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THE BUSINESS COURT OF TEXAS
ELEVENTH DIVISION

Clean Hydrogen Works, LLC and Clean Hydrogen Works, LA-1, LLC, *Plaintiffs*,	§	Cause No. 25-BC11A-0017
v.	§	
Denbury Carbon Solutions, LLC, Exxon Mobil Corporation, and ExxonMobil Low Carbon Solutions Holdings LLC, *Defendants*.	§	

MEMORANDUM OPINION & ORDER

I. INTRODUCTION

¶1 On May 13, 2026, came to be heard Defendants' Denbury Carbon Solutions, LLC ("Denbury"), Exxon Mobil Corporation ("ExxonMobil"), and ExxonMobil Low Carbon Solutions Holdings LLC ("LCS") (collectively, "Defendants") Partial Motion to Dismiss ("Motion"). At this juncture, having considered the Motion; Plaintiffs' Response to Motion ("Response"); Defendants' Reply in Support of Motion ("Reply"); the evidence presented; the arguments of counsel; and the current status of the law, the Court finds that the Motion should be **GRANTED IN PART** and **DENIED IN PART**.

¶2 Defendants seek the dismissal of Plaintiff Clean Hydrogen Works, LA-1, LLC's ("LA-1") Louisiana Monopolization Act ("LMA") claim against Denbury, and all Plaintiffs' Louisiana Unfair Trade Practices Act ("LUTPA") claim against all Defendants.[1] Defendants argue that neither the LMA claim nor the LUTPA claim have any basis in law, and, thus, are ripe for dismissal under Rule 91a. *See* TEX. R. CIV. P. 91a.1.

II. STANDARD OF REVIEW

¶3 "[A] party may move to dismiss a cause of action on the grounds that it has no basis in law or fact." *Id.* A cause of action has no basis in law if the allegations, taken as true, together with inferences reasonably drawn from them, do not entitle the claimant to the relief sought. *Id.*; *In re Farmers Tex. Cnty. Mut. Ins. Co.*, 621 S.W.3d 261, 266 (Tex. 2021); *MV Transp., Inc. v. GDS Transp., LLC*, No. 24–0924, 2026 WL 1261443, at *3 (Tex. May 8, 2026). "Put simply, a party is entitled to dismissal under Rule 91a if, after applying the fair-notice pleading standard, the challenged claim is foreclosed as a matter of law because the claim is not legally cognizable or is negated, under settled law, by the alleged facts." *Tall v. Vanderhoef*, No. 25-BC08A-0002, 2025 WL 1165208, at *2 (Tex. Bus. Ct. Apr. 21, 2025) (citing *In re Shire PLC*, 633 S.W.3d 1, 19, 25 n.19 (Tex. App.—Texarkana 2021, no pet.).

III. FACTUAL BACKGROUND

¶4 In April 2021, Plaintiff, Clean Hydrogen Works ("CHW") formed LA-1, a limited liability company organized under Louisiana law, to pursue the

[1] Reply at 2 n.1; Pls.' Third Am. Orig. Pet. at ¶¶ 23–25.

development of a clean hydrogen and "blue" ammonia production and export project in Ascension Parish, Louisiana (the "Project").[2] Denbury was initially involved with the Project principally because LA-1 needed infrastructure to transport the CO_2 produced by its proposed blue-ammonia facility. Plaintiffs allege that Denbury owns the only operating Gulf Coast pipeline capable of supplying those services.[3] Defendants dispute Plaintiffs' allegation that Denbury's pipeline was the Project's only viable option, but they agree that Denbury's contemplated role was to build the pipeline connection and transport the Project's CO_2.[4]

¶5 Regardless, under the Block One and Block Two CO_2 Services Agreements, Denbury was to design, construct, own, operate, and maintain the dedicated pipeline lateral connecting LA-1's facility to Denbury's pipeline system and then receive, transport, and sequester the Project's CO_2 emissions.[5] In September 2022, Denbury made an initial $10 million investment in LA-1 and became a minority member, giving it an ownership interest in the Project's success in addition to its anticipated revenue as the Project's CO_2-services provider.[6] Denbury invested another $10 million in May 2023, and received additional common units in LA-1.[7]

¶6 This lawsuit, and LA-1's LMA claim against Denbury, are based on Defendants' alleged anticompetitive interference with LA-1's development of the Project.[8] Plaintiffs contend that, after Exxon acquired Denbury for nearly $5 billion

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[2] Pls.' Third Am. Orig. Pet. at ¶¶ 2, 27; Motion at 2–3.
[3] *See* Pls.' Third Am. Orig. Pet. ¶¶ 2, 23–25.
[4] *See* Motion at 3.
[5] *See* Pls.' Third Am. Orig. Pet. at ¶ 39; Motion at 3–4.
[6] *See* Pls.' Third Am. Orig. Pet. at ¶ 36; Motion at 3–4.
[7] Pls.' Third Am. Orig. Pet. at ¶ 38.
[8] *See id.* at ¶¶ 1–9, 27, 29, 93–97.

in November 2023, Denbury reversed years of cooperation with LA-1 as both an investor and service provider.[9] According to Plaintiffs, after Exxon's acquisition of Denbury, Denbury invoked allegedly pretextual grounds to terminate the CO_2 services agreements, demanded that LA-1 sell the land option essential to the Project, and ceased work on the pipeline connection; thereby, allegedly depriving LA-1 of its only presently available CO_2 transportation and storage option while freeing pipeline capacity and impairing a competitor of Exxon's Baytown blue ammonia project.[10]

¶7 As is pertinent to this analysis, Plaintiffs characterize the operative conduct and injury as involving "a Louisiana pipeline, a Louisiana project, and Louisiana competitive harm," such that the facts underlying the LMA claim are confined to Louisiana.[11]

IV. Analysis & Conclusion

A. Texas Supreme Court precedent mandates dismissal of Plaintiffs' LMA claim.

¶8 On October 20, 2006, a five-member majority of the Texas Supreme Court led by [then-]Associate Justice Nathan L. Hecht, held that, as a matter of interstate comity, Texas Courts "will not decide how another state's antitrust laws and policies apply to injuries confined to that state." *Coca-Cola Co. v. Harmar Bottling Co.*, 218 S.W.3d 671, 674–75 (Tex. 2006). The majority reasoned that antitrust law is unusually "policy-laden" because its application requires courts to determine the economic theories, social needs and values, as well as consumer

[9] *See id.* at ¶¶ 1–9, 36, 38–67, 94; Response at 1, 8–11, 23.
[10] *See* Pls.' Third Am. Orig. Pet. ¶¶ 46–47, 53–56, 63–69.
[11] Response at 6–7.

interests that should govern competition in the affected state. *Id.* at 685–86. Thus, the majority rejected the ordinary presumption that law of another state is identical to Texas law, because applying that presumption would require a Texas court to define and enforce another state's policy. *Id.* at 684–86. According to the Texas Supreme Court, "[b]ecause of the importance of policy in determining and enforcing antitrust laws…a state's antitrust laws should be applied by its own courts." *Id.* at 688.

¶9 The majority anchored this reasoning to the text of section 15.04 of the Texas Free Enterprise and Antitrust Act of 1983 ("TFEAA"), which stated, in pertinent part, that the TFEAA "shall be construed to accomplish [its] purpose," which is "to maintain and promote economic competition in trade and commerce occurring wholly or partly *within the State of Texas* and to provide the benefits of that competition to consumers *in the state.*" *Id.* at 685 (emphasis in original); *see* TEX. BUS. & COM. CODE § 15.04. Following the Texas Supreme Court's reliance on section 15.04 in *Coca-Cola,* section 15.04 has not been amended. *See* TEX. BUS. & COM. CODE § 15.04 (last amended in 1991).

¶10 The dissent, penned by Justice Scott Brister, viewed the majority's rule as an unprecedented jurisdictional limitation, reasoning that Coca-Cola had raised only a choice-of-law objection, which had not been properly preserved on appeal. *Coca-Cola*, 218 S.W.3d at 693–94 (Brister, J., dissenting). It maintained that the treatment of injuries arising in sister states presented an ordinary conflicts-of-law question and, that because Coca-Cola neither requested judicial notice of those states' laws nor demonstrated a material conflict, Texas courts should presume their laws identical to Texas law. *Id.* at 694–96. The dissent rejected the majority's treatment of antitrust law as policy-laden, observing that courts routinely apply foreign law in other areas implicating substantial public policy and warning that the majority's reasoning lacked a clear limiting principle. *See id.* at 697.[12]

¶11 The dissent also suggested that any comity-based concern about adjudicating the claims in Texas should have been addressed through *forum non conveniens*—which Coca-Cola had not invoked—rather than through categorical abstention. *Id.* at 698–99. Finally, the dissent cautioned that the majority's rule would fragment disputes involving integrated interstate markets, and concluded that Coca-Cola's failure to establish a conflict of laws preventing the application of Texas law operated as a waiver of its choice-of-law complaint. *Id.* at 699.

¶12 Texas Supreme Court precedent is binding on this Court. The rule itself is clear and has not been overturned. "The issue is not whether it is convenient for a Texas court to apply another state's antitrust law to an extraterritorial injury, but whether it is proper, as a matter of comity, for a Texas court to do so." *Id.* at 688. Under this standard, a court should not "entertain" antitrust claims under another state's law. *Id.*

[12] "Until today, we have not hesitated to decide cases concerning robbery, income taxes, alimony, and child custody on the presumption that a sister state's laws were the same as our own...But now, unaccountably, soft drink sales present a policy problem of such 'substantial public import' that no Texas court is competent to consider them. As the common law and common cases often 'reflect fundamental policy choices,' it is unclear after today's decision what other claims against Texas residents cannot be brought in Texas courts." *Coca-Cola Co. v. Harmar Bottling Co.*, 218 S.W.3d 671, 697 (Tex. 2006) (Brister, J., dissenting) (footnotes omitted).

¶13 Because LA-1's LMA claim against Denbury is an antitrust claim under another state's law, and presents "a Louisiana pipeline, a Louisiana project, and Louisiana competitive harm," such that the facts underlying the LMA claim are confined to Louisiana,[13] this Court grants Defendants' Motion as to LA-1's LMA claim.

B. Plaintiffs' LUTPA claims are not ripe for dismissal under Rule 91a.

¶14 As for the portion of the Motion seeking dismissal of Plaintiffs' LUTPA claim, Defendants advance two arguments.

¶15 First, Defendants argue that Plaintiffs' LUTPA claim is substantively an antitrust claim because it rests on the same alleged pipeline monopoly, exclusionary conduct, competitive injury, and Louisiana public policy as the Louisiana Monopolization Act claim.[14] Defendants therefore contend that Plaintiffs cannot evade *Coca-Cola*'s interstate-comity rule merely by placing a LUTPA label on the same monopolization theory.[15]

¶16 Functionally, Defendants request that this Court extend the *Coca-Cola* rule. This Court is not in a position to postulate as to the reasoning behind the rule in *Coca-Cola*, and declines to broaden its rationale outside of the context of the unambiguous central holding of the Texas Supreme Court case. Therefore, the Court

[13] Response at 6–7.
[14] Motion at 7–8; Reply at 6–8.
[15] *Id.*; *see Coca-Cola*, 218 S.W.3d at 684–88.

rejects Defendants' bid to extend *Coca-Cola* to apply to sister-states' unfair trade practices acts.[16]

¶17 Second, Defendants argue that the petition alleges only Denbury's invocation, administration, and purported termination of rights arising from private agreements and identifies no independently actionable fraud, deception, or other misconduct beyond the asserted contractual breaches. Accordingly, Defendants contend that the allegations describe nothing more than a private contractual dispute, which is insufficient to state a claim under LUTPA.[17] *See Dep't of Wildlife & Fisheries v. BP Oil Pipeline Co.*, 410 So.3d 836, 842–43 (La. App. 5 Cir. 2024) ("The range of prohibited practices under LUTPA is extremely narrow. . . .The statute does not provide an alternate remedy for simple breaches of contract. There is a great deal of daylight between a breach of contract claim and the egregious behavior the statute proscribes.") (citation omitted).

¶18 Plaintiffs respond that the petition asserts more than contractual nonperformance—defendants allegedly consented to the Option Agreement extension, concealed any objection for more than a year, and then used the previously approved extension as a manufactured pretext to invoke contractual remedies, force

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[16] Indeed, Texas courts—including the Supreme Court of Texas—have continued to adjudicate claims brought under other states' unfair trade practices statutes following the decision in *Coca-Cola*. *See, e.g., Dynegy Midstream Serv.'s, Ltd. P'ship v. Apache Corp.*, 294 S.W.3d 164, 171 (Tex. 2009) (applying New Mexico Unfair Practices Act); *Red Roof Inns, Inc. v. Murat Holdings, L.L.C.*, 223 S.W.3d 676, 687-89 (Tex. App.—Dallas 2007, pet. denied) (error to grant summary judgment on LUTPA claim on ground Ohio law applied); and *Garner Trustee of Estate of J&D Rest. Grp., LLC v. Jack in the Box Inc.*, No. 02-23-00276-CV, 2025 WL 2884213 (Tex. App.—Fort Worth Oct. 9, 2025, no pet. h.) (applying California Unfair Trade Practices Act).
[17] Motion at 19–22; Reply at 9–10.

the Option Agreement's sale, terminate CO_2 services, and destroy the Project.[18] Accepted as true, those allegations describe deliberate misrepresentation, concealment, and deceptive inducement accompanying the claimed contractual breaches—conduct that may support a LUTPA claim even though it overlaps with a contract dispute. *See Tubos de Acero de México, S.A. v. American International Investment Corp.*, 292 F.3d 471, 482 (5th Cir. 2002) (affirming denial of summary judgment where alleged misrepresentations and concealment accompanying contractual nonperformance rendered the LUTPA claim more than a mere breach-of-contract claim).

¶19 The Court cannot conclude at the Rule 91a stage that Plaintiffs' LUTPA claim is legally confined to simple contractual nonperformance. Defendants' Motion is denied on that ground.

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¶20 It is hereby **ORDERED, ADJUDGED, AND DECREED** that Defendants' Motion is **GRANTED** solely with respect to LA-1's claim under the Louisiana Monopolization Act, and that claim is hereby **DISMISSED**. In all other respects, Defendants' Motion is **DENIED**.

SO ORDERED.

SIGNED: August 12, 2026

Hon. Sofia Adrogué
Texas Business Court, Eleventh Division

[18] Motion at 2, 18–20; Pls.' Third Am. Orig. Pet. at ¶¶ 43–66, 89–91.

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