

BUSINESS COURT OF TEXAS, EIGHTH DIVISION

Slant Operating LLC and Slant WTX Holdings II, LLC v. Octane Energy Operating, LLC

Slant Operating, 2025 Tex. Bus. 52 (Business Court of Texas Eighth Division 2025) · No. 24-BC08A-0002 ·
Decided December 22, 2025

SUMMARY

The Texas Business Court, Eighth Division, held that Slant WTX Holdings II, LLC was not a third-party beneficiary of a reciprocal waiver agreement between Slant Operating LLC and Octane Energy Operating, LLC. The court sustained Octane’s plea to the jurisdiction and dismissed Slant Holdings’ claims for lack of standing, while denying as moot Octane’s no-evidence motion for summary judgment. The court reaffirmed its jurisdiction over the remaining lawsuit and denied the plaintiffs’ motion for partial summary judgment.

CASE DETAILS

COURT	Business Court of Texas, Eighth Division
WRITING FOR THE COURT	Jerry D. Bullard
JURISDICTION	Texas Business Court, Eighth Division
DECIDED	December 22, 2025
DOCKET	24-BC08A-0002
DISPOSITION	other
PROCEDURAL POSTURE	The parties filed competing motions concerning subject-matter jurisdiction, standing, and third-party-beneficiary status. The court sustained Octane's plea to the jurisdiction, dismissed Slant WTX Holdings II, LLC's claims, denied the plaintiffs' partial summary-judgment motion, denied Octane's no-evidence motion as moot, and granted in part and denied in part the plaintiffs' motion to establish jurisdiction.
STANDARD OF REVIEW	For a plea to the jurisdiction challenging jurisdictional facts, the court applies a standard generally mirroring traditional summary judgment under Texas Rule of Civil Procedure 166a(c), considers relevant evidence in the light most favorable to the plaintiff, and submits a fact issue to the factfinder if one exists. For a traditional summary-judgment motion, the movant must establish no genuine issue of material fact and entitlement to judgment as a matter of law. For a no-

	evidence motion, the movant must identify an essential element for which there is no evidence, after which the burden shifts to the nonmovant to produce more than a scintilla of supporting evidence.
PRECEDENTIAL VALUE	Published Texas Business Court opinion
PARTIES	Slant Operating LLC, Slant WTX Holdings II, LLC v. Octane Energy Operating, LLC

TOPICS

standing

subject matter jurisdiction

summary judgment

third party beneficiary

contracts

PRACTICE AREAS

civil procedure

commercial litigation

contracts

oil and gas

QUESTIONS PRESENTED

1. Whether Slant WTX Holdings II, LLC had standing to assert a breach-of-contract claim as a third-party beneficiary of the reciprocal waiver agreement.
2. Whether the agreement, the parties' operator roles, Texas Railroad Commission Statewide Rule 86, or the alleged financial unity among the Slant entities established third-party-beneficiary status.
3. Whether dismissal of one plaintiff's claims divested the Business Court of jurisdiction over the remainder of the action.
4. Whether Slant WTX Holdings II, LLC was entitled to partial summary judgment declaring it a third-party creditor beneficiary.

HOLDINGS

1. Slant WTX Holdings II, LLC was not a third-party beneficiary of the Letter Agreement and therefore lacked standing to assert or recover on a breach-of-contract claim against Octane.
2. The parties' roles as oil and gas operators and compliance with Texas Railroad Commission Statewide Rule 86 did not establish that Slant WTX Holdings was an intended third-party beneficiary of the Letter Agreement.
3. Once the Business Court lawfully acquired jurisdiction over the action, dismissal of Slant WTX Holdings' claims did not divest the court of jurisdiction or authority to adjudicate the remaining claims.
4. Slant WTX Holdings was not a third-party creditor beneficiary because the record did not show that performance of the Letter Agreement would satisfy an indebtedness, contractual obligation, or other legally enforceable commitment owed by Slant Operating to Slant WTX Holdings.

KEY QUOTATIONS

"A third party may recover on a contract made between other parties if the contracting parties intended to attach a benefit to the third party and if the contracting parties entered into the contract directly for the third

party's benefit.” (§ 14)

“A third party cannot enforce a contract if the contract confers only an indirect or incidental benefit.” (§ 15)

“The intent “must be clearly and fully spelled out or enforcement by the third party must be denied.”” (§ 24)

“A mere unity of financial interests does not merge the identity of the separate Slant entities for purposes of contractual obligations and contractual enforcement.” (§ 26)

FACTUAL BACKGROUND

Slant Operating and Octane operated oil and gas wells on adjacent Texas leaseholds. In February 2023, they entered into a Letter Agreement under which each reciprocally waived objections to the other's future off-lease penetration-point permit applications before the Texas Railroad Commission. After Slant Operating performed by waiving an objection to Octane's proposed wells, Octane refused to waive its objection to Slant Operating's proposed Gardendale Wells. Slant WTX Holdings II, LLC, which held related leasehold or mineral interests, asserted that it was an intended third-party beneficiary entitled to enforce the agreement.

PROCEDURAL HISTORY

Slant Operating and Octane entered into a reciprocal waiver agreement concerning objections to off-lease penetration-point permit applications. Slant WTX Holdings II, LLC and Slant Energy II, LLC were later added as plaintiffs on a theory that they were third-party beneficiaries; Slant Energy subsequently nonsuited its claims. The court had previously determined that the action satisfied the Business Court's jurisdictional pleading requirements. In this order, the court determined that Slant WTX Holdings lacked standing because it was not a third-party beneficiary and dismissed its claims without reaching the merits of Octane's no-evidence motion.

DISPOSITION

other

CASES CITED

- Tex. Ass’n of Bus. v. Tex. Air Control Bd., 852 S.W.2d 440, 445-46 (Tex. 1993)
- Austin Nursing Ctr., Inc. v. Lovato, 171 S.W.3d 845, 848-49 (Tex. 2005)
- In re K.K.C., 292 S.W.3d 788, 790 (Tex. App.—Beaumont 2009, no pet.)
- Tex. Dep’t of Transp. v. Jones, 8 S.W.3d 636, 637 (Tex. 1999) (per curiam)
- Sampson v. Univ. of Tex. at Austin, 500 S.W.3d 380, 384 (Tex. 2016)
- Tex. Dep’t of Parks & Wildlife v. Miranda, 133 S.W.3d 217, 226-28 (Tex. 2004)
- Bland Indep. Sch. Dist. v. Blue, 34 S.W.3d 547, 555 (Tex. 2000)
- Apollo Expl., LLC v. Apache Corp., 631 S.W.3d 502, 515 (Tex. App.—Eastland 2021), rev’d in part on other grounds, 670 S.W.3d 319 (Tex. 2023)
- Eagle Oil & Gas Co. v. TRO-X, L.P., 619 S.W.3d 699, 705 (Tex. 2021)
- Lujan v. Navistar, Inc., 555 S.W.3d 79, 84 (Tex. 2018)

- Centeq Realty, Inc. v. Siegler, 899 S.W.2d 195, 197 (Tex. 1995)
- Mann Frankfort Stein & Lipp Advisors, Inc. v. Fielding, 289 S.W.3d 844, 848 (Tex. 2009)
- King Ranch, Inc. v. Chapman, 118 S.W.3d 742, 750 (Tex. 2003)
- Timpote Indus., Inc. v. Gish, 286 S.W.3d 306, 310 (Tex. 2009)
- KMS Retail Rowlett, LP v. City of Rowlett, 593 S.W.3d 175, 181 (Tex. 2019)
- Merrell Dow Pharms., Inc. v. Havner, 953 S.W.2d 706, 711 (Tex. 1997)
- Wal-Mart Stores, Inc. v. Rodriguez, 92 S.W.3d 502, 506 (Tex. 2002)
- Delfino Ornelas, III v. Erasmo Herrera, 2025 Tex. Bus. 51, ¶ 7 (4th Div.)
- Cont'l Coffee Prods. Co. v. Cazarez, 937 S.W.2d 444, 449 (Tex. 1996)
- Atlas IDF, LP v. NexPoint Real Est. Partners, LLC, 2025 Tex. Bus. 16, ¶ 42, 715 S.W.3d 390, 397 (1st Div.)
- Maddox v. Vantage Energy, LLC, 361 S.W.3d 752, 756 (Tex. App.—Fort Worth 2012, pet. denied)
- Basic Cap. Mgmt. v. Dynex Com., Inc., 348 S.W.3d 894, 900 (Tex. 2011)
- Esquivel v. Murray Guard, Inc., 992 S.W.2d 536, 543-44 (Tex. App.—Houston [14th Dist.] 1999, pet. denied)
- Tawes v. Barnes, 340 S.W.3d 419, 425 (Tex. 2011)
- S. Tex. Water Auth. v. Lomas, 223 S.W.3d 304, 306 (Tex. 2007) (per curiam)
- Browning Oil Co. v. Luecke, 38 S.W.3d 625, 635 (Tex. App.—Austin 2000, pet. denied)
- Stine v. Stewart, 80 S.W.3d 586, 589 (Tex. 2002)
- Amoco Prod. Co. v. Alexander, 622 S.W.2d 563, 570 (Tex. 1981)