ultimately denied injunctive relief. Because the 1951 right-of-way agreement did not define the servitude’s width, Louisiana law limited the servitude to the width reasonably necessary for its use. Harvest, therefore, bore the burden of proving that a thirty-foot corridor was necessary to exercise its contractual rights. Both sides offered expert testimony regarding the space required to access, operate, and maintain the pipeline. The court found both experts persuasive but neither convincing. Because Harvest had the burden of proof, the court found that it failed to establish the necessity for the 30-foot width. In so holding, the court relied on Civil Code articles 730, 743, and 749, which, respectively, require doubts concerning the extent of a servitude to be resolved in favor of the servient estate, accessory rights to be exercised in the manner least inconvenient to that estate, and a silent title to be construed in light of the servitude’s purpose.

Harvest also failed to prove imminent irreparable injury. The pipeline was approximately 4.5 feet below the surface; the four closest residential piles were about seven feet away; and there was no evidence that installation of the piles had damaged the pipeline. The Williams’ expert testified that the twelve-inch pipeline could be accessed within a ten-foot space—five feet on each side—and the evidence did not establish that the proposed residence would prevent future access. Although the court regarded Harvest’s safety concerns as legitimate and prudent, it found the asserted future risks speculative and noted that there was no immediate need to access the pipeline. Accordingly, the court denied Harvest’s request for injunctive relief and vacated the March 13 temporary restraining order.

Lease formation

- (8) *Mouton v. EquipmentShare.com, Inc.*, No. 25-0143 (W.D. La. 8/17/26), 2026 WL 2390743.

The plaintiffs’ Cameron Parish tract had been leased to a helicopter operator for decades.

In late 2019, the defendant approached the plaintiffs for a lease of the same property. The parties' letter of intent provided: "Unless and until formal closing documents are executed . . . the terms hereof are subject to change, modification, withdrawal, extension, or deletion." A draft lease form was circulated. On December 30, the defendant's property manager said he would have the lease executed "within the next 20 minutes" and wired \$25,000 in first month's rent and security deposit to the plaintiffs. In reliance on the new lease, the plaintiffs terminated their prior tenant. However, negotiations over acreage, rent, and buyout terms ran for months, and the new lease was never signed. Eventually, the defendant walked away from the deal.

The plaintiffs sued to enforce the lease. Plaintiffs alleged the parties reached an enforceable oral agreement in December 2019, and they only terminated their lease with the existing tenant because of that oral agreement. Plaintiffs further allege that the parties reached a new and revised enforceable oral agreement on March 6, 2020. Defendant contends that the parties always intended to execute a written agreement, and since no written agreement was ever executed there was no enforceable lease created. Plaintiffs sue for breach of contract and for damages from detrimental reliance upon Defendant's promise to lease the property, resulting in them terminating the existing lease with their long-term tenant. Defendant counterclaimed for unjust enrichment and sought the return of its \$30,000 payment. The United States District Court for the Western District of Louisiana granted summary judgment for the defendant and ordered that the first month's rent be refunded under Civil Code article 2298.

The district court reasoned that Civil Code article 2681 permits an oral lease, but Civil Code article 1947 provides: "When, in the absence of a legal requirement, the parties have contemplated a certain form, it is presumed that they do not intend to be bound until the contract is executed in that form." Thus, if the parties contemplate a written lease, then they must sign the written lease before they are bound. This rule is subject to two exceptions: (i) an oral agreement on all terms later memorialized, *Rainey v. Entergy Gulf States, Inc.*, No. 09-572 (La. 3/16/10), 35 So. 3d 215, 228, and (ii) where significant performance has taken place even though the parties contemplated a writing from the outset, *Russell v. City of New Orleans, Dept. of Prop. Mgmt.*, No. 98-0927 (La. App. 4th Cir. 2/24/99), 732 So. 2d 66, 68-69; *City of New Orleans v. Hautot*, 185 So. 2d 24, 26 (La. App. 4th Cir. 1966).

In this instance, neither exception applied. The minds of the parties never met. There were unresolved issues related to the acreage to be leased and the amount of rent. Also, the defendant never occupied the property, began operations, made improvements, or paid rent beyond the advance. According to the court, "[m]erely forwarding the required security deposit and first month's rent, without more, fails to reach the level of performance and commitment required by *Hautot*, *Russell* and *Briede* [citations omitted]." The district court cited *ASJ Interests v. Chesapeake La. LP*, No. 11-1343 (W.D. La. 2012), 2012 WL 2357313, where signed bonus checks on verbally agreed leases sat with the operator's landman awaiting a closing that never came. The court in that case held that no binding obligation arose "until the closing came to fruition."

The plaintiffs' claim for detrimental reliance likewise failed for lack of justifiable reliance. Where the parties contemplate a written contract, reliance on a verbal promise is not reasonable "even when such promise is supported with the payment of the security deposit and first month's rent."

According to the appellate court, the plaintiffs should have waited until they had a new, fully executed written lease in hand before terminating their existing lease agreement. The defendant did establish its unjust enrichment claim and the plaintiff was ordered to return \$30,000.

Pugh clauses

- (9) *Triple C Minerals, LLC v. XTO Energy, Inc.*, No. 24-04 (W.D. La. 11/21/25), 2025 WL 3252708, *appeal pending*.

The case involves a dispute between Triple C Minerals, LLC, and XTO Energy, Inc., over whether part of a mineral lease in Bienville Parish, Louisiana, terminated after periods of nonproduction.

In 2005, XTO's predecessor, Acadian Land Services, entered into a mineral lease known as the "Collins lease," covering over 1,100 acres across several sections, including Section 18. The lease had a three-year primary term and an option for a two-year extension, but then could be maintained beyond that term through production or certain operations. Under this form language, production or operations on any part of the leased property—or lands pooled with it—would maintain the entire lease.

However, the lease's exhibit, with superseding negotiated provisions, provided a Pugh clause that stated as follows:

Two (2) years following the expiration of the primary term of this lease or the expiration of any extension or renewal of the primary term, whichever occurs last, in the event a portion or portions of the leased premises is pooled with other land so as to form a pooled unit or units. Operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein.

In 2009, the Louisiana Office of Conservation created five compulsory Haynesville Shale production units that together covered all the Collins lease acreage. Each unit had designated wells, and XTO operated the unit wells and paid royalties accordingly. Two wells were drilled in the unit covering Section 18 (HA RA SUU), but those wells did not produce during two extended periods between January 2022 and February 2023. During those same periods, there was production from wells in other units that also fell under the Collins lease.

Triple C, owning interests linked to Section 18, filed suit in state court contending that the lease had terminated as to Section 18 because there had been more than 90 days without production or qualifying operations there, invoking the Pugh clause. Triple C argued that the Pugh clause effectively divided the lease on a unit-by-unit basis, so production in other sections could not preserve the lease as to Section 18. XTO removed the case to federal court and responded that the Pugh clause did not apply to compulsory units, but only contractual units, and that production anywhere under the lease could maintain the entire lease.

The court treated the issue as purely legal because the facts were undisputed. It first held that Exhibit A's terms, including the Pugh clause, supersede inconsistent provisions in the printed form lease, so the Pugh clause is controlling where it conflicts with Paragraph 6. The crucial question then became whether this Pugh clause applied to compulsory units created by the Commissioner of Conservation.

Relying on Louisiana mineral law, particularly La. R.S. 31:114 and cases such as *Hunter v. Shell Oil Co.*, 31 So. 2d 10 (1947) and *Bennett v. Sinclair Oil & Gas Co.*, 275 F. Supp. 886 (W.D. 1967), the court emphasized that mineral leases are presumed indivisible. Pugh clauses are exceptions to this rule and must be strictly construed. The *Bennett* decision held that a Pugh clause referencing pooled units applies only to voluntary pooling authorized by the lease, not to compulsory units created by regulatory order, due to that relevant clause beginning "if . . . lessee in its opinion deems it advisable and expedient," suggesting that the pooling referenced therein was in the lessee's discretion, not of a compulsory nature.

As the relevant Pugh clause in this case referred generally to "pooled unit or units," but did not clearly state that it applied to compulsory units, the Court concluded that compulsory units did not fit the definition. Given Louisiana's presumption of indivisibility and the requirement to strictly construe Pugh clauses, the court held that the clause did not extend to compulsory units.

Because the Pugh clause was never triggered by the formation of the compulsory units, the lease remained indivisible. Thus, production from wells in other sections covered by the Collins lease was sufficient to maintain the lease, including Section 18, despite the periods of nonproduction there. Accordingly, the court granted XTO's motion for summary judgment, denied Triple C's partial motion, and dismissed all of Triple C's claims.

Timber lease

- (10) *Louisiana Minerals Ltd. v. Weyerhaeuser Co.*, No. 22-145 (W.D. La. 3/31/26), 2026 WL 884403.

Louisiana Minerals, Ltd. ("LML") owns approximately 200,000 acres in north Louisiana (the "Property") and owns the minerals underlying the Property. Weyerhaeuser Company ("Weyerhaeuser") is LML's surface lessee and conducts timber operations on the Property. The parties' predecessors executed a series of 99-year Timber Sale and Lease Contracts in

1986 (collectively, the “Timber Contracts”), which remain in effect through 2085. In 1989, LML acquired the grantor's interest and ownership of the minerals. In 2002, Weyerhaeuser acquired the grantee's interest through a merger with Willamette Timber Company.

The Timber Contract broadly permits Weyerhaeuser to use and sublease the surface, but expressly reserves to LML the rights necessary or desirable to explore for, produce, and develop minerals from the Property and land pooled or unitized therewith. Article 7 requires LML, when exercising those mineral rights, to compensate Weyerhaeuser for damaged timber and for loss of surface use at \$60 per acre, adjusted by the Consumer Price Index, for each year the surface is used. For many years, LML directed its mineral lessees to deal directly with Weyerhaeuser regarding surface access and damages. Weyerhaeuser entered separate agreements with those operators and, at times, charged amounts substantially above the Article 7 formula, including lump sum amounts for future loss of use. LML eventually concluded that these charges interfered with mineral development and exceeded Weyerhaeuser's rights under the Timber Contract.

LML sued Weyerhaeuser in the United States District Court for the Western District of Louisiana, Shreveport Division, asserting breach of contract and seeking damages, declaratory relief defining the parties' respective rights, and attorneys' fees. LML alleged that Weyerhaeuser had improperly entered third-party agreements relating to LML's mineral development and had charged excessive amounts for timber damage, surface use, and access. The matter proceeded to a five-day bench trial. On March 31, 2026, the court issued findings of fact and conclusions of law.

The court held that LML has the sole right to enter agreements necessary and incidental to the exploration for and production of minerals originating from the Property. Weyerhaeuser may enter agreements with LML's mineral lessees to obtain compensation for damage to its surface and timber interests, but its remedies for mineral-related operations are limited to Article 7. Thus, Weyerhaeuser may not charge a separate fee for access; it is limited to the fair market value of damaged timber and \$60 per acre, adjusted for inflation, for loss of surface use, with the loss-of-use payment calculated annually. The court found that Weyerhaeuser violated the Timber Contract by collecting amounts above the contractual formula and by using surface-use agreements to obtain prepayment of future damages.

The court distinguished non-mineral-related surface uses. LML's reservation does not encompass pipelines that merely transport minerals produced from other lands across the Property. Because Weyerhaeuser otherwise has broad rights to use and sublease the surface, it may enter surface-use agreements for such transmission pipelines and other activities that do not involve exploration for or production of LML's minerals.

Although the court found contractual violations, LML failed to prove recoverable damages. It did not connect the challenged Weyerhaeuser agreements to specific LML oil and gas leases or show that Weyerhaeuser's conduct caused LML lost business, lost opportunities, or other compensable loss. Accordingly, the court dismissed LML's breach-of-contract claim with prejudice, but granted its request for declaratory judgment in part as described

above. Because LML obtained declaratory relief while Weyerhaeuser avoided monetary liability, the court found that neither party was the prevailing party and denied both sides' requests for attorneys' fees and costs.

Expropriation

- (11) *Plaquemines Port Harbor & Terminal District v. Nguyen*, No. 25-00827 (La. 3/6/26), 429 So. 3d 210.

The Plaquemines Port, Harbor & Terminal District (“Plaquemines Port”), a public port authority, filed a quick-take expropriation proceeding against Tuan Nguyen (“Nguyen”), the owner of approximately twenty-nine acres of unimproved immovable property in Plaquemines Parish. Nguyen’s property lies within the approximately 630-acre footprint of the Delta LNG Project. Plaquemines Port intended to acquire the property and lease it to Venture Global LNG, a private liquefied natural gas processing and transportation company, for development of LNG pretreatment facilities, a liquefaction plant, storage tanks, a power generation system, and LNG berthing docks. Plaquemines Port deposited \$441,600 into the court registry as alleged just compensation.

Plaquemines Port alleged that the taking served a public purpose because the Delta LNG Project would expand port activity, facilitate the transport of goods, promote economic growth and job creation, and advance energy security. Nguyen moved to dismiss under La. R.S. 19:147, which permits a property owner in a quick-take proceeding to contest the validity or extent of the taking on the ground that the property was not expropriated for a public use. Nguyen maintained that the actual purpose of the taking was to place his property under Plaquemines Port’s ownership so it could be leased for Venture Global’s exclusive use, rather than dedicated to use as a public port.

After a contradictory hearing, the district court granted Nguyen’s motion and dismissed the expropriation petition without prejudice. The district court found that Plaquemines Port’s sole purpose for acquiring the property was to serve as lessor to Venture Global, which would conduct the LNG processing and transportation operations. The Louisiana Fourth Circuit Court of Appeal affirmed, holding that Plaquemines Port had failed to establish the public-purpose requirement of La. Const. art. I, § 4. The Louisiana Supreme Court granted Plaquemines Port’s application for a writ of review.

As a preliminary matter, the supreme court rejected Plaquemines Port’s contention that Nguyen’s motion should be treated as an exception of no cause of action and decided solely on the allegations of the petition. The court explained that La. R.S. 19:147 expressly authorizes a motion to dismiss challenging public use and requires that motion to be tried contradictorily with the expropriating authority. Thus, a peremptory exception is not the proper procedural vehicle for contesting public use in a quick-take proceeding.

On the merits, the supreme court held that the proposed taking was not for a constitutionally permissible “public purpose.” The court emphasized that the 2006 amendments to La. Const. art. I, § 4, adopted after *Kelo v. City of New London*, 545 U.S. 469 (2005), narrowed

the definition of public purpose and prohibit takings for predominantly private use. Although Article I, § 4(B)(2)(b)(vi) recognizes public ports as a public purpose, the property must be continuously publicly owned and dedicated to use as a public port to facilitate the transport of goods or persons. The Court distinguished *St. Bernard Port, Harbor & Terminal District v. Violet Dock Port, Inc.*, No. 17-434 (La. 1/30/18), 239 So. 3d 243, because the property there continued to be used as a public port even though operations were conducted by a private entity under a lease.

Here, Plaquemines Port sought to take Nguyen's property solely to lease it to Venture Global for the private company's development and transportation of its own goods. The fact that Plaquemines Port would retain title and receive lease benefits did not convert the use into a public one; nor could economic development, increased tax revenue, or incidental public benefits establish public purpose because Article I, § 4(B)(3) expressly excludes those considerations. Because Plaquemines Port failed to satisfy the threshold public-purpose requirement, the constitutional provisions allowing certain port projects involving private entities did not apply. The supreme court therefore affirmed the dismissal of the expropriation suit.

- (12) *Bayou Black Gas Storage LLC v. Lucky Draw LLC*, No. 25-2140 (W.D. La. 2/12/26), 2026 WL 396545.

Bayou Black Gas Storage LLC ("Bayou Black") was developing an interstate natural gas storage project, consisting of four underground salt-dome storage caverns in Cameron and Calcasieu Parishes and two looped, 24-inch natural gas pipelines connecting the caverns to interstate transmission pipelines. Lucky Draw, LLC ("Lucky Draw") owns property over which Bayou Black sought servitudes necessary for the pipelines. On July 24, 2025, the Federal Energy Regulatory Commission ("FERC") issued Bayou Black a certificate of public convenience and necessity, authorizing the project.

After negotiations with Lucky Draw failed, Bayou Black filed a condemnation action in the United States District Court for the Western District of Louisiana under Section 7(h) of the Natural Gas Act, 15 U.S.C. § 717f(h), and Federal Rule of Civil Procedure 71.1. Bayou Black also sought a preliminary injunction confirming its right to condemn and granting immediate possession. Bayou Black alleged immediate access was necessary because FERC prohibited construction, site preparation, and staging until the entire project area had been surveyed, and Lucky Draw's property was the only remaining unsurveyed tract.

Lucky Draw was served on January 6, 2026, but filed no response to the preliminary-injunction motion. The federal district court first held that Bayou Black satisfied the three requirements for condemnation under the Natural Gas Act: (i) it held a FERC certificate of public convenience and necessity; (ii) the servitudes were necessary for the authorized pipeline project; and (iii) Bayou Black had been unable to acquire the servitudes by agreement. Having established a substantive right to condemn, Bayou Black also satisfied the four requirements for preliminary injunctive relief. The court found a likelihood of success on the merits; irreparable harm because the unsurveyed property was delaying the

project and threatened compliance with FERC deadlines; a balance of harms favoring Bayou Black because immediate entry would not eliminate Lucky Draw's right to just compensation; and a public interest favoring the project based on FERC's public-convenience-and-necessity determination.

Accordingly, the district court granted Bayou Black's motion, confirmed its authority to condemn the requested servitudes, and granted Bayou Black immediate possession for construction, maintenance, and operation of the pipelines. The ruling resolved Bayou Black's right to condemn and immediate possession. The amount of just compensation remained for a later proceeding.

Right of passage

- (13) *Dupree v. Saunders*, No. 56,869 (La. App. 2d Cir. 7/8/26), 2026 WL 2167724, *rehearing denied*.

Carter Heith Dupree and his wife owned a 40-acre tract in Union Parish that was landlocked. David G. Saunders owned a 199-acre tract located between Dupree's property and the public road. Riverview Cattle Company, LLC ("Riverview"), owned approximately 660 acres to the north, and Kevin Cope and Armonda Crist owned a 12-acre tract, containing their residence and other improvements. Dupree historically accessed his property through a pipeline right-of-way crossing property owned by Saunders's predecessors and Riverview, but Saunders ultimately denied Dupree continued access via that route.

Dupree filed suit seeking a legal servitude of passage to his landlocked property pursuant to Civil Code articles 689 and 692. The principal dispute concerned where the servitude should be located. Three potential routes were considered. Route A, proposed by Dupree's surveyor, was approximately 4,522 feet long and followed an existing improved road on Riverview's property, providing relatively good, all-weather access. Route B was approximately 5,068 feet long, followed the existing pipeline right-of-way, and crossed the Cope-Crist property. Route C, a hybrid route approximately 4,519 feet long, followed the pipeline right-of-way for most of its length before turning north toward Longfield Cemetery Road and required only minimal clearing.

After a one-day trial, the district court granted Dupree a servitude of passage along Route C, finding it to be the shortest and least injurious route. Saunders, the owner of the servient estate, appealed. The Louisiana Second Circuit Court of Appeal affirmed.

The Second Circuit explained that, under Civil Code article 689, the owner of an estate without access to a public road may claim a right of passage over neighboring property, subject to compensation and indemnification. Under Article 692, the passage generally must be located along the shortest route that is least injurious to the intervening lands. Although the shortest route is the general rule, a longer route may be selected where the shortest route is inaccessible year-round or where the cost of constructing it is so exceptional as to make it economically impracticable. The party seeking to depart from

the shortest route bears the burden of establishing an exception.

The court rejected Saunders's argument that Route A was actually more than 250 feet shorter than Route C. The trial court found the measurements supporting Route A speculative because they depended upon an uncertain starting point and the purported endpoint and right-of-way of Loch Lomond Road. The trial court instead credited the evidence establishing Route C at approximately 4,518.80 feet and concluded that it satisfied the "shortest route" requirement. The appellate court held that determination was not manifestly erroneous.

The court likewise upheld the finding that Route C was the least injurious. Although Route C flooded periodically, the evidence showed that Dupree had used the route for 11 to 12 years and that it remained accessible by ATV or pickup truck. By contrast, Route A would cross Saunders's property in a manner that an appraiser testified would reduce its value by approximately 25% and diminish its utility by dividing the tract. Route A also would cross Riverview's engineered irrigation system and potentially interfere with its farming operations. Route B would cross the Cope-Crist residential property. The court concluded that the trial court properly balanced distance, injury, practicability, and cost in selecting Route C.

The Second Circuit did agree with Saunders on one evidentiary issue. The trial court improperly took judicial notice of the cost of installing culverts based upon the judge's personal experience. The appellate court held that the cost was not shown to be beyond reasonable dispute or a matter of common knowledge. That error, however, did not affect the judgment because the record otherwise contained ample evidence supporting Route C as the shortest and least injurious route. The court, therefore, affirmed the judgment and assessed appeal costs to Saunders.

Joint operating agreements

- (14) *Ankor Energy, LLC v. Merit Management Partners I, LP*, No. 24-1953 (E.D. La. 4/30/26), 2026 WL 1179137, *appeal pending*.

Plaintiffs ANKOR Energy, LLC ("ANKOR") and ANKOR E&P Holdings Corporation ("AEPH") sued Merit Management Partners I, L.P., Merit Energy Partners III, L.P., and Merit Energy Partners D-III, L.P. (collectively, "Merit") over costs associated with two federal offshore oil and gas leases, South Pelto 8 and South Pelto 13, located on the Outer Continental Shelf off Louisiana. Operations were governed by separate operating agreements executed in 1977 and 1975. In 2002, Merit acquired working interests and operating rights in the leases and assigned those interests to Black Elk, effective January 1, 2011. Later in 2011, AEPH acquired interests in the leases, and, in 2012, ANKOR became operator. In 2018, the leases terminated.

In the broader suit, ANKOR and AEPH sought to recover costs associated with operating and decommissioning the leases. This ruling addressed approximately \$1.49 million in post-assignment lease operating expenses incurred while ANKOR was operator. The district

court had previously ruled on ANKOR and AEPH's decommissioning claims and held that the operating agreements did not release Merit from post-assignment decommissioning obligations. The court then ordered briefing on whether ANKOR and AEPH had properly pleaded a separate claim for lease operating expenses and, if so, whether Merit remained liable for those expenses after assigning its lease interests.

ANKOR, AEPH, and Merit filed cross motions for partial summary judgment. Merit argued that the complaint did not adequately plead a claim for lease operating expenses; that its assignment of the leases ended its liability for expenses incurred thereafter; that ANKOR had already recovered the expenses from other working-interest owners; that ANKOR waived the claim in a 2022 decommissioning demand letter; and that charging a former working interest owner for post-assignment lease operating expenses was contrary to industry practice.

The court first held that the lease operating expense claim was properly before it. Applying Federal Rule of Civil Procedure 8's liberal pleading standard, the court noted that the complaint repeatedly sought expenses incurred to "operate and decommission" the leases. Because the prior summary judgment ruling had addressed only decommissioning expenses, the operating expense claim remained unresolved.

On the merits, the court applied Louisiana law as surrogate federal law under the Outer Continental Shelf Lands Act. The operating agreements required the operator to pay costs and expenses and charge each party according to its percentage interest, while permitting assignment of a party's lease interest. The agreements, however, contained no language expressly releasing an assignor from future obligations upon assignment. Under Louisiana Civil Code article 1821, an assumption of an obligation by a third party does not release the original obligor absent the obligee's express release, and the unreleased obligor remains solidarily bound. Relying principally on *Chieftain International (U.S.) Inc. v. Southeast Offshore, Inc.*, 553 F.3d 817 (5th Cir. 2008), the court rejected Merit's proposed distinction between decommissioning costs and ordinary operating expenses and held that Merit remained liable for "costs and expenses" incurred under the operating agreements after its assignment. The court found the absence of release language particularly significant because another provision of the operating agreements expressly released a party from future liability when an individual well was abandoned.

The court also rejected Merit's remaining defenses. ANKOR's recovery of delinquent expenses from other non-operators did not eliminate damages because the operating agreements required ANKOR to redistribute any later recovery from the delinquent party to the non-operators who had advanced the funds. ANKOR's 2022 demand letter concerning decommissioning expenses did not waive unrelated operating-expense claims. Merit identified no contractual breach arising from ANKOR's failure to send Merit monthly operating invoices after Merit assigned its interests, and the claimed industry practice could not override Louisiana law or the parties' contracts.

The court granted ANKOR and AEPH's motion for partial summary judgment and denied Merit's cross-motion. Because Merit did not dispute ANKOR's accounting, the court

accepted \$1,493,418.29 as the amount of unpaid lease operating expenses.

Louisiana Oilfield Anti-Indemnity Act

(15) *In re Texas Petroleum Investment Co.*, No. 24-2344 (E.D. La. 7/31/26), 2026 WL 2207112.

Texas Petroleum Investment Company (“TPIC”) owned and operated South Pass 24 (“SP-24”), a fixed oil and gas production platform in the inland waters of Plaquemines Parish, and owned a small crew boat identified as LA 9395, also referred to as the M/V SYDNEY. The Production Group, LLC (“TPG”), was a staffing contractor whose employee, David Hayes (“Hayes”), was assigned to SP-24. George Walcott (“Walcott”), an employee of Taylors International Services (“Taylors”), was also assigned to the platform.

On April 10, 2024, Hayes was operating the vessel during a routine crew transfer trip from SP-24 to Venice, Louisiana, with Walcott aboard, when the vessel struck a submerged obstruction, allegedly injuring Walcott. TPIC and TPG were parties to a 2019 Master Services Agreement (the “MSA”) originally executed by TPG’s predecessor that contained contractual defense and indemnity obligations and provided for application of Louisiana law.

On September 26, 2024, TPIC filed a federal complaint for exoneration from or limitation of liability arising from the allision. TPG and Hayes later filed an amended answer and claim, alleging that any injuries to Walcott were caused by TPIC or persons for whom TPIC was responsible and asserting contractual defense and indemnity rights against TPIC under the MSA. TPIC denied those claims and, on November 25, 2025, moved for summary judgment on TPG’s contractual defense and indemnity claim. TPIC argued that the Louisiana Oilfield Anti-Indemnity Act (“LOAIA”), La. R.S. 9:2780, rendered the indemnity provision unenforceable because the MSA concerned oil and gas production from a fixed structure in Louisiana. TPG responded that, under *Meloy v. Conoco, Inc.*, the LOAIA issue was premature until there had been a judicial determination of the indemnitee’s fault.

On May 17, 2026, the federal district court granted TPIC’s summary judgment motion in part and denied it in part, but declined to decide the contractual indemnity issue because no indemnitee had yet been adjudicated liable. A bench trial began the next day. On the second day of trial, Walcott announced a settlement and dismissed his claims against all parties with prejudice. TPG did not contribute to the settlement or obtain a release of its contractual claim against TPIC. The remaining parties agreed to submit their claims on the existing briefs and record. After other remaining claims among TPIC, Taylors, and the insurers were resolved, the court ordered supplemental briefing on whether TPG’s contractual defense and indemnity claim against TPIC survived the settlement.

The court held that TPG’s contractual defense and indemnity claim remained viable and rejected TPIC’s argument that settlement necessarily foreclosed recovery under LOAIA. The court distinguished the Fifth Circuit’s *Tanksley* decision, where the party seeking indemnity had itself settled the underlying claim, thereby preventing adjudication of its

own fault. Here, TPG did not settle Walcott's claims, pay settlement consideration, or prevent adjudication of its fault. The court reasoned that allowing TPIC to extinguish TPG's contractual claim merely by settling with the injured plaintiffs would frustrate LOAIA's purpose by permitting an oil company to avoid contractual obligations to a contractor through its own settlement.

The court also addressed responsibility for Hayes. It had previously determined that Hayes was TPIC's borrowed servant, making TPIC responsible for tortious conduct attributable to Hayes. Nevertheless, applying Louisiana law and the "dual employer" doctrine recognized in *Morgan v. ABC Manufacturer*, the court held that TPG, as Hayes' general employer and a staffing company whose business consisted of supplying workers to customers such as TPIC, could also be liable for Hayes' negligence. Therefore, the court denied TPIC's motion for summary judgment. It did not award TPG defense costs or determine the parties' respective percentages of fault. Instead, the court ordered TPIC and TPG to attempt to stipulate to an allocation of fault. If they could not agree, the court would determine the allocation from the trial record and evidence.

- (16) *In re Texas Petroleum Investment Co.*, No. 24-2344 (E.D. La. 7/31/26), 2026 WL 2206748.

This is the companion Order and Reasons to the preceding entry—same allision, same caption and civil action number, same day, but a different contract and different movants.

Again, Texas Petroleum Investment Company ("TPIC") owned and operated South Pass 24 ("SP-24"), a fixed oil and gas production platform in Plaquemines Parish, and owned the crew boat LA 9395 (the "Vessel"). The Production Group, LLC ("TPG") employed David Hayes ("Hayes"), a production operator assigned to SP-24. Taylors International Services, Inc. ("Taylors") employed George Walcott ("Walcott"), a steward also assigned to SP-24 under a 2018 Master Services Agreement ("MSA") between Taylors and TPIC. National Casualty Company and Scottsdale Insurance Company (collectively, the "Underwriters") insured Taylors. On April 10, 2024, during a routine crew change, Hayes was operating the Vessel from SP-24 to Venice when it struck a submerged obstruction, allegedly injuring Walcott.

The Taylors-TPIC MSA contained broad defense and indemnity provisions in favor of TPIC and its defined "Company Group," and required TPIC to be separately invoiced for, and pay, the cost of additional insured coverage intended to comply with the *Marcel* exception to the Louisiana Oilfield Anti-Indemnity Act ("LOAIA"). Taylors' broker sent TPIC an invoice for the 2024-25 additional-insured coverage before the accident, but TPIC did not pay it until after the April 10 allision. Endorsement No. 6 adding "Texas Petroleum Investment Company and Company Group" as additional insureds became effective April 26, 2024.

TPIC filed a federal complaint for exoneration from or limitation of liability on September 26, 2024. On January 5, 2026, TPG and Hayes (the "TPG Claimants") filed a third-party complaint against Taylors and the Underwriters, asserting contractual defense and indemnity, additional insured status and insurance coverage, and breach of contract claims.

Taylors and the Underwriters moved for summary judgment. On May 17, 2026, the court denied those motions without prejudice as premature because liability had not yet been determined. A bench trial began May 18. On the second day, Walcott settled and dismissed all claims with prejudice. The remaining parties agreed to submit their claims on the briefs and record. After TPIC, Taylors, and the Underwriters resolved their claims among themselves, the court ordered supplemental briefing on whether TPG and Hayes still had viable claims against Taylors and the Underwriters.

The court granted summary judgment in favor of Taylors and the Underwriters. First, it held that Louisiana law governed the MSA. Although the court found that TPG and Hayes qualified as TPIC “invitees” and thus fell within the MSA’s defined “Company Group,” they were not parties to the Taylors-TPIC MSA and could sue for its breach only if the MSA created a stipulation *pour autrui* in their favor. The court held that they failed to establish the required clear intent to confer an enforceable third-party benefit. In particular, Article 7.6 prohibited claims by one defined group against the other for specified damages arising from breach, negligence, or other fault, which the court found inconsistent with the asserted third-party right. The court, therefore, dismissed the TPG Claimants’ breach-of-contract claims.

The court also rejected the additional insured and coverage claims. Although Endorsement No. 6 named TPIC and “Company Group,” it unambiguously became effective on April 26, 2024—sixteen days after the allision. The court rejected TPG’s argument that the MSA contemplated retroactive coverage once TPIC eventually paid the annual *Marcel* premium. Louisiana law does not permit a party to procure liability insurance after a known loss, and the court declined to rewrite the endorsement’s express effective date. Thus, TPG and Hayes were not additional insureds when the accident occurred. Because those rulings were dispositive, the court did not decide whether LOAIA otherwise barred the indemnity provisions after the settlement.

Subpoenas

- (17) *EXCO Operating Company, LP v. BRP, LLC*, No. 56,018 (La. App. 2d Cir. 12/18/24), 402 So. 3d 668.

In a discovery dispute arising from a concursus proceeding over competing mineral servitudes in DeSoto Parish, the Louisiana Second Circuit affirmed the trial court’s decision compelling document production from several out-of-state, nonparty timber corporations (*i.e.*, International Paper Company, IP Timberlands Co., Ltd., and Sustainable Forests, LLC—collectively, the “IP Entities”).

The underlying lawsuit involves a decades-old mineral servitude (the “Placid Servitude”) originally granted in 1979, which Petro-Hunt claims was validly maintained through acknowledgments of interruption by the IP Entities. BRP, LLC, a joint venture once owned in part by IP, asserts that those acknowledgments were invalid because the IP Entities lacked ownership of the subject properties at the time. BRP claimed instead that its own servitude, created in 2010, was the only valid one.

Petro-Hunt subpoenaed documents from the IP Entities relating to the ownership history of the subject properties and the corporate relationships among International Paper and its affiliates. The IP Entities, headquartered out of state, moved to quash the subpoenas, arguing that Louisiana courts lacked subpoena power over them and that Petro-Hunt failed to demonstrate relevancy and good cause.

The court found that the IP Entities, despite being nonparties, were sufficiently connected to Louisiana to be considered “residents” for discovery purposes. IP is registered to do business in Louisiana, maintains offices and employees in the state, and its subsidiaries owned and managed substantial Louisiana timberlands, including the disputed tracts. Applying *Phillips Petroleum Co. v. OKC Ltd. Partnership*, 634 So. 2d 1186 (La. 1994), the court held that the IP Entities were subject to Louisiana’s subpoena power based on their extensive Louisiana contacts.

The court further held that Petro-Hunt had shown both relevancy and good cause for the requested discovery. The documents were central to the issue of whether the IP Entities were the owners of the property when the servitude interruptions occurred, and Petro-Hunt demonstrated that the information was not obtainable through less intrusive means. The judgment compelling production and denying the motion to quash was affirmed.

2026 LEGISLATIVE UPDATE

Department of Conservation and Energy; state mineral leasing

Act No. 762 (S.B. 379) completes the reorganization begun by Act No. 458 of the 2025 Regular Session, which folded the former Office of Conservation into the new Department of Conservation and Energy. The Act renames the office of mineral resources as the office of state resources, replaces the statutory references to the “commissioner of conservation” with the “secretary of the Department of Conservation and Energy” throughout Title 30, and makes conforming technical corrections. La. R.S. 30:3 et seq.

The substantive change for mineral practitioners is to the State Mineral and Energy Board’s leasing authority. The Act confirms that the Board may lease state and other public lands for the development and production of minerals, oil, gas, or alternative energy, and it relaxes the minimum-royalty floor. Where prior law fixed the minimum royalty on most state leases at one-eighth, the Board may now set a royalty below one-eighth, but greater than one-sixteenth, on a finding that market conditions, commodity prices, or other economic factors warrant the reduction. Royalty field-audit collections are directed to the Mineral and Energy Operation Fund.

The Act also changed the commencement of the 60-day period for seeking judicial review of an adjudicatory decision. The period now begins when the final decision—or the rehearing decision—is posted on the department’s official website. It expressly granted certain interested third persons a right to intervene in judicial review proceedings, including applicants, permittees, and parties to the underlying administrative process, and provides for prospective and retroactive application. It changed or clarified certain departmental permitting deadlines and remedies. It

made changes concerning investment and transfers of monies in the Natural Resources Financial Security Fund and Mineral and Energy Operation Fund. The Act took effect on the governor's signature, June 2, 2026.

State regulatory primacy and local permitting

Act No. 656 (H.B. 595) enacts La. R.S. 30:4.4 and declares the legislature's intent that the department hold exclusive jurisdiction over the state's natural resources, including regulation, permitting, and related fee schedules. No political subdivision, local governing authority, or municipal or parochial permitting body may use inaction on a local permitting decision to unreasonably interfere with an activity the department has permitted. The Act adds a concrete backstop for operators: a local road permit application tied to a department permitted activity is deemed approved if the permitting body neither approves nor denies it—with written reasons for a denial—within thirty days of submission. Effective August 1, 2026.

Expropriation

Two related measures address expropriation by foreign adversaries. Act No. 786 (H.B. 180) enacts La. R.S. 9:2717.1.1, which supplies the operative definitions for expropriation by a private entity. A "foreign adversary" is an individual or government identified as such in 15 C.F.R. 7.4(a) and listed in the United States Treasury Office of Foreign Assets Control database. An "agent of a foreign adversary" is a juridical person, as defined in Civil Code Article 24, that a foreign adversary controls. Control is presumed where a person holds fifty percent or more of the entity's voting interests or profits. The Act is effective August 1, 2026.

Act No. 277 (H.B. 192) is the companion constitutional amendment. It proposes to add to Article I, Section 4(B)(4) a prohibition on any private entity that is a foreign adversary or an agent of a foreign adversary, as defined by law, taking or damaging property. The proposal goes to the voters at the statewide election on November 3, 2026. If approved, the definitions enacted by Act No. 786 will supply its terms.

Oilfield site restoration fees

Act No. 662 (H.B. 637) amends La. R.S. 30:87(F)(2) to recalculate the oilfield site restoration fee on reduced-rate production.

Carbon capture and storage

Act No. 614 (H.B. 79) removes the special caps in La. R.S. 30:1109 on recovery of compensatory damages for noneconomic loss in specified civil actions involving carbon dioxide storage facilities, transmission pipelines, and carbon-dioxide generators. The Act amends La. R.S. 30:1109(B) through (F) and repeals Subsection (G), eliminating that limitation of liability. Effective August 1, 2026.

The legislature also adopted House Resolution No. 276, creating the Task Force on Advanced Drilling to study the impact of carbon dioxide storage on mineral rights and oil and gas

operations.

Critical infrastructure

Act No. 188 (H.B. 1033) broadens the definition of “critical infrastructure” in both the criminal statute on unauthorized entry, La. R.S. 14:61, and La. R.S. 51:3052, to include oil and gas exploration platforms, vehicles, and equipment, including wireline equipment, along with government facilities and military installations. The change extends the statute’s trespass protections to upstream oil and gas sites and equipment. Effective May 15, 2026.

Significant measures that did not pass

Carbon sequestration generated more bills than any other natural-resources topic, but most did not pass.