

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
LOUISIANA

Kristin Nichols, et al. v. JRON Services, LLC, et al.

Nichols · No. Civil Action No. 26-3, Section G (1) · Decided May 29, 2026

SUMMARY

The United States District Court for the Eastern District of Louisiana denied Plaintiffs’ motion to remand a wrongful-death action arising from a gas-line explosion. The Court held that it had bankruptcy-related jurisdiction under 28 U.S.C. § 1334 because indemnity provisions in a Master Services Agreement and a bankruptcy-approved asset purchase agreement created a conceivable effect on the administration of the bankruptcy estates. The action had been removed from Louisiana state court by The Production Group, LLC.

CASE DETAILS

COURT	United States District Court for the Eastern District of Louisiana
WRITING FOR THE COURT	Nannette J. Brown
JURISDICTION	United States District Court for the Eastern District of Louisiana
DECIDED	May 29, 2026
DOCKET	Civil Action No. 26-3, Section G (1)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs moved to remand a wrongful-death and negligence action removed from Louisiana state court under 28 U.S.C. § 1334 based on alleged related-to bankruptcy jurisdiction.
STANDARD OF REVIEW	The court evaluated whether the pleaded claims could conceivably affect the rights, obligations, or administration of the bankruptcy estates for purposes of related-to jurisdiction under 28 U.S.C. § 1334.
PRECEDENTIAL VALUE	Unknown; district court order and reasons with no reporter citation
PARTIES	Kristin Nichols, on behalf of B.N. and G.N., Lauren O'Neill, on behalf of N.N. v. JRON Services, LLC, The Production Group, LLC, Piranha Rentals, LLC

TOPICS

- subject matter jurisdiction
- bankruptcy
- civil procedure
- negligence
- contracts

PRACTICE AREAS

bankruptcy

civil procedure

removal and remand

subject matter jurisdiction

negligence

QUESTIONS PRESENTED

1. Whether the plaintiffs' negligence and wrongful-death claims were related to the Chapter 11 bankruptcy case under 28 U.S.C. § 1334(b).
2. Whether the potential indemnity obligations under the Master Services Agreement and the court-approved asset purchase agreement created a conceivable effect on the administration of the bankruptcy estates sufficient to support federal jurisdiction.

HOLDINGS

1. An action is within related-to bankruptcy jurisdiction when its outcome could alter the debtor's rights, liabilities, options, or freedom of action and could affect the handling or administration of the bankruptcy estate; certainty or likelihood of the effect is not required, because any conceivable effect is sufficient.
2. Potential indemnity obligations between the litigants, Spectrum affiliates, and entities connected to the bankruptcy estates may establish related-to jurisdiction when the litigation outcome could cause the estate to incur or receive an indemnity payment.

KEY QUOTATIONS

“An action is “related to” a bankruptcy “if the outcome could alter the debtor's rights, liabilities, options or freedom of action (either positively or negatively) and which in any way impacts the handling and administration of the debtor's estate.””

“Certainty, or even likelihood, of such an effect is not a requirement. Rather, jurisdiction will exist based on a finding of any conceivable effect.”

“Due to these indemnity agreements, the outcome of this litigation could conceivably affect the administration of the bankruptcy estates.”

FACTUAL BACKGROUND

Joshua Nichols died in an August 17, 2024, pipeline explosion while investigating a gas lift line leak. His surviving family members sued several defendants in Louisiana state court for negligence. The defendants' potential indemnity obligations arose under a Master Services Agreement involving The Production Group and Spectrum OpCo, LLC and an asset purchase agreement approved in Chapter 11 proceedings involving Trimont Energy and Spectrum AR, LLC. The court concluded that these interlocking indemnity provisions could affect the bankruptcy estates of Whitney Oil & Gas and affiliated entities.

PROCEDURAL HISTORY

Plaintiffs filed the action in the 25th Judicial District Court for the Parish of Plaquemines on November 10, 2025. The Production Group, LLC removed the case to the Eastern District of Louisiana on January 2, 2026,

asserting that the action was related to a Chapter 11 bankruptcy case. Plaintiffs moved to remand, and the court denied the motion.

DISPOSITION

other

CASES CITED

- In re Whitney Oil & Gas LLC, No. 23-11873 (Bankr. E.D. La. Oct. 26, 2023)
- In re Trimont Energy (GIB) LLC, No. 23-11869 (Bankr. E.D. La. Oct. 25, 2023)
- In re Trimont Energy (NOW) LLC, No. 23-11868 (Bankr. E.D. La. Oct. 25, 2023)
- In re Trimont Energy Limited Inc., No. 23-11872 (Bankr. E.D. La. Oct. 26, 2023)
- In re Whitney Oil & Gas LLC, No. 23-11873 (Bankr. E.D. La. May 29, 2024)
- Firefighters Ret. Sys. v. Consulting Grp. Servs. LLC, 541 B.R. 337, 350–51 (M.D. La. Sept. 14, 2015)
- In re Canion, 196 F.3d 579, 585 (5th Cir. 1999)
- In re Bass, 171 F.3d 1016, 1022–23 (5th Cir. 1999)
- Greenslate v. Tenneco Oil Co., 623 F. Supp. 573, 575–76 (E.D. La. 1985)
- Corbitt v. Diamond M Drilling Co., 654 F.2d 329 (5th Cir. 1981)
- In re TXNB Internal Case, 483 F.3d 292, 298 (5th Cir. 2007)