No. 25-BC11A-0017

CLEAN HYDROGEN WORKS, LLC and CLEAN HYDROGEN WORKS, LA-1, LLC,	§	IN THE BUSINESS COURT OF TEXAS
Plaintiffs,	§	
v.	§	
	§	11TH BUSINESS COURT
DENBURY CARBON SOLUTIONS, LLC, EXXON MOBIL CORPORATION, and EXXONMOBIL LOW CARBON SOLUTIONS HOLDINGS LLC,	§	
Defendants.	§	HARRIS COUNTY, TEXAS

PLAINTIFFS' SECOND AMENDED ORIGINAL PETITION

Plaintiffs Clean Hydrogen Works, LLC and Clean Hydrogen Works, LA-1, LLC file this Second Amended Original Petition against Defendants Denbury Carbon Solutions, LLC, Exxon Mobil Corporation, and ExxonMobil Low Carbon Solutions Holdings LLC. Exxon Mobil is the parent of ExxonMobil Low Carbon Solutions, and unless otherwise stated, "Exxon" refers to both entities. Based on personal knowledge as to themselves and their own actions, and on information and belief as to all other persons and events, Plaintiffs respectfully allege the following:

INTRODUCTION

1. This is a case about abuse of market dominance. One powerful company (Exxon) acquired another (Denbury) that it used to sabotage Plaintiffs as a competitor of Exxon, injure them as a customer of Denbury, and harm competition. Plaintiffs suffered significant loss due to this market abuse, for which they seek relief.

2. In 2021, Plaintiffs began to develop a clean-energy project to produce low-carbon, "blue" ammonia by a process that captures and sequesters carbon dioxide ("CO_2") emitted in production. Denbury owns the only operating CO_2 pipeline for carbon capture and sequestration or utilization on the Gulf Coast, so it was a key partner to Plaintiffs' project. Initially, Denbury

was supportive of the venture. It not only agreed to offtake the CO_2 emissions; it also took an ownership stake in the project and its success. Denbury worked cooperatively, investing in the project, promoting it publicly, and agreeing to connect its CO_2 pipeline to the project and provide essential carbon transport-sequestration services. These parties were aligned and stood to profit.

3. Everything changed on February 7, 2025. Out of nowhere, Denbury went on the attack. It accused Plaintiffs of failing to make progress on the project and breaching the parties' agreements; it claimed to terminate these parties' critical services agreements for the project; and it demanded that Plaintiffs liquidate a core project asset and refund Denbury's investment in full.

4. What caused this shift? Exxon bought Denbury in late 2023, cleaned house of the Denbury executives who had supported the project, took the reins at Denbury, and targeted Plaintiffs. As the sole operating CO_2 pipeline in the region for carbon capture and storage or utilization, Denbury is a monopolist. Exxon paid nearly $5 billion to gain control of this monopoly pipeline. It wanted to own a vital chokepoint for the area's growing carbon-sequestration demand. Like Plaintiffs, Exxon was gearing up to sell blue ammonia through a competing project in Baytown, Texas. Exxon's project would sell to the same customers that Plaintiffs are targeting—electric utilities and other energy users needing low-carbon options. To do this, Exxon would have to secure a carbon transport-sequestration asset, so it set its sights on Denbury and the market dominance that came with it.

5. But Exxon didn't stop there. Its scheme was to use its new pipeline monopoly to cripple or kill a low-cost competitor in the blue ammonia market. What followed was a Rockefeller-style power play. Despite years of cooperation and clear project benefits to Denbury as a key vendor to and member of the project, Exxon had Denbury reverse course and go on the attack. The goal was to handicap a smaller rival dependent on this vital pipeline connection.

Denbury made pretextual excuses, which contradicted its actions before Exxon took over, to deny its promises to Plaintiffs.

6. The scheme was to exclude Plaintiffs' access to a vital part of the project. Then Defendants doubled down. Exxon had Denbury assert its position as a project member to kill the venture from within. It demanded that Plaintiffs sell their option agreement on the site where the project is being built. With no option or land, there is no project. Defendants' attacks put the project at risk of losing the entire investment, years of work, and substantial future success.

7. The consequences of this scheme have been profound. Cut off from the pipeline, Plaintiffs have been forced to pursue difficult workarounds, face long delays, and absorb massive new costs. The scheme jeopardized Plaintiffs' customer relationships, imperiled financing, and cut output. It benefited Exxon's competing blue-ammonia business, as the foreseeable result of its strategy to weaponize the pipeline and wound a rival. The scheme also allows Denbury to further exploit its dominance. By removing the project from the pipeline, Denbury can drive up prices for the now-available capacity to new customers that have nowhere else to turn.

8. In short, this is an egregious before-and-after story. *Before Exxon*, Denbury worked well with Plaintiffs and invested in the project. *After Exxon*, Denbury tried to torpedo it.

9. Once Exxon took control, Denbury denied access to its pipeline to a once customer/partner and now Exxon competitor. Defendants abused their market dominance to stab its competitor by withholding infrastructure that the smaller rival needed to compete. They wielded this power to raise Plaintiffs' costs, block market entry, tilt the playing field in Exxon's favor, and exploit their power to the detriment of consumers and competition. It is textbook anticompetitive conduct, the opposite of fair competition, and a violation of governing law.

10. Plaintiffs seek in this Court to hold Defendants accountable for their actions.

DISCOVERY

11. Plaintiffs intend for discovery to be done under Level 3 of Tex. R. Civ. P. 190. The Court entered a Scheduling & Case Management Order on November 11, 2025.

12. This action is not governed by the expedited actions process in Tex. R. Civ. P. 169.

CLAIMS FOR RELIEF

13. Pursuant to Tex. R. Civ. P. 47(c), Plaintiffs state that they seek monetary relief over $1,000,000 in addition to non-monetary relief.

PARTIES

14. Plaintiff Clean Hydrogen Works, LLC is a Delaware company with its address at 2002 Timberloch Place, Suite 200, The Woodlands, Texas 77380.

15. Plaintiff Clean Hydrogen Works, LA-1, LLC is a Louisiana company with its address at 2002 Timberloch Place, Suite 200, The Woodlands, Texas 77380.

16. Defendant Denbury Carbon Solutions, LLC is a Delaware company. Denbury has been served through its registered agent for service of process, Corporation Service Company d/b/a CSC, at 211 E. 7th Street, Suite 620, Austin, Texas 78701. It has appeared and answered.

17. Defendant Exxon Mobil Corporation is a New Jersey corporation with its principal place of business in Texas. It may be served through its registered agent for service of process, Corporation Service Co. d/b/a CSC—Lawyers Incorporating Service Co., 211 E. 7th Street, Suite 620, Austin, Texas 78701.

18. Defendant ExxonMobil Low Carbon Solutions Holdings LLC is a Delaware company. It may be served through its registered agent for service of process, Corporation Service Co. d/b/a CSC—Lawyers Incorporating Service Co., 211 E. 7th Street, Suite 620, Austin, Texas 78701.

JURISDICTION & VENUE

19. This Court has personal jurisdiction over Defendants. They do substantial business in Texas, the claims arise from business and acts in part done in Texas and directed into Texas, and the Exxon defendants maintain their principal places of business in Texas.

20. The amount in controversy exceeds the minimum jurisdictional limits of the Court. *See* Tex. Gov't Code § 25A.004(b). The Court has subject matter jurisdiction under Tex. Gov't Code § 25A.004(b)(2), (b)(3), (c), and (d)(1).

21. Venue is proper here. This is "the county of the defendant's principal office in this state" for the Exxon defendants. Tex. R. Civ. P. 15.002(a)(3).

22. This case could not be filed in and is not removable to federal court. There is no diversity of citizenship between the parties, and no federal claim is raised in this petition. *See Am. Airlines, Inc. vs. Sabre Inc.*, 694 F.3d 539, 543 (5th Cir. 2013).

FACTUAL BACKGROUND

A. Blue Ammonia Technology and its Chokepoint

23. Blue ammonia is created using a process that captures the carbon dioxide emissions normally released when producing traditional ammonia. By capturing and permanently storing this CO_2, blue ammonia becomes a low-carbon product, making it a highly desirable, cleaner alternative for uses like fertilizer, power generation, and marine fuel. Unlike other fuels, blue ammonia has not only a low-carbon production footprint but also no carbon dioxide emissions when burned.

24. The U.S. Gulf Coast has a distinct advantage in this emerging industry. It has abundant and inexpensive natural gas, deep industrial know-how, and proximity to CO_2 storage reservoirs, making blue ammonia production in this region both practical and scalable. These

advantages have made the U.S. Gulf Coast the prime hub for the production and sale of blue ammonia worldwide.

25. These advantages also explain the rush of industrial buyers, and why the CO_2 transportation and storage or utilization capacity that makes blue ammonia possible is the indispensable bottleneck that determines who can compete in this booming market. Producers without a CO_2 transportation and storage/utilization option simply cannot compete.

B. Clean Hydrogen Works Develops Its Blue Ammonia Project

26. Clean Hydrogen Works is a sustainability-driven, commercially focused project developer specializing in integrated energy value chains. A key initiative of Clean Hydrogen Works is the development of blue ammonia, optimized for low-cost and low-carbon impact.

27. In April 2021, Clean Hydrogen Works formed Clean Hydrogen Works, LA-1, LLC, a limited liability company organized under Louisiana law, to pursue the development of a clean hydrogen and ammonia production and export project in Ascension Parish, Louisiana.

28. Clean Hydrogen Works is a member of LA-1, and, because Clean Hydrogen Works can appoint a majority of directors on LA-1's board, Clean Hydrogen Works controls the day-to-day decision making and management of LA-1 and, by extension, the project.

29. In June 2021, LA-1 entered into an Option Agreement to Purchase and Purchase and Sale Agreement with Palo Alto Incorporated. Under the Option Agreement, LA-1 holds a purchase option on an approximately 1,700-acre site in Donaldsonville, Louisiana. If the option is exercised by LA-1, the site will be utilized for the project.

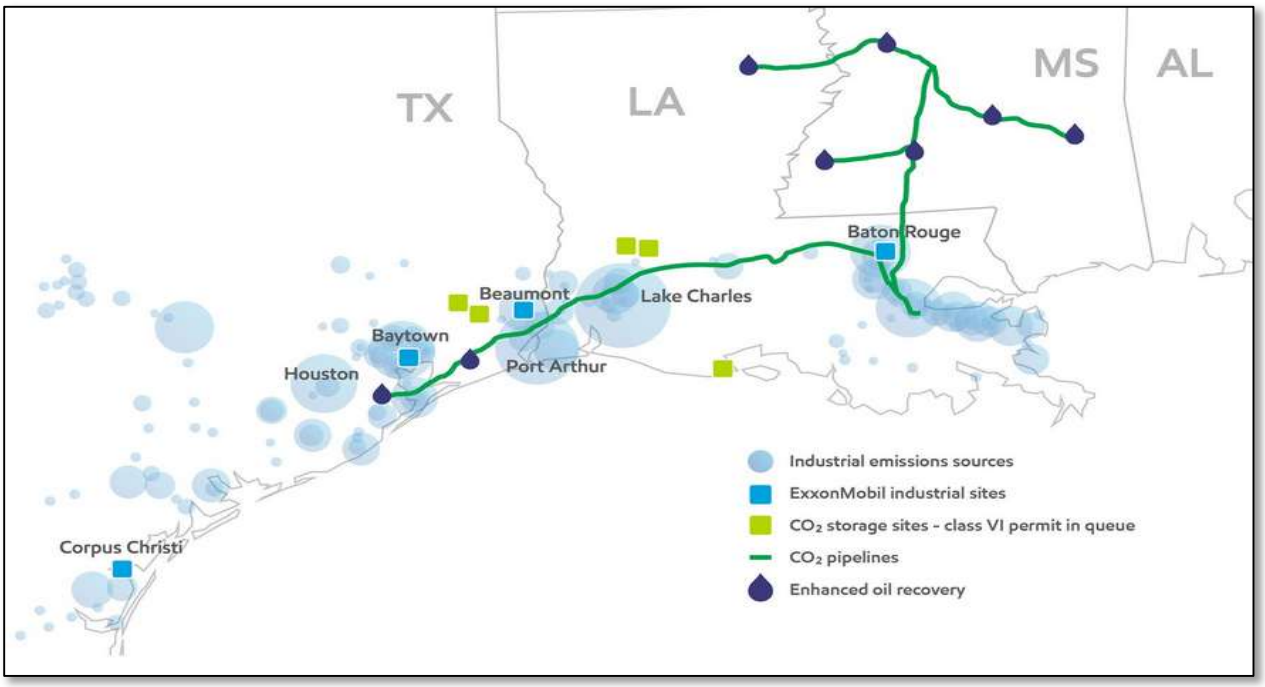
30. Initially, the Option Agreement included a three-year option period commencing on June 18, 2021, and ending on June 17, 2024. This initial option period was subject to extension by two additional one-year periods if certain terms and conditions were met. Such renewal option periods were required to be exercised not later than June 17, 2024, and June 17, 2025—meaning

the Option Agreement would terminate on June 17, 2026, unless either (i) the option to purchase the site was exercised, or (ii) the terms of the Option Agreement were revised to allow for a longer option period.

31. As discussed further herein, Plaintiffs extended the Option Agreement by three more years in early 2024. Denbury knew about and consented to this extension. And for good reason—without the land, there would be no project.

C. Clean Hydrogen Works Partners with Denbury on the Blue Ammonia Project

32. The U.S. Gulf Coast has emerged as the focal point for blue ammonia. It offers low-cost gas feedstock, industrial-scale port access for export, and most critically, developed CO_2 transportation and storage. That is where Denbury comes in. Denbury owned (and still owns) the largest CO_2 pipeline network in the United States, and nearly 1,000 miles of that network make up the only existing CO_2 pipeline network along the U.S. Gulf Coast. Defendants use that pipeline network to transport CO_2 emissions as part of their carbon capture and storage or utilization business (often referred to as "CCS" or "CCU").



Source: https://corporate.exxonmobil.com/what-we-do/delivering-industrial-solutions/carbon-capture-and-storage#Criticaltechnology (https://perma.cc/9VFV-38FS).

33. Surrounding its pipeline across the U.S. Gulf Coast are strategically positioned storage sites. So, when it comes to transporting large volumes of CO_2 for blue-ammonia producers and other industrial customers, the Denbury pipeline is effectively the only game in town.

34. Customers who need to have their captured CO_2 emissions transported for storage/utilization are limited geographically to the options around them—CO_2 off-takers must be nearby to be viable. This means that customers on the Gulf Coast are limited to transportation providers on the Gulf Coast, where pipelines far-and-away dominate the market. Pipelines, like Denbury's, are an ideal way to move large volumes of CO_2 emissions long distances to permanent underground storage sites or for utilization. Pipelines dominate this market for transporting CO_2 for storage/utilization because, among other reasons, they are high capacity and low cost. For most industrial customers who have large-scale/high-volume CO_2-transportation needs, pipelines are the only viable option. That is why the vast majority of such CO_2 transportation by capacity is via pipeline. In fact, as of early 2025, Defendants' total CCS commitments were far more than any other company.

35. Projects like Plaintiffs' depend on timely access to transportation and storage/utilization to reach commercial operations on a schedule acceptable to off-takers and financiers. Consequently, access to Denbury's system was crucial.

36. Denbury became a collaborative partner. It agreed to offer its vital CO_2 transportation services to Plaintiffs' project. But it also became the first outside investor in the project itself. In September 2022, Denbury made an initial $10 million investment in LA-1, receiving common units in the company. Ultimately, two agreements memorialized this investment: the Amended and Restated Limited Liability Company Agreement of LA-1, which

governed the investment itself, and a Side Letter Agreement between Denbury and Clean Hydrogen Works, which provided supplemental terms.

37. The Side Letter Agreement memorialized the investor protections associated with Denbury's minority-member investment by defining certain "Exit Conditions" and "Protection Rights." The agreement protects Denbury against identified scenarios, including failure of conditions associated with project maturation, certain breaches of covenants, bankruptcy, or abandonment. In those scenarios, and only as the contract prescribes, Denbury may exercise its Protection Rights to recoup its investment. As relevant here, Clean Hydrogen Works agreed, as controlling member, not to cause LA-1 to materially amend, terminate, or cancel the Option Agreement, or to dispose of or encumber the Option Agreement or the site, without Denbury's prior written consent. The Side Letter Agreement is explicit that these rights operate within, and are not free from, the parties' broader contractual obligations to cooperate in advancing the project to commercial operations.

38. In May 2023, Denbury continued its collaboration and showed even more support for the project by making another $10 million investment in LA-1 and again received common units in the company. In connection with this additional investment, Denbury, Clean Hydrogen Works, Hafnia US, LLC, and MOL Clean Energy, US, LLC entered into the Second Amended and Restated Limited Liability Company Agreement of LA-1. Under this Second Amended Agreement, Denbury promised not to cause a dissolution of LA-1: Denbury "covenants and agrees not to take any voluntary action that would cause the Company to dissolve." One such "Dissolution Event" would be causing "[t]he sale of all or substantially all of the property of the Company." That promise should have been unremarkable given that Denbury had taken a personal stake in LA-1's success.

D. LA-1 and Denbury Enter Agreements to Facilitate the Project

39. At the same time Denbury entered into the First Amended LLC Agreement in September 2022, LA-1 and Denbury executed two CO_2 services agreements, also known as the Block One and Block Two Agreements. Under these agreements, Denbury committed to design, construct, own, operate, and maintain the dedicated pipeline lateral from Plaintiffs' facility to Denbury's pipeline system and to receive, transport, and sequester the project's CO_2 emissions. The Block One Agreement included three conditions precedent to effectiveness, all structured for *LA-1's* benefit. These conditions precedent were also tied to project maturity: a positive, unconditional final investment decision for the production facility; financing satisfactory to LA-1; and execution of an engineering, procurement, and construction contract. The agreement provided that *LA-1* could waive these conditions in its sole reasonable discretion, reflecting that they were for LA-1's protection. Denbury also undertook good-faith–cooperation duties to work with LA-1 to obtain necessary permits, authorizations, consents, and rights-of-way to complete its connection and sequestration obligations.

40. The deadline to either terminate the Block One Services Agreement because of the failure of a condition precedent or to waive such conditions precedent was December 31, 2024. On December 19, 2024, LA-1 gave Denbury written notice of LA-1's waiver of the conditions precedent.

E. Plaintiffs and Denbury Work Together to Progress the Project

41. From the outset, the parties collaborated steadily and productively. In monthly updates to investors, Clean Hydrogen Works provided its progress on multiple tracks. As early as November 2022, the project engaged permitting advisors; began wetlands, cultural and biological work; and prepared the Industrial Tax Exemption Program application establishing the regulatory baseline for state and federal filings. Later, wetlands surveys were completed, geotechnical work

was released to support terminal structures for U.S. Army Corps of Engineers applications, and pipeline permitting efforts commenced in coordination with Denbury for the lateral CO_2 connection pipeline. In November/December 2023, the U.S. Army Corps of Engineers deemed the federal application "administratively complete," and public announcement of the project was issued, followed by a public comment period. State water permits were in review, to be followed by air permits. Facility permit work continued in parallel with pipeline permit tracks. In short, Plaintiffs advanced site control, engineering, and permitting for the production facility, while Denbury worked on the pipeline lateral.

42. On the offtake side of the project, Plaintiffs were in active discussions with multiple candidates who wanted to buy blue ammonia for power generation, with a target of binding purchase and sale agreements by early 2025.

F. Denbury Agrees LA-1 Should Extend the Option Period

43. When an opportunity to extend the Option Agreement for the Louisiana property needed for the project became available to LA-1, Denbury approved and consented to the option extension. Clean Hydrogen Works, through Mitch Silver (Chief Operating Officer and Senior Vice President of Shipping & Logistics), notified Denbury, through Dan Cole (Vice President of Commercial Development and Government Relations), of the extension option in August 2023. Denbury's commercial leadership—who had been responsible for negotiating and executing Denbury's contracts with Clean Hydrogen Works and LA-1—treated the extension as a constructive step for the project and confirmed that Clean Hydrogen Works and LA-1 could proceed with efforts to amend the Option Agreement. Plaintiffs reasonably and foreseeably relied on Denbury's authorization and consent to move forward with the option extension, which aligned with Denbury's economic interest in the project's success. Without the option extension, there would be no land and, therefore, no project.

44. After Denbury gave this authorization, its internal stakeholders with responsibility for commercial and development matters became aware of the extension and likewise concluded that it served Denbury's best interests, protected Denbury's investment, and supported the project. Consistent with the parties' course of dealing, Denbury continued to cooperate with Plaintiffs to advance the shared goal of preserving the project and Denbury's associated investment.

G. Exxon Enters the Picture

45. But the years of cooperation were soon to change. In late 2023, a new player entered the picture: Exxon. In July 2023, as the project was underway and making progress, Exxon announced its plans to acquire Denbury's corporate parent. Exxon ultimately acquired Denbury for nearly $5 billion on November 2, 2023.

46. Exxon's acquisition of Denbury was a strategic move to exercise control over vital infrastructure for carbon capture, transport, sequestration, and storage. When Exxon acquired Denbury, it was gearing up to enter the blue ammonia space, too, by producing and selling blue ammonia from its facilities in Baytown, Texas. This Baytown project is set to be the world's largest of its kind. And Exxon was targeting the same market as Plaintiffs: selling blue ammonia to utilities and other energy users seeking low-carbon alternatives.

47. Exxon's acquisition of Denbury was a key step in its entry into the low carbon business, including the blue ammonia market. Denbury has a CO_2 transportation monopoly in the Gulf Coast. By buying this pipeline monopoly, Exxon gained power and control over the necessary transportation capabilities needed for its blue ammonia project. It also gave Exxon power and control over its rivals who need to access this pipeline monopoly. By controlling Denbury's critical infrastructure, Exxon could consolidate its control over the blue ammonia market and act as a gatekeeper for its competitors. Ultimately, that's exactly what Exxon set out to do, much to Plaintiffs' detriment.

48. At first, though, Exxon's acquisition of Denbury had little direct impact on Plaintiffs because Exxon kept its designs hidden. To be sure, Exxon was not as warm in its interactions with Plaintiffs as Denbury had been, and in at least a couple instances (including with respect to pipeline specifications) it made life more difficult for Plaintiffs. But at no point over the next year or so did Defendants make Plaintiffs believe that the project was in danger or that Defendants were wavering in their commitment to the project.

49. Indeed, in early January 2024, after Exxon's acquisition of Denbury, Mr. Cole and Mr. Silver met via telephone, and Mr. Silver advised that LA-1 had come to an agreement to extend the Option Agreement, as expressly agreed to by Mr. Cole in August 2023. The Option Agreement was originally set to terminate June 17, 2026; the amendment extended the outside termination date through June 17, 2029. Mr. Silver confirmed this extension in writing to Mr. Cole on February 9, 2024, and Mr. Cole conveyed that news to others in Denbury. And upon learning of the extension, Denbury expressed no objection or complaint, which makes sense—the extension gave LA-1 more flexibility for the very land the project required for its development. It was critical to the project and benefited all stakeholders. In any event, Plaintiffs reasonably and foreseeably relied on Defendants' prior approval and consent to move forward with the option extension and the project as a whole.

50. Exxon and Denbury, however, secretly had other plans that contradicted these representations. What followed was a continuous series of reversals, misrepresentations, and deceptive, unfair, and anticompetitive practices designed to stifle a key competitor and exploit control over indispensable pipeline infrastructure, resulting in Plaintiffs and Denbury's collaborative partnership shuddering to a halt. Exxon and Denbury worked hand-in-hand to try to dismantle the blue ammonia project that Plaintiffs (with Denbury's support) had worked diligently

to build. Exxon exerted pressure over Denbury to engineer a calculated series of reversals that, as intended, hamstrung Plaintiffs' ability to pursue the project. And Denbury used its special relationship with Plaintiffs as a member and key contracting partner to walk back prior representations and to manufacture excuses to abandon its commitments, all the while working to destroy the company (LA-1) in which it had a stake.

H. Denbury Alleges Exit Condition Under the Side Letter Agreement

51. Denbury's first reversal happened on February 7, 2025. Acting at Exxon's direction, Denbury sent a letter alleging an "Exit Condition" under the Side Letter Agreement. The letter, signed by Exxon's lawyers, falsely claimed that Plaintiffs had breached a covenant by amending the Option Agreement without prior written consent and gave Plaintiffs a mere five days to cure. This was clear pretext. Over the prior year, the Exxon-controlled Denbury knew about and had unequivocally consented to Plaintiffs' extension. However, Exxon and Denbury (now under Exxon's control) strategically manufactured this alleged breach, waiting to spring it on Plaintiffs at the most damaging moment, knowing that Plaintiffs had relied on Denbury's prior approval. This reversal was a deceptive betrayal, misrepresenting its position on a beneficial extension that Denbury had long known about and approved.

52. Denbury's belated complaint about Plaintiffs not giving Denbury *written* notice or getting Denbury's *written* consent was pretextual, meritless, and inequitable. Plaintiffs gave Denbury *actual* notice (orally and in writing) and received Denbury's *oral* consent, substantially complying with the agreement. Denbury's explicit consent and year-long silence on the matter—indeed, its implicit approval of the methods of notice and consent—were clearly inconsistent with its newfound insistence on strict compliance, and therefore, constituted waiver. Denbury is also estopped from such an about-face: its sudden reversal is plainly inequitable and unjust.

53. Then, on February 13, 2025, Denbury escalated its attack by demanding that Clean Hydrogen Works sell the Option Agreement. Invoking its "Protection Rights," Denbury demanded that Clean Hydrogen Works, as LA-1's controlling member, "cause [LA-1] to sell the Option Agreement and disburse the proceeds . . . without delay." Forcing the sale of the critical land option was a blatant act of sabotage from within. This self-destructive demand, directly contrary to Denbury's own investment and years of cooperation, only made sense as a scheme to benefit its new parent, *Exxon*, by driving up transportation prices on its Denbury pipeline—injuring customers like LA-1—and by knocking out a competitor in the blue ammonia space.

54. Denbury's sudden reversals coincided with Exxon's cleaning house at Denbury. Exxon began systematically replacing legacy Denbury employees with Exxon employees. Although Plaintiffs had previously dealt with Denbury's Dan Cole, the February 7 and February 13 letters were signed by an Exxon employee on *behalf* of Denbury, making Exxon's control plain.

55. At no point between August 2023—when Denbury gave its unequivocal consent for Plaintiffs to extend the Option Agreement—and February 2025 did anyone from Exxon or Denbury withdraw Denbury's consent or communicate any concerns or issues with the option extension or the manner in which Denbury was notified. Despite the fact that Denbury's own conduct—providing consent for the extension—caused Plaintiffs to extend the Option Agreement, Exxon and Denbury hid their intentions and plans until they saw an opportunity to use the extension as pretext to unwind the partnership and destroy LA-1's most valuable asset from within.

56. Indeed, Denbury's invoking its purported "Protection Rights" was calculated to force LA-1 to dissolve. Forcing Plaintiffs to sell the Option Agreement would leave it without land on which to develop the project. Without the Option Agreement, there could be no project.

57. As a member of LA-1 and committed partner in the project (at least, until Exxon took over), Denbury knew that forcing the sale of the Option Agreement would kill the project. By trying to do so, Denbury breached the Second Amended and Restated LLC Agreement between itself and Plaintiffs. Under the LLC agreement, Denbury "covenants and agrees not to take any voluntary action that would cause the Company to dissolve." A "Dissolution Event" occurs if Denbury causes the "sale of all or substantially all of the property of the Company."

58. Denbury's breach—at Exxon's direction—was intentional and malicious. Denbury breached the LLC agreement to enhance Exxon's competitive position at the expense of Plaintiffs and to allow Denbury to extract higher prices for the pipeline capacity promised to Plaintiffs.

I. Denbury Breaches the CO_2 Services Agreements

59. Denbury's second reversal targeted the CO_2 services agreements. On February 7, 2025, the day that Denbury informed Clean Hydrogen Works of a purported "Exit Condition," Denbury submitted notice to LA-1 purporting to terminate the Block One Services Agreement.

60. Denbury claimed that LA-1's December 19, 2024 waiver of the conditions precedent set forth in Sections 2.1(a), 2.1(b), and 2.1(c) was not reasonable and therefore was ineffective. Denbury alleged that the Block One Services Agreement was "automatically terminated with immediate effect" because none of the conditions precedent was satisfied or properly waived by the December 31, 2024 deadline under Section 2.4.

61. Denbury's attempted termination of the Block One Services Agreement was another manufactured pretext to breach its commitments and deprive Plaintiffs of their pipeline lifeline. Denbury's claim that LA-1's waiver was ineffective made no sense. The conditions precedent were designed solely for *LA-1's* protection, not Denbury's. Plus, the agreement clearly provides that LA-1 has *sole* reasonable discretion to waive the conditions. LA-1 properly waived

the conditions in its *sole* reasonable discretion, and Denbury's assertions were just another untimely, bad-faith attempt to sabotage Plaintiffs.

62. Denbury then escalated its bad faith conduct by directly breaching both the Block One and Block Two Services Agreements. Under Section 3.2 of both agreements, Denbury is obligated to design, construct, own, operate, and maintain a pipeline lateral—the "Receiving Lateral"—to connect the project to Denbury's pipelines and receive CO_2 from LA-1. But in early 2025, Denbury blatantly ceased all its efforts to complete this pipeline lateral and repudiated the contract.

63. Without the Receiving Lateral, LA-1 currently lacks a CO_2 transportation and storage option and cannot make blue ammonia. Denbury's blatant and intentional breaches have therefore put the entire project at risk.

64. Denbury was not acting in its capacity as a member of LA-1. Instead, its conduct was to its sole benefit and the benefit of its now parent, Exxon. Denbury's actions were not in furtherance of the business or affairs of LA-1, but rather were with the express intent to cripple and kill LA-1.

J. Defendants Exploit Denbury's Pipeline Monopoly and Exxon Consolidates its Control over Blue Ammonia

65. Through its acquisition of Denbury and Defendants' resulting misrepresentations and reversals, Exxon now has a stranglehold on the blue ammonia market. It has weaponized Denbury's monopoly pipeline and special position within LA-1 to sabotage Plaintiffs through subterfuge, misrepresentations, and bad-faith breaches of contract. This was Exxon's plan all along. Denbury's self-sabotaging reversals only make sense as part of a scheme to eliminate a competitor, seize control of the blue ammonia market, and free up pipeline capacity to charge significantly higher prices. This is not competition on the merits; it is anticompetitive sabotage.

66. Defendants' willful, deceptive, and anticompetitive actions have forced Plaintiffs to seek a replacement CO_2 transportation and storage solution. Because Denbury's pipeline is the *only* developed and operational one in the region, any replacement will cause crippling delays and be orders of magnitude (likely more than $1 billion) more expensive than what Denbury had agreed to charge Plaintiffs for transportation and storage services. This directly increases Plaintiffs' costs, forces higher prices, and reduces output—all to the benefit of Exxon's competing business. Defendants' scheme to sabotage the project has also threatened Plaintiffs' entire business, jeopardizing financing and drastically reducing its value.

CAUSES OF ACTION

A. Declaratory Judgment

67. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

68. There exists a genuine controversy between the parties that would be resolved by the granting of a declaratory judgment, as authorized by Chapter 37 of the Texas Civil Practice and Remedies Code. Therefore, Plaintiffs respectfully request that the Court define and construe the rights and obligations of the parties by making the following declarations:

a. Clean Hydrogen Works did not breach any of the covenants contained in Section 2 of the Side Letter Agreement.

b. Clean Hydrogen Works did not cause LA-1 to breach any of the covenants contained in Section 2 of the Side Letter Agreement.

c. LA-1's execution of the First Amendment to Option Agreement did not trigger an Exit Condition under the Side Letter Agreement.

d. No Exit Condition, as defined by the Side Letter Agreement, occurred or currently exists.

e. Denbury does not have the right to enforce the Protection Rights under the Side Letter Agreement.

f. Clean Hydrogen Works, as controlling member of LA-1, has no obligation to cause LA-1 to sell the Option Agreement and disburse the proceeds from such sale to the members of LA-1.

g. LA-1 acted reasonably, in compliance with Section 2.2 of the Block One Services Agreement, when it waived the conditions precedent set forth in Sections 2.1(a), 2.1(b), and 2.1(c).

h. Denbury does not have the right to terminate the Block One Services Agreement under Section 2.6 on the basis of LA-1's waiver of the conditions precedent set forth in Sections 2.1(a), 2.1(b), and 2.1(c).

B. Breach of Contract – CO_2 Services Agreements (by LA-1 against Denbury)

69. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

70. The CO_2 services agreements are valid and enforceable contracts.

71. LA-1 is the proper party to file suit for Denbury's breach of CO_2 services agreements because it is the contracting party to these agreements. LA-1 was performing and not otherwise in default in its contractual obligations under the CO_2 services agreements.

72. Denbury's repudiation of the services agreements through its improper and unjustified attempt to invoke an "Exit Condition" and its ceasing all efforts to fulfill its obligations to complete the Receiving Lateral constitute material breaches of the services agreements.

73. Denbury's breaches of the CO_2 services agreements caused and will continue to cause LA-1 injury.

C. Breach of Contract – Second Amended and Restated LLC Agreement (by Plaintiffs against Denbury)

74. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

75. The Second Amended and Restated LLC Agreement is a valid and enforceable contract.

76. Plaintiffs are the proper parties to file suit for Denbury's breach of the Second Amended and Restated LLC Agreement because they are the contracting parties to the agreement.

Plaintiffs were performing and not otherwise in default in their contractual obligations under the agreement.

77. Through its February 13, 2025 letter purporting to exercise its right to enforce its Protection Rights under Section 1.3(1)(A) of the Side Letter Agreement, Denbury wrongfully demanded that Clean Hydrogen Works cause LA-1 to sell the Option Agreement and disburse the proceeds from such sale to the members of LA-1. This demand violates Denbury's covenant not to take "any voluntary action that would cause [LA-1] to dissolve." As such, Denbury's demand constitutes a material breach of the Second Amended and Restated LLC Agreement.

78. Denbury's actions were not in furtherance of the business or affairs of LA-1, but rather were with the express intent to cripple and kill LA-1. Denbury was not acting in its capacity as a member of LA-1. Its conduct was to its sole benefit and the benefit of its now parent, Exxon.

79. This breach was committed in bad faith. It was not a good-faith effort to enforce a contract, but a calculated, dishonest act designed to dissolve LA-1 and sabotage a competitor of its parent, Exxon.

80. Denbury's breach of the agreement caused and will continue to cause Plaintiffs injury, including, but not limited to, lost value of the company. *See* La. Civ. Code arts. 1995, 1996, and/or 1997.

D. Breach of Contract – Side Letter Agreement (by Clean Hydrogen Works against Denbury)

81. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

82. The Side Letter Agreement is a valid and enforceable contract.

83. Clean Hydrogen Works is the proper party to file suit for Denbury's breach of the Side Letter Agreements because it is the contracting party to the agreement. Clean Hydrogen

Works was performing and not otherwise in default in its contractual obligations under the Side Letter Agreement.

84. Denbury's repudiation of the Side Letter Agreement by improperly invoking an exit condition that did not exist and demanding a cure for a breach that had not occurred constitutes a material breach of the agreement.

85. Denbury's breach of the Side Letter Agreement caused and will continue to cause Clean Hydrogen Works injury.

E. Violation of the Louisiana Unfair Trade Practices Act (by Plaintiffs against Defendants)

86. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

87. Defendants engaged in unfair or deceptive acts in violation of the Louisiana Unfair Trade Practices Act, La. Rev. Stat. Ann. § 51:1405(A). Their violations include their deceptive actions to misrepresent or mislead Plaintiffs about material facts regarding the Option Agreement and extension. Defendants' tactics were unethical and oppressive, aimed at using Denbury's monopoly and its position as a member of LA-1 to harm Exxon's rival and remove competition and charge higher prices to replacement customers of Denbury's pipeline. Their conduct offends established public policy and is unethical, oppressive, unscrupulous, anticompetitive, and substantially injurious to Plaintiffs. This conduct includes their attempts to allege and misrepresent pretextual breaches to wrongfully force the sale of the Option Agreement to drive LA-1 out of business, which make no sense but for their anticompetitive effects, and the coordinated February and March 2025 breaches of the CO_2 services agreements calculated to withdraw from and kill the project.

88. As a direct and proximate result of Defendants' unfair and deceptive practices, Plaintiffs have suffered an ascertainable loss, including but not limited to increased costs and damage to LA-1's business.

89. Under La. Rev. Stat. Ann. § 51:1409(A), Plaintiffs seek actual damages in an amount to be determined at trial; treble damages, if Defendants knowingly continue to pursue these unfair and deceptive practices after receiving notice from the Louisiana Attorney General; and reasonable attorney fees and costs.

F. Conspiracy to Violate the Louisiana Unfair Trade Practices Act (by Plaintiffs against Defendants)

90. Plaintiffs re-allege and incorporate here the material fact allegations stated above.

91. Defendants worked individually and conspired with each other to harm Plaintiffs and competition by undermining Plaintiffs' business to reduce or eliminate their ability to compete.

92. Exxon and Denbury agreed and combined to commit unfair or deceptive acts or practices in violation of Louisiana Unfair Trade Practices Act and carried out overt acts in furtherance of that agreement. The agreement and concerted action—constituting a conspiracy to violate the Louisiana Unfair Trade Practices Act—are evidenced by, among other things, coordinated misrepresentations and concealment of material facts regarding the Option Agreement and its extension; the deliberate use of Denbury's monopoly power and LA-1 membership to advantage Exxon's competing business and to suppress Plaintiffs' ability to compete; the joint pursuit of pretextual breach allegations to wrongfully force a sale of the Option Agreement to drive Plaintiffs out of business; and the coordinated February and March 2025 breaches of the CO_2 services agreements calculated to withdraw from and terminate the project. Their conduct offends established public policy and is unethical, oppressive, unscrupulous, anticompetitive, and substantially injurious to Plaintiffs. Defendants intended the natural and probable consequences of

their concerted conduct—namely, to harm Plaintiffs and competition and to secure anticompetitive benefits for Exxon's rival operations—which constitutes an unlawful conspiracy to violate the Louisiana Unfair Trade Practices Act. *See* La. Rev. Stat. Ann. § 2324(A).

93. As a direct and proximate result of Defendants' conspiracy, and the unfair and deceptive practices that they undertook, Plaintiffs have suffered an ascertainable loss, including but not limited to increased costs and damage to Plaintiffs' business.

94. Under La. Rev. Stat. Ann. § 51:1409(A), Plaintiffs seek actual damages in an amount to be determined at trial; treble damages, if Defendants knowingly continue to pursue these unfair and deceptive practices after receiving notice from the Louisiana Attorney General; and reasonable attorney fees and costs.

G. Monopolization in Violation of the Louisiana Monopolization Act (by LA-1 against Defendants)

95. Plaintiff re-alleges and incorporates here the material fact allegations stated above.

96. Defendants unlawfully monopolized the market for providing large-scale CO_2 transportation for storage or utilization in the U.S. Gulf Coast in violation of La. Rev. Stat. Ann. § 51:123. Denbury's pipeline is the only developed CO_2 pipeline in the Gulf Coast for providing such services, so it is the only currently viable option for blue ammonia producers, like LA-1, and other large-volume industrial customers. Such customers are inherently geographically limited to obtaining services from providers that are nearby, and pipelines are the only viable option for most large-scale industrial customers. Defendants have agreements for the vast majority of the capacity for such transportation services in the region—far more than any other company. As the sole provider in operation in the region, they have 100% market share. Defendants had a years-long history and practice of voluntary business dealings and cooperation with Plaintiffs that were mutually beneficial and profitable to all parties. Despite their aligned business interests,

Defendants have unlawfully kicked LA-1 off their monopoly pipeline through their unlawful actions to breach their agreements with Plaintiffs. This refusal to deal with LA-1 was designed to have anticompetitive effects, such as by driving up prices on the newly freed-up pipeline capacity and to achieve other illegal goals such as unfairly harming a competitor. It also was intended to allow Defendants to exercise their monopoly power on the pipeline to control prices and exclude competition. Defendants' actions make no sense but for these anticompetitive ends.

97. As a direct and proximate result of this unlawful conduct, LA-1 has been injured in its business and property, including by having significantly increased costs and/or decreasing the value of its business.

98. These injuries to LA-1, a customer, are the type of injuries that the antitrust laws are intended to prevent. They constitute antitrust injuries.

99. LA-1 has been forced to retain attorneys to protect its rights and to prosecute this claim. Under La. Rev. Stat. Ann. § 51:137, LA-1 is entitled to recover treble damages and its reasonable attorneys' fees and costs spent in this matter.

H. Promissory Estoppel (by Clean Hydrogen Works against Denbury)

100. Plaintiff re-alleges and incorporates here the material fact allegations stated above.

101. Denbury had actual knowledge and notice of the option extension to the Option Agreement both before and after Clean Hydrogen Works entered into the extension agreement. Denbury approved and consented to Clean Hydrogen Works's entering into the option extension, implicitly promising not to require written notice under the Side Letter Agreement. Denbury never conveyed any disagreement or objection to the agreement or to Clean Hydrogen Works's method of giving Denbury actual notice of the agreement. Under the circumstances, Denbury had a duty to convey its disagreement or objection but did not.

102. Clean Hydrogen Works relied on Denbury's approval and consent by entering into the extension agreement. Clean Hydrogen Works's reliance was both reasonable and substantial because Denbury explicitly approved of Clean Hydrogen Works's actions and acknowledged the benefits to Denbury of this extension, and because without that explicit approval, Clean Hydrogen Works would not have entered into that agreement without first obtaining Denbury's written consent. Denbury knew or reasonably should have known that Clean Hydrogen Works would rely on Denbury's approval and consent because it was explicit and material.

103. Denbury waited more than a year after giving its explicit approval and after the extension agreement was entered into before alleging that Clean Hydrogen Works had violated the Side Letter Agreement by not providing written notice. The only way to avoid this injustice to Clean Hydrogen Works is to enforce Denbury's prior approval and consent, which was given after it received actual notice of the extension agreement.

104. Clean Hydrogen Works's reliance resulted in injury to it and the project, increasing its costs and decreasing its value.

SERVICE ON ATTORNEY GENERAL

105. Plaintiffs will mail a copy of this amended petition to the Attorney General of Louisiana, in compliance with La. Rev. Stat. § 51:1409.

ATTORNEY FEES, COSTS, AND EXPENSES

106. As a result of Defendants' actions, Plaintiffs were compelled to retain the undersigned attorneys to file this lawsuit. Plaintiffs seek to recover their attorney fees, costs, and expenses incurred to do the same, as provided for in Tex. Civ. Prac. & Rem. Code § 37.009 and/or § 38.001 and La. Rev. Stat. § 51:1409.

CONDITIONS PRECEDENT

107. All conditions precedent to Plaintiffs' claims and remedies have been fully performed or have been otherwise excused or waived.

JURY DEMAND

108. Plaintiffs respectfully request and demand a trial by jury and have paid the jury fee.

PRAYER

Plaintiffs respectfully request that Defendants be cited to appear and answer, and upon final hearing or trial, Plaintiffs have judgment against Defendants for the requested declaratory relief and all equitable remedies and recoverable damages (including actual, compensatory, consequential, expectation, reliance, restitution, and treble damages), along with attorney fees, costs, prejudgment and post-judgment interest, and all other relief to which Plaintiffs are entitled.

Dated: February 2, 2026

Respectfully submitted,

/s/ Timothy S. McConn

R. Paul Yetter
State Bar No. 22154200
pyetter@yettercoleman.com
Timothy S. McConn
State Bar No. 24032713
tmcconn@yettercoleman.com
Connie H. Pfeiffer
State Bar No. 24046627
cpfeiffer@yettercoleman.com
Susanna R. Allen
State Bar No. 24126616
sallen@yettercoleman.com
Luke A. Schamel
State Bar No. 24106403
lschamel@yettercoleman.com
YETTER COLEMAN LLP
811 Main Street, Suite 4100
Houston, Texas 77002
(713) 632-8000

ATTORNEYS FOR PLAINTIFFS
CLEAN HYDROGEN WORKS, LLC AND
CLEAN HYDROGEN WORKS, LA-1, LLC

CERTIFICATE OF SERVICE

I certify that on this 2nd day of February, 2026, the foregoing was served by email and/or by electronic filing service on all counsel of record.

/s/ Luke A. Schamel

Luke A. Schamel