

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

MICHAEL TODD RYDER, ET AL.

CIVIL ACTION

VERSUS

NUMBER 15-431-SDD-EWD

**UNION PACIFIC RAILROAD COMPANY,
ET AL.**

ORDER

On November 18, 2016, this court ordered Earthstone Operating, LLC a/k/a Oak Valley Operating, LLC (“Earthstone”) and Kinder Morgan Energy Partners, LP (“Kinder Morgan”) to file into the record Statements of Citizenship setting out in full the members of each association such that this court may determine Earthstone’s and Kinder Morgan’s citizenship.¹

On November 23, 2016, Earthstone filed a Statement of Citizenship stating that “Earthstone Operating, LLC, is a Texas Limited Liability Company, with its principal place of business in Texas; solely owned by Earthstone Energy, Inc., a Delaware Corporation.”² As currently set forth, Earthstone’s Statement of Citizenship does not adequately allege: (1) the members of Earthstone Operating, LLC;³ or (2) the corporate citizenship of Earthstone Energy, Inc.⁴

On December 1, 2016, Kinder Morgan, LP filed a Statement of Citizenship stating that “Kinder Morgan Energy Partners, LP is a Limited Partnership. Kinder Morgan G.P., Inc. is the General Partner and the Limited Partnership interests are owned by Kinder Morgan G.P., Inc. and

¹ R. Doc. 106.

² R. Doc. 108.

³ It is possible that Earthstone Operating, LLC’s assertion that it is “solely owned” by Earthstone Energy, Inc. is meant to convey that Earthstone Operating, LLC’s only member is Earthstone Energy, Inc. However, that is not clear from the November 23, 2016 Statement of Citizenship.

⁴ The citizenship of Earthstone Energy, Inc. is not adequately alleged because the Statement of Citizenship does not include the principal place of business of Earthstone Energy, Inc.

Kinder Morgan, Inc. Kinder Morgan Energy Partners, LP, Kinder Morgan G.P., Inc., and Kinder Morgan, Inc. are all Delaware companies located in Houston, Texas.”⁵ As currently set forth, Kinder Morgan, LP’s Statement of Citizenship does not adequately allege: (1) all members of Kinder Morgan, LP;⁶ or (2) the corporate citizenship of Kinder Morgan G.P., Inc. or Kinder Morgan, Inc.⁷

First, the citizenship of a limited liability company or other unincorporated association is determined by considering the citizenship of all its members. See, *Harvey v. Grey Wolf Drilling Co.*, 542 F.3d 1077, 1080 (5th Cir. 2008). To properly allege the citizenship of a limited liability company, a party must identify each of the members of the limited liability company and the citizenship of each member in accordance with the requirements of 28 U.S.C. § 1332(a) and (c). The same requirement applies to any member of a limited liability company which is also a limited liability company. See, *Turner Bros. Crane and Rigging, LLC v. Kingboard Chemical Holdings, Ltd.*, 2007 WL 2848154, at & 4-5 (M.D. La. Sept. 24, 2007) (“when partners or members are themselves entities or associations, the citizenship must be traced through however many layers of members or partners there may be, and failure to do [sic] can result in dismissal for want of jurisdiction.”) (quotation and citations omitted). Second, a corporation is a citizen of its place of incorporation and its principal place of business. 28 U.S.C. § 1332(c). See also, *Getty Oil, Div. of Texaco v. Ins. Co. of North America*, 841 F.2d 1254, 1259 (5th Cir. 1988) (In diversity cases involving corporations, “allegations of citizenship must set forth the state of incorporation as well as the principal place of business of each corporation.”).

⁵ R. Doc. 112.

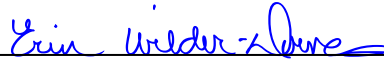
⁶ In the event the only members of Kinder Morgan Energy Partners, LP are Kinder Morgan G.P., Inc. and Kinder Morgan, Inc., the Statement of Citizenship should expressly so state.

⁷ The citizenship of these corporate entities is not adequately alleged because the Statement of Citizenship does not state each corporation’s principal place of business.

Accordingly,

IT IS HEREBY ORDERED that the Statement of Citizenship filed by Earthstone Operating, LLC a/k/a Oak Valley Operating, LLC⁸ and the Statement of Citizenship of Kinder Morgan Energy Partners, LP⁹ shall be **STRICKEN** from the record. Earthstone Operating, LLC a/k/a Oak Valley Operating, LLC and Kinder Morgan Energy Partners, LP shall each have seven (7) days from the date of this Order to file a Statement of Citizenship that adequately alleges citizenship.

Signed in Baton Rouge, Louisiana, on December 5, 2016.



ERIN WILDER-DOOMES
UNITED STATES MAGISTRATE JUDGE

⁸ R. Doc. 108.

⁹ R. Doc. 112.