IN THE COURT OF COMMON PLEAS OF
WASHINGTON COUNTY, PENNSYLVANIA
CIVIL DIVISION

BRYAN LATKANICH,
HUNTER LATKANICH,
COLTON LATAKANICH, and
RYAN LATKANICH, a minor
By and through natural guardian
BRYAN LATKANICH,

PLAINTIFFS,

VS. NO. 2022-6006

CHEVRON CORPORATION,
CHEVRON U.S.A. INC.,
CHEVRON APPALACHIA, LLC,
EQT CORPORATION,
EQT PRODUCTION COMPANY,
EQT PRODUCTION MARCELLUS,
EQT CHAP LLC, and
JOHN DOE DEFENDANTS,

DEFENDANTS.

MEMORANDUM AND ORDER

Defendant, Chevron Corporation objects to the jurisdiction of this state trial court. The Plaintiffs, Mr. Latkanich and his sons, have filed a multi-count complaint against Chevron Corporation and two of its subsidiaries. The Latkanichs charge that Chevron Corporation engaged in unlawful, tortious and deceptive conduct that harmed the Latkanichs and their property.[1] In particular, the Latkanichs allege that Chevron Corporation polluted their water and air while

[1] Third Amended Complaint ¶ 160.

drilling for oil and gas on an elevated well pad located within 500 feet of the Latkanichs' home.[2] The Latkanichs assert that they were unwittingly exposed to fracking fluids, radioactive waste and other toxins which has sickened them and caused numerous health conditions to include renal failure for Mr. Latkanich.[3]

Chevron Corporation, a Delaware corporation that is headquartered in San Ramon, California, asserts that it is not "at home" in Pennsylvania.[4] Further, Chevron Corporation maintains that the Latkanichs' claims do not arise out of or relate to any contacts Chevron Corporation may have with Pennsylvania.[5]

Standard of Review

This trial court is bound by a well-established standard of review. Once a moving party supports its objections to personal jurisdiction, the burden of proving personal jurisdiction is upon the party asserting it. Courts must resolve the question of personal jurisdiction based on the circumstances of each particular case. When deciding a motion to dismiss for lack of personal jurisdiction, a court must consider the evidence in the light most favorable to the non-moving party. Further, such objections should be sustained only in cases which are clear and free from doubt. Seeley v. Caesars Entm't Corp., 206 A.3d 1129, 1133 (Pa. Super. 2019).[6]

The parties have provided several sources of evidence. Such sources include the pleadings, factual stipulations, testimony and numerous exhibits. Viewing such evidence in a light most favorable to the non-moving party, the Latkanichs, those sources demonstrate the following.

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[2] Third Amended Complaint ⁋ 161.
[3] Third Amended Complaint ⁋ 161, and 163-171.
[4] Chevron Objections ¶ 14-21.
[5] Chevron Objections ¶ 24-29.
[6] Schiavone v. Aveta, 41 A.3d 861, 865-66 (Pa. Super. 2012), and citing Gaboury v. Gaboury, 988 A.2d 672, 675 (Pa. Super. 2009).

The Circumstances of this Case

In 2009, despite the turbulence of the financial crisis, real property owners in Washington County, participated in a boom in leasing rights to drill, extract and produce oil and gas from the ground beneath them. Like many others, Plaintiff, Bryan Latkanich, leased his property. One property included 22.7 acres and the other 10.8 acres.[7] Both tracts of land are located in Deemston Borough, which is tucked into the southeastern corner of Washington County.[8]

Through two (2) separate, but nearly identical written leases, Mr. Latkanich authorized drilling operations to commence on his properties.[9] Phillips Exploration, Inc. ("Phillips"), a Pennsylvania corporation, leased the oil and gas rights from Mr. Latkanich.[10] Mr. Latkanich executed the leases on December 7, 2009. These leases were not recorded until February 22, 2010, and were not effective until March 19, 2010.[11]

On June 29, 2011, the Pennsylvania Department of Environmental Protection (DEP) issued well permits for "Latkanich Unit 1H and Latkanich Unit 2H." [12] Chevron Appalachia, LLC ("Chevron Appalachia") undertook oil and gas operations on the Latkanich Property. Chevron Appalachia held oil and gas leases in the Appalachian region.[13] In August of 2012, the DEP issued Well Completion

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[7] Joint Exhibits 4 and 5.
[8] Id. and Joint Stipulation of Facts, ¶ 47.
[9] Joint Exhibits 4 and 5, which are leases with Phillips Exploration, Inc. ("Phillips"). The precise chain of title for the oil and gas leasing of the Latkanich property has not been provided to this court of record. For instance, the stipulations, exhibits and testimony this court received did not include any recorded assignment of interest from Phillips Exploration directly to an Atlas or a Chevron entity. This court will note, however, that the production of oil and gas lying within the Marcellus Shale has often involved assignments of leasing rights and consolidation of holdings by companies operating in that market.
[10] Joint Exs. 4 and 5 and Third Amended Complaint unmarked exhibits being the last eight pages of the pleading.
[11] Third Amended Complaint ¶ 74.
[12] Joint Exhibits 7 and 8.
[13] H.T. 10/7/24, p. 144.

Reports identifying Chevron Appalachia as the "Well Operator" for the Latkanich Units.[14]

From 2011 through 2020, Chevron Appalachia encountered problems at the Latkanich Units. In December of 2012, the Pennsylvania Department of Environmental Protection ("DEP") determined that Chevron Appalachia unlawfully discharged radioactive waste onto the Latkanich Property. In September of 2018, the DEP concluded that Chevron Appalachia failed to comply with permit conditions.[15]

In April of 2020, Chevron Appalachia plugged the Latkanich wells.[16] In October of 2020, Chevron Appalachia entered into a Consent Order with the DEP. The Consent Order required Chevron Appalachia to pay a civil penalty in excess of $31,000.00 and to take corrective action at the Latkanich well-site.[17]

Also, in October of 2020, Chevron U.S.A, Inc. ("CUSA"), a wholly owned subsidiary of Chevron Corporation, sold Chevron Appalachia to EQT Aurora LLC ("EQT Aurora"). All of Chevron Appalachia's Pennsylvania oil and gas interests, to include the Latkanich Property, were part of the sale.[18] Chevron Corporation was not a party to the purchase and sale agreement to EQT Aurora.[19] However, Chevron Corporation's Executive Committee maintained the authority to veto the sale.[20]

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[14] Joints Exhibits 9 and 10.
[15] Third Amended Complaint ¶ 95.
[16] Stipulation of Fact ¶ 54.
[17] Stipulated Exhibit ¶15.
[18] Stipulation of Fact ¶ 11.
[19] Stipulation of Fact ¶ 13.
[20] H.T. 107/24 p. 64 and Deposition of Kari Endries , 12/6/23, p. 152.

Chevron Corporation's Presence in Southwestern Pennsylvania

Chevron Corporation is a publicly traded holding company that invests globally in business interests that relate to oil, gas and energy development.[21] In 2010, Chevron Corporation entered into an "Agreement and Plan of Merger" with Atlas Energy, Inc ("Atlas Energy").[22] At that time Atlas Energy maintained a place of business in Moon Township, Pennsylvania.[23] Part of the "Agreement and Plan of Merger" addressed oil and gas interests in Pennsylvania.[24] The merger transaction closed in February of 2011.[25]

Since 2011, Chevron Corporation has not been registered to do business in Pennsylvania.[26] Instead, Chevron Corporation has been qualified to do business only in California and Delaware.[27]

Nevertheless, several subsidiaries of the Chevron Corporation, maintained substantial and continuous ties to the Commonwealth of Pennsylvania. CUSA is a Pennsylvania Corporation, that includes a "division" known as the Appalachian Mountain Business Unit ("AMBU").[28] Chevron Appalachia, itself a Pennsylvania limited liability company, was part of AMBU and was owned by CUSA.[29]

During 2011, Chevron Appalachia succeeded Atlas America, LLC, and commenced operations in Pennsylvania.[30] Chevron Appalachia maintained a place of business in Moon Township, Allegheny County.[31] It owned oil and gas assets in

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[21] H.T. 10/7/24, Testimony of Mary Francis p. 17 and 136; Deposition of Kari Endries , 12/6/23, p. 52.
[22] Joint Ex. 17.
[23] Joint Ex. 17, p. 89.
[24] Joint Ex. 17, p. 39-43.
[25] Joint Stipulation of Facts ⁋ 60.
[26] Joint Stipulation of Facts ⁋ 3 and H.T. 10/7/24, p. 147.
[27] Joint Stipulation of Facts ⁋ 2.
[28] Joint Stipulation of Facts, ¶ 4-11, H.T. 10/7/24 p. 23.
[29] Joint Stipulation of Facts, ¶ 10-12 and 39 and Joint Exhibit 17, p. 5/98.
[30] H.T. 10/7/24, p. 150.
[31] Joint Stipulation of Facts, ¶ 10-11 and Joint Exs. 10 and 11.

Pennsylvania. Such assets included the oil and gas interests in Mr. Latkanich's two (2) tracts of land.[32]

In May of 2012, Chevron Corporation's CEO John Watson visited AMBU in Southwestern Pennsylvania.[33] During this visit, Mr. Watson and other Chevron Corporation officials visited locations in Washington County that included the "Hambleton site" and a tour of a "hydraulic fracturing site." The agenda for this trip did not indicate that Chevron Corporation officials were visiting Pennsylvania subsidiaries Chevron Appalachia or CUSA or persons identified as directors, officers or employees of those subsidiaries.[34] Indeed, in this agenda as well as others for similar visits one finds no mention of Chevron Appalachia or CUSA.

In late September of 2015, a majority of the Chevron Corporation board of directors visited Pennsylvania and conducted a board meeting in Moon Township, Allegheny County.[35] In a September 23, 2015, letter to Chevron Corporation's Board of Directors, then Chairman and CEO, John Watson discussed their upcoming meeting in Southwestern Pennsylvania. Mr. Watson wrote "[d]uring the field tour, you will see firsthand the operating practices **we use in drilling and hydraulic fracturing** in Appalachia."[36] Mr. Watson's letter did not describe such practices as being that of subsidiaries. Instead, he referred only to "our Appalachia/Michigan Business Unit (AMBU)."[37]

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[32] Joint Stipulation of Facts, ¶ 11. Mr. Latkanich's lease with "Phillips" was "ultimately" held by Chevron Appalachia. Third Amended Complaint ⁋ 74. As discussed above in footnote 6, the precise date of an assignment, however, has not been alleged or established. The full chain of title for oil and gas leasing of the Latkanich Propery is not part of the record.
[33] Plaintiff's Ex. 14D.
[34] Plaintiff's Ex. 14 D, H.T. 10/7/24 p. 116-118.
[35] H.T. 10/7/24, p. 77, and Deposition of Kari Endries , 12/6/23, p. 80-82.
[36] Plaintiff's Ex. 14, "PL_PJ_ Hearing 002641" (emphasis added).
[37] Plaintiff's Ex. 14, "PL_PJ_ Hearing 002640"

When Mr. Watson and the Chevron Corporation Board arrived in Southwestern Pennsylvania, they met with several business and community leaders. At a reception with these community stakeholders, Mr. Watson touted the "deep roots" that Chevron has with the Pittsburgh region. He recalled Chevron's ancestry that included a merger in the mid 1980's with Gulf Oil, which was headquartered in Pittsburgh. He affirmed that Pittsburgh and the surrounding region were "important" to Chevron Corporation. He explained that in 2011, "opportunity presented itself" to Chevron "to begin natural gas exploration and production in the Marcellus and Utica Shales of Pennsylvania…"

For this Southwestern Pennsylvania audience, Mr. Watson also addressed community impacts and safety. He highlighted Chevron's best practices "in this region." He stated:

> We design and drill our wells to prevent impacting groundwater…We work to minimize the use of fresh water, and in 2014 we recycled 97 percent of our water… We are increasing the use of water pipelines to reduce truck traffic…On the industry side, we were a founding member of the Center for Sustainable Shale Development, CSSD.[38]

Mr. Watson did not mention CUSA or Chevron Appalachia in his remarks.[39]

Instead, Mr. Watson called attention to the many "Chevron" employees residing in the "Appalachian region." He discussed Chevron's strategic investments in education and economic development that included: employee volunteer hours that exceeded 1,000 hours annually; a 20 million dollar Appalachia Partnership Initiative aimed at a fostering STEM education and workforce development in Southwestern Pennsylvania; Chevron's work with the Allegheny Conference on Community Development and the Benedum Foundation among

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[38] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1748)
[39] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1742-1751)

others; and its partnership with the Carnegie Science Center, the Allegheny Conference and Carnegie Mellon University.[40]

As part of the visit, Chevron Corporation Board Members participated in a "Field Visit" that included trips to drilling, completion and reclaim sites in Southwestern Pennsylvania.[41] Chevron Corporation's written overview for these visits stated "Chevron is a significant leaseholder in Pennsylvania, with more than one million total acres of leases in the Marcellus and Utica Shale." Chevron Corporation's Field Visit Overview included a brief description of its efforts to "minimize the impact to surface water, land and air." Chevron Corporation stated that such measures "often go beyond regulatory requirements and are always consistent with Chevron's operational excellence practices and values." In four (4) bullet points, Chevron Corporation stated:

- We test freshwater wells before drilling to establish a baseline water quality sample.
- We develop and implement erosion and sedimentation control plans to protect surface water.
- We conduct pressure tests on our well casing periodically throughout the life of our wells to ensure the integrity of the operating system.
- We design, construct and operate our wells to minimize air emissions and we monitor all of our well pads to maintain their integrity.[42]

In 2016, Chevron Corporation published a document entitled "Corporate Responsibility Report highlights." This report demonstrated Chevron's use of one million gallon capacity water storage tanks in "our Marcellus operations in

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[40] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1749-1750)
[41] H.T. 10/7/24, p. 110-112.
[42] Plaintiff's Ex. 14C "PL_PJ_ Hearing 002647-002648"

Pennsylvania." The same report touted Chevron's role in establishing the Appalachia Partnership Initiative to address education and workforce development in "Pittsburgh's Tri-State Area."[43]

In 2017, prior to becoming Chevron Corporation's CEO, Mike Wirth travelled to Southwestern Pennsylvania on a "learning mission."[44] The agenda for Mr. Wirth's mission included a "town hall" with "all employees."[45] The agenda did not indicate that he was meeting with subsidiaries or their employees.

From 2018 to 2019, Chevron Corporation maintained membership in the Marcellus Shale Coalition, a trade association that engages in lobbying.[46]

Chevron Corporation's Relationship with Pennsylvania Subsidiaries

By written agreement, subsidiaries like CUSA and Chevron Appalachia, among others, could receive services provided by or arranged for by Chevron Corporation. In doing so, Chevron Corporation shared subject matter experts and information with its subsidiaries.[47]

The subject matter areas broadly include: treasury; governance; human resources; administrative services; contract and legal matters; preparation of budgets; purchasing and shipping; supplies and equipment; coordination of operations; the solution of technical operational problems; geological and geophysical services; research; engineering and construction; shared facilities and related matters. For human resource matters services provided included recruitment, lending of personnel, employee relations, policy administration, employee benefits and termination. Administrative services encompassed medical services and records, insurance, tax and financial services, accounts payable,

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[43] Plaintiff's Ex. 15 (PL_PJ Hearing 2687 and 2693).
[44] H.T. 10/7/24, p. 119.
[45] Plaintiff's Ex. 14 E.
[46] Plaintiff's Ex. 20 PL_PJ Hearing 2763-2766.
[47] Deposition of Kari Endries , 12/6/23, p. 54.

accounts receivable, bank reconciliations, financial reports, year-end adjustments, auditor interface and Form 990, and state tax preparation.[48]

According to Kari Endries, Chevron Corporation's Assistant Secretary and Managing Counsel, Chevron Corporation did not provide all of the services listed in the written service agreements to CUSA and Chevron Appalachia. For instance, as to "downstream chemicals" and "midstream legal" matters, subsidiaries "involved" engage third party services on their own.[49] Endries testified that Chevron Corporation did not provide services regarding oil and gas operations.[50] She denied that Chevron Corporation engaged in any "wholesale-buy" of chemicals for use by its subsidiaries.[51] In particular, Ms. Endries claimed that Chevron Corporation did not provide services to Chevron Appalachia with regard to the "Latkanich matter."[52]

Chevron Corporation performed "corporate services" such as treasury, governance, tax, controller services for CUSA and Chevron Appalachia.[53] As for governance services, Chevron Corporation's Secretary and Chief Governance Officer, Mary Francis, gave the following description:

> We make sure that the various subsidiaries are incorporated properly in the right jurisdiction, that they have slates of directors and officers, that those subsidiaries are making timely, accurate, filings—there is a process to do that—that they conduct meetings, that they approve any consequential decisions made in the business unit, or that that entity should be minuted. So they provide the governance expertise to ensure that that's going on.[54]

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[48] Deposition of Kari Endries , 12/6/23, p. 48-50.
[49] Deposition of Kari Endries , 12/6/23, p. 77-78.

[50] Deposition of Kari Endries , 12/6/23, p. 100.
[51] Deposition of Kari Endries , 12/6/23, p. 75.
[52] Deposition of Kari Endries , 12/6/23, p. 53.
[53] Deposition of Kari Endries , 12/6/23, p. 147-148.
[54] H.T. 10/7/24, p. 141.

Secretary Francis explained the business purpose for this effort. She stated "we're a complex company and enterprise, so it provides role clarity as to who does what, who owns what decisions, who is authorized to make particular decisions."[55]

Several Chevron Corporation Officers held high level positions with Chevron Appalachia. Kari Endries, herself, served as a Director for and as the Secretary of Chevron Appalachia. In that role, Endries performed governance related activities such as the taking of minutes, drafting of written consents, bylaws, certificates of formation, and operating agreements.[56]

As to CUSA, six (6) of Chevron Corporation's officers are also officers for CUSA.[57] Further, approximately a dozen Chevron Corporation employees are officers of CUSA.[58] For instance, Kari Endries, who is an officer for Chevron Corporation, serves as an officer for and performs governance services for CUSA.[59] Chevron Corporation's Corporate Secretary and Chief Governance Officer, Mary Francis, is an officer of CUSA. In those dual roles, she has possessed and acted under a power of attorney for CUSA in specific matters.[60]

For instance, Secretary Francis along with other Chevron Corporation employees executed SEC Registration Statements for CUSA.[61] In a Form S-3 Registration Statements, Chevron Corporation and CUSA are both identified as registrants having the same principal executive office address in San Ramon, California and the same telephone number.[62] Chevron Corporation guaranteed

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[55] H.T. 10/7/24, p. 141-142.
[56] Deposition of Kari Endries , 12/6/23, p. 60.
[57] Joint Stipulation of Facts, ¶ 20, 23 and 25.
[58] H.T. 10/7/24, p. 31 -33, Plaintiff's Exs. 13A and 13B (Bates 2065-2066) and Defendant's Ex. 20.
[59] H.T. 10/7/24, p. 68 and Deposition of Kari Endries , 12/6/23, p. 76.
[60] Deposition of Kari Endries , 12/6/23, p. 84-85n and H.T. 10/7/24, p. 37.
[61] H.T. 10/7/24, p. 39, Plaintiff's Ex. 12 A (denoted PL_PJ_ Hearing 1504)
[62] Plaintiff's Ex. 12 A (denoted PL_PJ_ Hearing 1504 and 1515)

public debt issued by CUSA.[63] However, Secretary Francis explained that CUSA was not undercapitalized. She added that the guarantee was necessary because CUSA is not publicly traded.[64]

Nevertheless, subsidiaries like Chevron Appalachia and CUSA, are required to follow the corporate policies of Chevron Corporation.[65] Chevron Corporation's policies are communicated to subsidiary employees through the Chevron website that is shared on an "enterprise" level. All Chevron Corporation subsidiaries are required to comply with all Chevron Corporation policies.[66]

Further, Chevron Corporation and CUSA use the same logo.[67] Employees of CUSA use email addresses that end in "@Chevron.com." Ms. Francis explained that no specific agreement exists regarding the shared use of the logo, website and email addresses or telephone prefix. She stated that these matters served "administrative efficiency." [68]

Additionally, in other areas Chevron Corporation and its subsidiaries coordinate on matters that could have a "broader enterprise impact."[69] In particular, with regard to the Latkanich matter, those dealing with media, "external affairs" and legal matters worked together to respond to media inquiries and reports. In doing so, these individuals identified themselves as being representatives of Chevron Corporation.

In the Fall of 2020, Veronica Flores Paniagua, who is presently a Communications Advisor for CUSA, and "in house counsel" Alan Rosenthal, met with a "Chevron Toxicologist." During the meeting, they discussed toxicological

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[63] Deposition of Kari Endries , 12/6/23, p.68-69.
[64] H.T. 10/7/24, p. 43.
[65] H.T., 10/7/24, p. 57-58.
[66] H.T. 10/7/24, p. 58 and 61.
[67] H.T. 10/7/24, p. 46.
[68] H.T. 10/7/24, p.47-49.
[69] H.T. 10/7/24, p. 35.

testing reportedly done for the Latkanichs.[70] During the deposition of Chevron Corporation's Corporate Designee in this matter, Mr. Rosenthal was identified as being "in-house counsel" for Chevron Corporation.[71]

On the Latkanich matter, Ms. Flores Paniagua exchanged several emails both within and outside the Chevron enterprise. In many of those emails, which specifically dealt with claims that Chevron drilling operations harmed the Latkanichs' health, Ms. Flores Paniagua's signature line indicated that her title as "External Affairs Advisor- Americas **Chevron Corporation Corporate Affairs.**"[72] Curiously, in an email exchange with a CNBC producer, Ms. Flores Paniagua's signature line identified her title as being an external affairs advisor for "**Corporate Affairs** Chevron North America E & P."[73] However, during her testimony, Ms. Flores Paniagua maintained that she was employed by CUSA and her email signature lines simply were a "mistake."[74]

This "mistake" appears to have been repeated by several other persons working for Chevron subsidiaries who were dealing with Latkanich related issues. With regard to CNBC's request for comment on several Latkanich related matters, Kent Robertson directed Ms. Flores-Paniagua "not to respond" until he, Ms. Flores-Paniagua's supervisor and Ms. Flores-Paniagua spoke together. Despite Ms. Flores-Paniagua's testimony to the contrary, the signature line for Mr. Robertson indicates that he held the position of "Manager Global External Affairs Chevron Corporation."[75]

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[70] H.T. p. 199-200, Plaintiff's Ex. 11E 11C (PL_PJ_Hearing 0696-0697).
[71] Deposition of Kari Endries , 12/6/23, p.5 and 17.
[72] Plaintiff's Exs. 11C (PL_PJ_Hearing 1257), 11D (PL_PJ_Hearing 0649-0651), 11E (PL_PJ_Hearing 0696-0697);
[73] Plaintiff's Ex. 11K (PL_PJ_Hearing 0946-0947).
[74] H.T. 10/7/24 p. 236-237.
[75] Plaintiff's Ex. 11K (PL_PJ_Hearing 0946) and H.T. 10/7/24 p. 227-228.

Similarly, Jospeh Miller, who identified himself as a Geopolitical Risk Analyst for CUSA, testified that he used an incorrect signature block on his company emails for over 6 years. In email correspondence concerning research on a physician who diagnosed Mr. Latkanich's condition, Mr. Miller's signature line indicates that he is a "Intelligence and Risk Assessment Analyst Public Affairs **Chevron Corporation.**"[76] Candidly, Mr. Miller confirmed that he used the same signature line until sometime in 2023, when he was "told not to."[77]

In light of all record evidence and having observed the testimony of Ms. Flores-Paniagua, Ms. Francis and Mr. Miller, this court does not find that these signature line titles were coincidental mistakes. Instead, this court finds that these references demonstrate the degree of control that Chevron Corporation was exercising when it was coordinating a broad enterprise response to the Latkanich matter.

Personal Jurisdiction

The Fourteenth Amendment limits the personal jurisdiction of state courts. Bristol-Myers Squibb Co. v. Superior Court of California, San Francisco Cnty., 582 U.S. 255, 261, 137 S.Ct. 1773, 1779, 198 L.Ed.2d 395 (2017). Pennsylvania courts may exercise *in personam* jurisdiction over a nonresident corporation to the fullest extent permitted under the Federal Constitution. See 42 Pa.C.S.A." § 5322(b) and Kehm Oil Co. v. Texaco, Inc., 537 F.3d 290, 299 (3d Cir. 2008) and Nutrition Mgmt. Servs. Co. v. Hinchcliff, 926 A.2d 531, 537 (Pa. Super. 2007).

A state trial court may not issue a binding judgment "in personam" against an individual or corporate defendant with which the state has "no contacts, ties, or relations." Int'l Shoe Co. v. State of Wash., Office of Unemployment Comp. &

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[76] Plaintiff's Ex. 10A and 10B (PL_PJ_Hearing 0467-468)
[77] H.T. 10/7/24 p. 248-249.

Placement, 326 U.S. 310, 319, 66 S.Ct. 154, 160, 90 L.Ed. 95 (1945). However, a state court may exercise personal jurisdiction over an out-of-state defendant who has "certain minimum contacts with [the State] such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.' " 326 U.S., at 316, 66 S.Ct. 154.

Thus, the primary focus of a court's personal jurisdiction inquiry is the defendant's relationship to the forum state. See Walden v. Fiore, 571 U.S. 277, 283–286, 134 S.Ct. 1115, 1121–1123, 188 L.Ed.2d 12 (2014); Phillips Petroleum Co. v. Shutts, 472 U.S. 797, 806–807, 105 S.Ct. 2965, 86 L.Ed.2d 628 (1985) as cited in Bristol-Myers Squibb Co. v. Superior Court of California, San Francisco Cnty., 582 U.S. 262, 137 S.Ct. 1779.

With regard to personal jurisdiction, the United States Supreme Court has drawn a distinction between specific or case-linked jurisdiction and general or "all-purpose jurisdiction" and BNSF Ry. Co. v. Tyrrell, 581 U.S. 402, 413, 137 S.Ct. 1549, 1558, 198 L.Ed.2d 36 (2017).[78]

In order for a state court to exercise specific jurisdiction, a lawsuit must arise out of or relate to the defendant's contacts with the state in which the lawsuit is filed, otherwise known as the forum. See Burger King Corp. v. Rudzewicz, 471 U.S. 462, 472–473, 105 S.Ct. 2174, 85 L.Ed.2d 528 (1985); and Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408, 414, 104 S.Ct. 1868, 80 L.Ed.2d 404 (1984).

For purposes of general jurisdiction, a state court may assert its authority to hear any and all claims against a non-resident corporation when their affiliations

[78] Citing Daimler AG v. Bauman, 571 U.S. 117, 127, 134 S.Ct. 746, 754, 187 L.Ed.2d 624 (2014); Goodyear, 564 U.S. 919, 131 S.Ct. 2846, 180 L.Ed.2d 796; Helicopteros Nacionales de Colombia, S.A., 466 U.S. 414, nn. 8, 9, 104 S.Ct. 1868, 80 L.Ed.2d 404.

with the State are so "continuous and systematic" as to render them essentially at home in the forum State. Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919, 131 S.Ct. 2846, 2851, 180 L.Ed.2d 796 (2011). Limited connections between the forum and a non-resident corporation are an inadequate basis for the exercise of general jurisdiction. Id.

Here, the Latkanichs claim that Pennsylvania possesses both specific and general jurisdiction over Chevron Corporation. They contend that Chevron Corporation purposefully availed itself "to Pennsylvania" by its participation in certain oil and gas matters. As for general jurisdiction, the Latkanichs argue that CUSA and Chevron Appalachia are essentially "alter egos" of Chevron Corporation.

Because the question of personal jurisdiction must be determined on the basis of the circumstances of each particular case, this court will proceed first with a determination of the specific jurisdiction issue. Gaboury v. Gaboury, 988 A.2d 672, 675 (Pa.Super.2009).

Specific Jurisdiction

Courts have relied on the following three-part test to determine whether a defendant may be subjected to specific personal jurisdiction in a particular case:

(1) Did the plaintiff's cause of action arise out of or relate to the out-of-state defendant's forum-related contacts?

(2) Did the defendant purposely direct its activities, particularly as they relate to the plaintiff's cause of action, toward the forum state or did the defendant purposely avail itself of the privilege of conducting activities therein?

(3) Would the exercise of personal jurisdiction over the nonresident defendant in the forum state satisfy the requirement that it be reasonable and fair?

Merino v. Repak, B.V., 286 A.3d 1249, 1256–57 (Pa. Super. 2022).

In other words, there must be "an affiliation between the forum and the underlying controversy, principally, [an] activity or an occurrence that takes place in the forum State and is therefore subject to the State's regulation." Goodyear, 564 U.S., at 919, 131 S.Ct. 2846 (internal quotation marks and brackets omitted). For this reason, "specific jurisdiction is confined to adjudication of issues deriving from, or connected with, the very controversy that establishes jurisdiction." *Ibid.* (internal quotation marks omitted). Bristol-Myers Squibb Co., 582 U.S. 262, 137 S.Ct. 1780.

Latkanich Cause of Action and Chevron Corporation's Forum Contacts

In order for a state court to exercise specific jurisdiction, the suit must "arise out of or relate to the defendant's contacts with the *forum*." Bristol-Myers Squibb Co., 582 U.S. 262, 137 S.Ct. 1780. However, this standard does not require "a strict causal relationship between the defendant's in-state activity and the litigation." Ford Motor Co. v. Montana Eighth Judicial Dist. Court, 592 U.S. 351, 362, 141 S.Ct. 1017, 1026, 209 L.Ed.2d 225 (2021). As Justice Kagan explained:

> ...if Audi and Volkswagen's business deliberately extended into Oklahoma (among other States), then Oklahoma's courts could hold the companies accountable for a **car's catching fire** there—even though the vehicle had been designed and made overseas and sold in New York. For, the Court explained, a company thus "purposefully avail[ing] itself" of the Oklahoma auto market "has clear notice" of its exposure in that State to suits arising from local accidents involving its cars.

Id. 592 U.S. 363, 141 S.Ct. 1027 (emphasis added).

According to the Third Amended Complaint, the Latkanichs' claims arise out of and relate to Chevron Corporation's contacts with Southwestern Pennsylvania, beginning in 2011 and continuing through 2020. The Latkanichs allege that during that same period of years they suffered harm due to water and air pollution from oil and gas drilling that occurred on their property in Washington County.[79] The Latkanichs charge that Chevron Appalachia and CUSA "on behalf of" Chevron Corporation caused the pollution and concealed it.[80]

Chevron Corporation denies that it participates in oil and gas drilling. It maintains that it is a holding company, that it has no "fossil fuel operations," and only conducted "high level" overviews of its operating subsidiaries and their activities in Southwestern Pennsylvania.

Viewed according to the standard of review, the record indicates otherwise. During this same period of time, Chevron's Corporation's highest-ranking official described the significant contacts that Chevron Corporation had with oil and gas drilling in Southwestern Pennsylvania. CEO and Chairman of the Board, John Watson, publicly acknowledged that starting in 2011, Chevron Corporation pursued an "opportunity" to commence natural gas exploration and production in the Marcellus and Utica Shales of Pennsylvania…"[81] His statement was not qualified by indicating that Chevron Corporation, a holding company, was investing in companies engaged in natural gas exploration and production in Southwestern Pennsylvania.

To the contrary, CEO Watson's statement, and others he made, indicates that Chevron Corporation was deliberately reaching out beyond its home to participate in natural gas exploration and production in Pennsylvania. Internally, to his Board

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[79] Third Amended Complaint ¶ 107-155 and 161-172.
[80] Third Amended Complaint ¶ 223-226.
[81] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1746)

of Directors, Mr. Watson discussed "the operating practices ***we*** use in drilling and hydraulic fracturing in Appalachia." Mr. Watson did not qualify his remarks by attributing these opportunities and efforts to Chevron Appalachia and or CUSA. Prior to the Chevron Corporation Board of Directors' meeting in Southwestern Pennsylvania in September 2015, CEO Watson did not mention either subsidiary in his letter to the Board. Instead, he discussed the upcoming meeting and "***our*** Appalachia/Michigan Business Unit." He provided the Board with information regarding "our well design, our approach to protecting the environment and water resources..."[82]

Similarly, CEO Watson did not mention either CUSA or Chevron Appalachia in remarks he made to Southwestern Pennsylvania community leaders. At that reception in late September 2015, CEO Watson touted Chevron Corporation's "deep roots" in the Pittsburgh region.[83] The permissible inference one draws from Mr. Watson's public statements and his direct communication with the Board of Directors is that the "Chevron", the "we" and the "our" that he refers to in these statements, is Chevron Corporation. Mr. Watson's comments demonstrate that Chevron Corporation's contacts with Pennsylvania were not merely "random, fortuitous, or attenuated" contacts that occurred only through interactions with its Pennsylvania subsidiaries.

Instead, his statements show that Chevron Corporation had a broader enterprise level commitment to Pennsylvania, home to the Marcellus, which CEO Watson described as "the world's largest shale gas play based on production." His comments and board communications demonstrate that Chevron Corporation maintained a purposeful connection to Southwestern Pennsylvania through oil and gas exploration and production. Pursuant to Ford, such conduct is sufficient to

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[82] Plaintiff's Ex. 14, "PL_PJ_ Hearing 002640-2641" (emphasis added).
[83] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1744).

demonstrate that the Latkanichs' lawsuit arises out of or relates to Chevron Corporation's contacts with Pennsylvania.

Chevron Corporation's Activities and the Latkanich claims

The critical inquiry for determining purposeful contacts with a forum is whether the defendant could reasonably anticipate being called to court there. Schiavone v. Aveta, 2012 PA Super 68, 41 A.3d 861, 871 (Pa. Super. Ct. 2012), aff'd, 625 Pa. 349, 91 A.3d 1235 (2014) citing World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297, 100 S.Ct. 559, 62 L.Ed.2d 490 (1980).

For instance, where a defendant's "relevant conduct" occurs entirely outside the forum state, the mere fact that such conduct affects plaintiffs with connections to the forum State, does not "suffice to authorize jurisdiction." Walden v. Fiore, 571 U.S. 277, 291, 134 S.Ct. 1115, 1126, 188 L.Ed.2d 12 (2014). In Walden, two airline travelers filed an action in Nevada against a Georgia Police Officer. They asserted that he illegally seized a large sum of cash from them as they attempted to board a flight from Atlanta to Las Vegas. Writing for a unanimous court, Justice Thomas concluded that the Georgia officer had formed "no jurisdictionally relevant contacts with Nevada" because none of his actions connected him to Nevada. "A defendant's relationship with a ... third party, standing alone, is an insufficient basis for jurisdiction." Walden, 571 U.S., at 286, 134 S.Ct., at 1123.

Here, the record provided to this trial court is different. Indeed, the record includes evidence that Chevron Corporation purposely directed its activities towards Southwestern Pennsylvania, particularly as those activities relate to the Latkanichs' cause of action.

In 2015, Board Chairman and CEO John Watson, told Southwestern Pennsylvania community leaders that as part of "our best practices in this region...We design and drill our wells to prevent impacting groundwater."[84]

Only a few days earlier, Mr. Watson shared a "field visit brief" with the Chevron Corporation Board of Directors. In the "brief," Chevron Corporation Directors were informed that "You will see firsthand what we do to develop and produce high-quality natural gas resources from the Marcellus...It runs beneath large swathes of New York, Pennsylvania, West Virginia and eastern Ohio." The brief states "[i]n the Appalachian Basin, we take numerous steps to minimize the impact to surface water, land and air. These measures often go beyond regulatory requirements..." The Chevron Board's brief then listed "Chevron's" practices as including:

*the development and implementation of erosion and sediment control plans to protect surface water;

* the conducting of periodic tests to ensure the integrity of a well's operating system and the design, construction: and

* the operation of wells to "minimize" air emissions.[85]

In their Third Amended Complaint, the Latkanichs allege that such practices were negligently and improperly performed on their Property. Unlawful discharges of radioactive waste occurred.[86] Regulatory requirements regarding an erosion and sediment control plan were violated at the Latkanich #2 well.[87] The Latkanichs allege that their groundwater was contaminated and they were exposed to radioactive waste and harmful toxins due to Chevron Corporation's oil and gas

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[84] Plaintiff's Ex. 12 D (Pl__PJ Hearing 1748).
[85] Plaintiff's Ex. 14C "PL_PJ_ Hearing 002647-002648"
[86] Third Amended Complaint ⁋ 95 and b.
[87] Third Amended Complaint ⁋ 95c and d.

operations.[88] The Latkanichs' claims involve the very matters that CEO Watson touted as examples of Chevron Corporation's best practices in the oil and gas fields of Southwestern Pennsylvania.

In reply, Chevron Corporation asserts that there is a lack of evidence showing its involvement with the specific wells at issue. Chevron Corporation points to stipulations that Chevron Corporation was not a party to the Latkanich leases and that Chevron Appalachia was the oil and gas "operator" on the Latkanich property.[89]

However, such argument conflates a question of jurisdiction with a question of ultimate liability. The parties' stipulations do not foreclose the inference that Chevron Corporation exercised some actionable level of control over the operations at the Latkanich wells. The determination of agency and the related question of control at the Latakanich well sites are liability determinations.

"Specific jurisdiction, ...depends on an 'affiliatio[n] between the forum and the underlying controversy,' principally, activity or an occurrence that takes place in the forum State and is therefore subject to the State's regulation. Goodyear Dunlop Tires Operations, S.A. v. Brown, 564 U.S. 915, 919, 131 S.Ct. 2846, 2851, 180 L.Ed.2d 796 (2011). Chevron Corporation's oil and gas activity in Pennsylvania, as described by its CEO, show its significant affiliation with practices at oil and gas drilling well sites in Southwestern Pennsylvania. Such conduct is properly subject to regulation by the Commonwealth.

Additionally, when the Latkanichs' claims came to the attention of the media, Chevron Corporation stepped in. It conducted a broad enterprise response to the media reports and inquiries regarding the Latkanichs. These matters were not simply referred to or left for officials at Chevron Appalachia or CUSA to handle.

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[88] Third Amended Complaint ¶ 296-299.
[89] Chevron Corporation Post Hearing Brief p. 12, citing Stipulations of Fact ¶ 58-59.

Instead, high level Chevron Corporation officials participated in and directed the coordinated response to print and television journalists. Those officials included media relations, ie. Mr. Robertson, and high-level legal officials, ie. Mr. Rosenthal, within Chevron Corporation. They were assisted by other specialists, such as Mr. Miller and Ms. Flores-Paniagua, who identified themselves as Chevron Corporation officials.

For these reasons, Chevron Corporation could reasonably anticipate being called into court in Southwestern Pennsylvania for this matter that concerns the environmental impact of its oil and gas drilling practices that occurred in Southwestern Pennsylvania between 2011 and 2020.

The Exercise of Jurisdiction is Reasonable and Fair

Jurisdictional rules may not be employed in such a way as to make litigation "so gravely difficult and inconvenient" that a party unfairly is at a "severe disadvantage" in comparison to his opponent. The Bremen v. Zapata Off-Shore Co., 407 U.S. 1, 18, 92 S.Ct. 1907, 1917, 32 L.Ed.2d 513 (1972) as cited in Burger King Corp. v. Rudzewicz, 471 U.S. 462, 477–78, 105 S.Ct. 2174, 2184–85, 85 L.Ed.2d 528 (1985).

In determining whether personal jurisdiction is present, a court must consider a variety of interests. Bristol-Myers Squibb Co., 582 U.S. 263, 137 S.Ct. 1780. These interests include:

(1) the burden on the defendant,

(2) the forum state's interest in adjudicating the dispute,

(3) the plaintiff's interest in obtaining convenient and effective relief,

(4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies and

(5) the shared interest of the several states in furthering fundamental substantive social policies.

Burger King, 471 U.S. at 477, 105 S.Ct. at 2184, 85 L.Ed.2d at 543 as cited in Kubik v. Letteri, 532 Pa. 10, 18, 614 A.2d 1110, 1114 (1992).

For instance, personal jurisdiction may not be exercised in circumstances where a plaintiff's claims have a weak connection with the forum state. Bristol-Myers Squibb Co., 582 U.S. 264–66, 137 S.Ct. 1781–82. Justice Alito explained:

> In today's case, the connection between the nonresidents' claims and the forum is even weaker. The relevant plaintiffs are not California residents and do not claim to have suffered harm in that State. In addition, as in *Walden,* all the conduct giving rise to the nonresidents' claims occurred elsewhere. It follows that the California courts cannot claim specific jurisdiction.

Id. In Pennsylvania, Courts "have generally been reluctant to extend specific personal jurisdiction to out-of-state medical providers for causing injury to Pennsylvania patients, even though the effects of the doctors' negligence may be felt in Pennsylvania." Mendel v. Williams, 53 A.3d 810, 824 (Pa. Super. 2012) citing Lebkuecher v. Loquasto, 255 Pa.Super. 608, 389 A.2d 143 (1978).

Here, the record is different. This is not a case of forum shopping. The Latkanichs are Pennsylvania residents who claim that they suffered harm in Washington County. They attribute that harm to air and water pollution that occurred in Washington County and was caused, in part, by Chevron Corporation. Pennsylvania certainly has an interest in adjudicating such a dispute brought by Pennsylvania residents. Pennsylvania has an interest in protecting its residents from tortious conduct of third parties that occur in this state. Schiavone v. Aveta, 41 A.3d 861, 871–72 (Pa. Super. 2012), aff'd, 625 Pa. 349, 91 A.3d 1235 (2014). Further, the exercise of jurisdiction in Pennsylvania, properly serves the Latkanichs' interest in obtaining convenient and effective relief.

Chevron Corporation has not established that it will suffer an undue burden by this court's exercise of personal jurisdiction. They point to no disadvantage, grave difficulty or inconvenience they will endure by litigating this action in Pennsylvania. Chevron Corporation has not demonstrated that the exercise of jurisdiction over Chevron Corporation in this case would be fundamentally unfair.

As for the fourth and fifth factors, the record evidence weighs in favor of jurisdiction in Pennsylvania. Litigating the case in the forum where the alleged actionable conduct occurred and where the harm took place promotes an efficient resolution of the controversies for the interstate judicial system. Schiavone v. Aveta, 41 A.3d 872.

Based upon the record in this case, several states do not share an interest in furthering any fundamental substantive social policies that may be invovled. Chevron Corporation's citizenship in Delaware and California, provides those states with merely a "tangential interest" in this dispute. Pennsylvania's interest is "substantial and paramount." Kubik v. Letteri, 532 Pa. 10, 21–22, 614 A.2d 1110, 1116 (1992)

Conclusion

The relationship between the defendant and the forum must be such that it is "reasonable . . . to require the corporation to defend the particular suit which is brought there." World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 292, 100 S.Ct. 559, 564, 62 L.Ed.2d 490 (1980). Here, CEO Watson's admissions and other record evidence regarding Chevron Corporation's relationship with oil and gas drilling in Southwestern Pennsylvania, make it reasonable to require Chevron Corporation to defend a lawsuit regarding such matters in Pennsylvania.[90]

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[90] This court does not reach the question of whether Chevron Corporation is subject to the general personal jurisdiction of Pennsylvania Courts. This court made factual findings relevant to the

ORDER

AND NOW, this 15th day of May, 2025, for the reasons set forth above, the personal jurisdiction objection of Defendant Chevron Corporation is OVERRULED.

BY THE COURT

J.
MICHAEL J. LUCAS

Copies: All Counsel of Record.

parties' "alter ego" argument. However, a ruling for that dispute is unnecessary for the disposition of Chevron Corporation's personal jurisdiction objection.