Case Summaries
January 23, 2026

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RECENTLY GRANTED CASES

Fasken Oil & Ranch Ltd. v. Puig, ___ S.W.3d ___, 2024 WL 4608591 (Tex. App.—San Antonio 2024), *pet. granted* (Jan. 16, 2026) [24-1033]

In this case, the parties dispute the method for calculating the value of oil and gas minerals upon which to pay a royalty. The royalty reserves "an undivided one-sixteenth (1/16) of all the oil, gas and other minerals, except coal, in, to and under or that may be produced from the above described acreage, to be paid or delivered to Grantor, B.A. Puig, Jr., as his own property free of cost forever." Fasken operates wells on the relevant leaseholds. In paying the royalty owed, Fasken deducted costs incurred after production to arrive at the market value of the minerals produced at the wellhead.

In 2021, the Puigs sued Fasken for breach of the royalty agreement. Relying on the "free of cost forever" language, the Puigs sought a declaration that their royalty must be calculated based on a market value that adds back costs incurred after production. Fasken sought a competing declaration that costs incurred beyond the wellhead do not increase the value of the oil and gas produced for calculating the royalty owed. The trial court granted partial summary judgment for the Puigs, and it certified an interlocutory appeal. The court of appeals affirmed.

Fasken petitioned the Supreme Court for review, arguing that the royalty granted is calculated as a percentage of the market value of the minerals at the well where production occurs. The Court granted Fasken's petition for review.

Staub v. BBVA USA, ___ S.W.3d ___, 2024 WL 4647554 (Tex. App.—Dallas 2024), *pet. granted* (Jan. 16, 2026) [24-1057]

At issue is whether Article XVI, Section 50 of the Texas Constitution allows a borrower to seek forfeiture of all principal and interest if the lender breaches any obligation under a home-equity loan agreement, or only if it breaches a constitutionally enumerated obligation.

Staub and BBVA signed a home-equity loan agreement secured by a lien on Staub's home. The agreement said that if BBVA breached the agreement, it would

forfeit all the money Staub had paid on the loan, but "only to the extent required by" Article XVI, Section 50. BBVA breached the agreement, so Staub sued seeking forfeiture of the principal and interest.

The trial court granted partial summary judgment to BBVA, holding that Staub was not entitled to forfeiture under Article XVI, Section 50. The court of appeals affirmed, reasoning that Article XVI, Section 50 only allows forfeiture if the lender breaches a constitutionally enumerated loan obligation, but not if it breaches a merely contractual obligation.

Staub petitioned the Supreme Court for review, arguing that the text of Article XVI, Section 50 does not limit the availability of the forfeiture remedy based on the source of the obligation that was breached. The Supreme Court granted the petition.

City of McAllen v. Texas, 706 S.W.3d 503 (Tex. App.—Austin 2024), *pet. granted* (Jan. 16, 2026) [24-1060]

At issue in this case is whether Senate Bill 1004 and Senate Bill 1152 are unconstitutional under the Texas Constitution's Gift Clauses.

In 2017, the Legislature passed SB 1004, which authorizes network nodes in public rights-of-way and caps the rate cities can charge providers for that access. It followed up with SB 1152 in 2019, which lets providers of both telecom and cable services pay only the higher of the two service fees.

The City of McAllen and other Texas cities sued the State, the Governor, and the Attorney General challenging SB 1004. They later added claims challenging the constitutionality of SB 1152. By that time, the suit involved 58 plaintiff cities, and the State was the sole defendant. The City of Houston intervened, arguing that the legislation is unconstitutional as applied. The cities and Houston moved for summary judgment on the SB 1152 claims, and the State moved for summary judgment on all claims.

The trial court concluded that SB 1152 is unconstitutional, but SB 1004 is not. The court of appeals concluded, however, that both provisions are unconstitutional. It reversed the portion of the trial court's judgment granting the State's summary judgment motion in part but affirmed the rest of the judgment in favor of the cities.

The State filed a petition for review, arguing that the courts below lacked jurisdiction. It argues that the cities lack standing because they sued the State, which does not enforce the laws at issue and is not a proper defendant. Texas also argues that the cities were not forced to make grants that violate the Texas Constitution because the State, not the Cities, owns the public rights-of-way. In any case, the State argues that both provisions satisfy the relevant requirements and do not violate the Gift Clauses. The Court granted the petition.

In re Searcy, ___ S.W.3d ___, 2025 WL 274569 (Tex. App.—Dallas 2025), *argument granted on pet. for writ of mandamus* (Jan. 16, 2026) [25-0098]

This case raises multiple issues regarding an associate judge's privilege ruling, including whether the Supreme Court can issue a writ of mandamus against an associate judge. Another issue raised is whether the court of appeals can deny

mandamus petitions that do not recite the exact certification outlined in the appellate rules.

In the course of their divorce proceeding, Ginny Searcy requested Michael Conner Searcy produce certain communications. Conner asserted privilege objections. The associate judge issued an order overruling those objections in part and sustaining them in part. After Conner did not produce the ordered communications, Ginny subpoenaed his attorneys. The associate judge also signed a second order reiterating past rulings as to privilege. The following month, the associate judge signed a temporary judge's report overruling objections for certain communications with local attorneys. Conner did not seek de novo review of the associate judge's orders by the district judge. Conner sought mandamus relief in the court of appeals, which denied relief.

Conner filed a petition for writ of mandamus in the Supreme Court, arguing that the associate judge abused its discretion in ordering the disclosure of certain documents and that the Supreme Court's mandamus power extends to an associate judge. Ginny argues that the Supreme Court lacks mandamus jurisdiction over an associate judge and, in any event, should deny relief due to Conner's delay and his failure to establish the privileged nature of the communications.

Conner separately argues that the court of appeals abused its discretion by citing the lack of an adequate certification under Texas Rule of Appellate Procedure 52.3 as an alternate basis for denying mandamus relief.

The Supreme Court granted oral argument on the petition for writ of mandamus.

State v. Lab'y Corp. of Am. Holdings, 714 S.W.3d 677 (Tex. App.—Houston [1st Dist.] 2024), *pet. granted* (Jan. 16, 2026) [25-0127]

At issue in this case is whether certain claims under the Texas Medicaid Fraud Prevention Act require proof of materiality.

The State alleged that LabCorp violated the Act by charging discounted rates to non-Medicaid payors while requesting full reimbursement from the State. LabCorp moved for summary judgment, arguing that the State's claims require proof that a false statement, misrepresentation, or omission is material and that LabCorp's alleged false statements, misrepresentations, and omissions are immaterial as a matter of law.

The trial court granted LabCorp's motion and rendered a take-nothing judgment. The court of appeals reversed, holding that the State's omission-based claims do not require proof that the omission is material and that fact issues preclude summary judgment.

LabCorp petitioned the Supreme Court for review, arguing that proof of materiality is required for all claims under the Act and that materiality is negated as a matter of law because the State was aware of its billing practices for years and paid without complaint. The Court granted the petition.

In re Reed, ___ S.W.3d ___, 2024 WL 3503062 (Tex. App.—Houston [1st Dist.] 2024), *argument granted on pet. for writ of mandamus* (Jan. 16, 2026) [25-0149]

The issue in this case is whether the trial court erred in referring a question to the United States Surface Transportation Board pursuant to the primary-jurisdiction doctrine.

Demaree Reed brought personal-injury claims against his employer, Rail Link, under the Federal Employers' Liability Act. Rail Link moved for summary judgment, arguing that it cannot be held liable under the Act because it does not operate as a "common carrier by railroad" within the meaning of the statute. The trial court issued an order referring the common-carrier question to the Surface Transportation Board pursuant to the primary-jurisdiction doctrine. Reed sought mandamus relief from the court of appeals. After a divided panel denied relief, Reed sought mandamus relief in the Supreme Court.

Reed argues that the Supreme Court should abrogate or narrow the primary-jurisdiction doctrine because it impermissibly delegates judicial authority to administrative agencies and is inconsistent with the U.S. Supreme Court's decision in *Loper Bright Enterprises v. Raimondo*. Alternatively, Reed argues that under the primary-jurisdiction doctrine's current formulation, the trial court abused its discretion because the Board lacks jurisdiction to determine common-carrier status for tort liability under the Act, the Board's technical expertise is unnecessary, and the Board has no interest in the uniform implementation of the Act.

The Supreme Court granted argument on the petition for writ of mandamus.

Wang v. Whittenburg, ___ S.W.3d ___, 2025 WL 890517 (Tex. App.—Amarillo 2025), *pet. granted* (Jan. 16, 2026) [25-0350]

The issue in this case is whether attorney's fees in prior litigation are recoverable as actual damages in a suit for breach of a settlement agreement.

Heirs to a ranch entered into two settlement agreements to end years of litigation over ownership of the ranch. Under the settlement agreements, the heirs would negotiate a partition in kind of the ranch. If these negotiations failed, the parties agreed to uncontested partition proceedings in which a Colorado or New Mexico court would appoint commissioners to partition in kind the ranch. After unsuccessful negotiations, one group of heirs including Angela Kate Whittenburg Wang filed partition proceedings in New Mexico. Another group including John Burk Whittenburg attempted to block the partition in the New Mexico proceeding, resulting in longer litigation.

The Wang heirs sued the Whittenburg heirs in Texas, alleging that the Whittenburg heirs breached the settlement agreements by failing to cooperate in negotiations and attempting to block the New Mexico partition proceeding. Wang sought to recover actual damages for the attorney's fees incurred in the New Mexico litigation resulting from Whittenburg's breach of the settlement agreements. The trial court found that Whittenburg breached the settlement agreements but entered a take-nothing judgment against Wang after finding no damages attributable to the

breach. The trial court determined that Wang's attorney's fees in the New Mexico litigation were not damages as a matter of law. The court of appeals affirmed.

Wang filed a petition for review, arguing that attorney's fees incurred in the New Mexico litigation are recoverable damages for Whittenburg's breach of the settlement agreements. The Supreme Court granted the petition.