SpencerFane

Fueling Federal Jurisdiction: Chevron's WWII Oil and a Modern U.S. Supreme Court Win

On April 17, 2026, the U.S. Supreme Court issued a significant jurisdictional decision in *Chevron U.S.A. Inc. v. Plaquemines Parish*, clarifying the scope of the federal officer removal statute and strengthening defendants' ability to move certain state-law cases into federal court.

At issue was whether a Louisiana parish's environmental lawsuit – targeting Chevron's World War II-era oil production practices – was sufficiently connected to Chevron's federal wartime obligations to justify removal. The Court answered yes, vacating the U.S. Court of Appeals for the Fifth Circuit's decision and reopening the federal courthouse doors.

Background of the Dispute

During World War II, Chevron's predecessor operated under federal contracts to refine crude oil into aviation gasoline (avgas), a fuel vital to the U.S. military's air campaign. To meet wartime demand, the federal government aggressively pushed oil producers to maximize output, dictating production priorities, allocating resources, and encouraging efficiency-focused drilling techniques.

Decades later, Plaquemines Parish sued Chevron under Louisiana's State and Local Coastal Resources Management Act, alleging that Chevron's 1940s oil production – using vertical drilling, canals instead of roads, and earthen pits – caused environmental damage and was "illegally commenced," thereby disqualifying it from statutory exemptions.

Chevron removed the case to federal court under 28 U.S.C. § 1442, arguing that the parish's claims were related to acts performed while Chevron was acting under

federal authority. The district court and the Fifth Circuit disagreed, concluding that crude oil production was separate from Chevron's federally directed refining duties.

The U.S. Supreme Court's Holding

In a 7-1 decision, the U.S. Supreme Court reversed.

Associate Justice Clarence Thomas, writing for the majority, held that Chevron plausibly alleged a close, meaningful relationship between its challenged oil production conduct and its federal wartime refining responsibilities. Because the parish's lawsuit "relates to" Chevron's acts under color of federal office, the federal officer removal statute applies.

The Court acknowledged that the Petroleum Administration for War (PAW) deemed the Delta Duck Club field "critical" to the war program, and the government pushed refiners to maximize output in an "all-hands-on-deck" wartime context. The Court rejected the Fifth Circuit's reasoning that Chevron's refining contract failed to specify how to obtain crude oil and that the PAW's allocation of crude oil severed the relation. Further, the Court rejected Louisiana's alternative theory that the defendant must have been "acting under" a federal officer in taking the specific challenged actions due to the impermissible conflation of the statute's distinct "acting under" and "for or relating to" elements.

Why "Relating To" Matters

The Court emphasized that the phrase "relating to" is deliberately broader than strict causation. A defendant need not show that:

- federal directives expressly required the challenged conduct, or
- the conduct was the direct result of a federal order.

Instead, the statute requires a connection that is not tenuous, remote, or peripheral.

Here, the connection was substantial:

- Crude oil was essential to producing avgas.
- Much of Chevron's Louisiana oil fed directly into its wartime refining operations.

- The federal government actively urged Chevron to increase oil production, approved the very methods later challenged, and designated the relevant oil fields as critical to the war effort.

In short, the Court viewed Chevron's oil production and refining as two parts of the same federally driven wartime mission.

Rejection of the Fifth Circuit's Approach

The U.S. Supreme Court rejected the Fifth Circuit's reasoning on two key points:

1. **No need for explicit contractual instructions.** The lower court erred by demanding a production-specific federal directive. The statute requires a relationship – not an instruction manual.
2. **Intermediaries do not break the link**. The fact that the federal government allocated crude oil among refineries did not sever the relationship between producing and refining. Acts can "relate to" federal duties even when intermediaries are involved.

A Note on the Concurrence

Associate Justice Ketanji Brown Jackson concurred in the judgment but argued that the statute still requires a causal nexus, not merely an indirect relationship. Even under her stricter view, she agreed Chevron satisfied the standard because its oil production was undertaken, at least in part, to meet federal wartime demands.

Why This Decision Matters

The Chevron decision has broad implications:

- Expanded access to federal courts for defendants tied to historic federal missions
- Stronger removal arguments in long-tail environmental and climate litigation
- A clearer, more defendant-friendly interpretation of "relating to" under § 1442

For companies facing modern liability claims rooted in historical government-directed activity, Chevron provides a powerful jurisdictional roadmap –

one that may reshape where, and how, these battles are fought.

This blog post was drafted by Amy Mitchell, an attorney in the Houston office of Spencer Fane. For more information, visit spencerfane.com.

*Click **here** to subscribe to Spencer Fane communications to ensure you receive timely updates like this directly in your inbox.*