

BUSINESS COURT OF TEXAS, ELEVENTH DIVISION

OWL AssetCo I, LLC v. EOG Resources, Inc.

2025 Tex. Bus. 47 · No. Cause No. 25-BC11A-0052 · Decided December 5, 2025

SUMMARY

The Texas Business Court denied OWL AssetCo I, LLC’s second motion to remand, holding that EOG Resources, Inc.’s removal was proper and timely under Texas Government Code § 25A.006(f). The court concluded that House Bill 40’s reduction of the Business Court’s amount-in-controversy threshold from \$10 million to \$5 million supplied facts establishing jurisdiction and triggered a new removal opportunity. The underlying action concerns an alleged breach of a contract for the transportation and disposal of produced water.

CASE DETAILS

COURT	Business Court of Texas, Eleventh Division
WRITING FOR THE COURT	Jerry D. Bullard
JURISDICTION	Texas Business Court, Eleventh Division
DECIDED	December 5, 2025
DOCKET	Cause No. 25-BC11A-0052
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff OWL AssetCo I, LLC moved to remand after Defendant EOG Resources, Inc. filed a second notice of removal to the Texas Business Court following enactment and effective date of House Bill 40, which reduced the applicable amount-in-controversy threshold. The court denied the second remand motion.
STANDARD OF REVIEW	The court applied de novo statutory construction principles and examined whether the action fell within the Business Court's subject-matter jurisdiction and whether removal complied with Texas Government Code section 25A.006(f).
PRECEDENTIAL VALUE	Published

TOPICS

- subject matter jurisdiction
- statutory interpretation
- civil procedure
- commercial litigation
- breach of contract

PRACTICE AREAS

civil procedure

business court jurisdiction

commercial litigation

contracts

QUESTIONS PRESENTED

1. Whether House Bill 40's reduction of the Business Court's amount-in-controversy threshold constituted a fact establishing the Business Court's jurisdiction for purposes of Texas Government Code section 25A.006(f).
2. Whether EOG's second removal, filed two days after House Bill 40's effective date, was timely and proper.
3. Whether the Business Court had subject-matter jurisdiction over the action under the newly reduced \$5 million amount-in-controversy threshold.

HOLDINGS

1. The enactment and effective date of House Bill 40's reduction of the amount-in-controversy threshold from \$10 million to \$5 million constituted a fact establishing the Business Court's jurisdiction over the action.
2. EOG's second removal was timely because it filed its second notice of removal two days after House Bill 40's effective date, promptly after the statutory change established Business Court jurisdiction.
3. The Business Court had subject-matter jurisdiction over the action under the newly reduced amount-in-controversy threshold.

KEY QUOTATIONS

“H.B. 40’s reduction of the amount-in-controversy threshold from \$10 million to \$5 million is a “fact” sufficient to establish this Court’s jurisdiction.” (¶ 11)

“For these reasons, the Court finds that EOG’s removal was both proper and timely. OWL’s Second Remand Motion is DENIED.” (¶ 16)

FACTUAL BACKGROUND

In December 2019, OWL and EOG entered into a contract concerning the transportation and disposal of produced water in and around Eddy County, New Mexico. OWL filed a breach-of-contract action alleging that EOG failed to ensure the produced water met contractual specifications and seeking indemnification for associated property damages. EOG initially removed the action to the Business Court, but the court remanded it because OWL's approximately \$8.22 million remediation claim did not satisfy the then-applicable \$10 million jurisdictional threshold. After House Bill 40 lowered the threshold to \$5 million, EOG filed a second notice of removal two days after the statute's effective date.

PROCEDURAL HISTORY

OWL filed a breach-of-contract action against EOG in the 152nd District Court of Harris County on April 9, 2025. EOG first removed the action to the Business Court, but the court remanded it on July 25, 2025, because

the amount in controversy did not satisfy the then-applicable \$10 million threshold. After House Bill 40 reduced the threshold to \$5 million effective September 1, 2025, EOG filed a second notice of removal on September 3, 2025. The Business Court held that the second removal was proper and timely and denied OWL's second motion to remand.

DISPOSITION

other

CASES CITED

- OWL AssetCo 1, LLC v. EOG Res., Inc., 2025 Tex. Bus. 30 (Tex. Bus. Ct. 8th Div. Aug. 11, 2025)
- Tellez v. City of Socorro, 226 S.W.3d 413 (Tex. 2007)
- Diocese of Galveston-Hous. v. Stone, 892 S.W.2d 169 (Tex. App.—Houston [14th Dist.] 1994, no pet.)
- City of El Paso v. Madero Development, 803 S.W.2d 396 (Tex. App.—El Paso 1991, writ denied)
- Aleman v. Tex. Med. Bd., 573 S.W.3d 796 (Tex. 2019)
- Cadena Comercial USA Corp. v. Tex. Alcoholic Beverage Comm'n, 518 S.W.3d 318 (Tex. 2017)
- Bank Direct Cap. Fin. LLC v. Plasma Fab, LLC, 519 S.W.3d 76 (Tex. 2017)
- Alex Sheshunoff Mgmt. Servs., L.P. v. Johnson, 209 S.W.3d 644 (Tex. 2006)
- Molinet v. Kimbrell, 356 S.W.3d 407 (Tex. 2011)
- In re Estate of Nash, 220 S.W.3d 914 (Tex. 2007)
- Silguero v. CSL Plasma, Inc., 579 S.W.3d 53 (Tex. 2019)
- In re Christus Spohn Hosp. Kleberg, 222 S.W.3d 434 (Tex. 2007)
- Tex. State Bd. of Exam'r of Marriage & Fam. Therapists v. Tex. Med. Ass'n, 511 S.W.3d 28 (Tex. 2017)
- Epps v. Fowler, 351 S.W.3d 862 (Tex. 2011)
- Fort Worth Transp. Auth. v. Rodriguez, 547 S.W.3d 830 (Tex. 2018)
- Ex parte Perry, 483 S.W.3d 884 (Tex. Crim. App. 2016)
- D.A. v. Tex. Health Presbyterian Hosp. of Denton, 514 S.W.3d 431 (Tex. App.—Fort Worth 2017), rev'd on other grounds, 569 S.W.3d 126 (Tex. 2018)
- Ex parte Flores, 483 S.W.3d 632 (Tex. App.—Houston [14th Dist.] 2015, pet. ref'd)
- A.S. Horner, Inc. v. Navarrette, 656 S.W.3d 717 (Tex. App.—El Paso 2022, no pet.)
- Malouf v. State ex rels. Ellis, 694 S.W.3d 712 (Tex. 2024)
- SafeLease Ins. Services LLC v. Storable, Inc., 2025 Tex. Bus. 6, 707 S.W.3d 130 (3d Div. 2025)
- In re Doe (Trooper), 444 S.W.3d 603 (Tex. 2014)
- Black Mountain SWD, LP v. NGL Water Sols. Permian, LLC, 2025 Tex. Bus. 24, 718 S.W.3d 281 (8th Div. 2025)
- Jefferson v. State, 189 S.W.3d 305 (Tex. Crim. App. 2006) (Cochran, J., concurring)
- O'Brien v. State, 544 S.W.3d 376 (Tex. Crim. App. 2018)
- Halferty v. Flextronics Am., LLC, 545 S.W.3d 708 (Tex. App.—Corpus Christi-Edinburg 2018, pet. denied)

- Dunham v. State, 554 S.W.3d 222 (Tex. App.—Houston [14th Dist.] 2019), aff'd, 666 S.W.3d 477 (Tex. Crim. App. 2023)

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