UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Melcroft Coal Company, Inc. v. Robindale Energy Services, Inc. & LCT Energy, L.P.

Melcroft Coal · No. 2:24-cv-707 · Decided February 4, 2026

SUMMARY

The court grants in part and denies in part defendants' motion for summary judgment in a dispute over coal royalty deductions. It holds that the written lease unambiguously permits deductions for railway transportation and marketing costs based on royalty valuation at the pit. However, it finds genuine disputes of material fact as to whether the parties orally modified the lease to calculate royalties based on clean coal at the plant, allowing the breach-of-contract claim to proceed on that theory.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	J. Nicholas Ranjan
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	February 4, 2026
DOCKET	2:24-cv-707
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved for summary judgment on Melcroft's breach-of-contract and unjust-enrichment claims.
STANDARD OF REVIEW	Summary judgment is appropriate when the movant shows that there is no genuine dispute as to any material fact and that it is entitled to judgment as a matter of law. The court viewed the facts and drew reasonable inferences in favor of Melcroft as the nonmoving party and asked whether a reasonable jury could find for Melcroft.
PRECEDENTIAL VALUE	unpublished district-court memorandum order; precedential status unknown

TOPICS

breach of contract · contract interpretation · summary judgment · commercial · civil procedure

PRACTICE AREAS

contracts · commercial litigation · mineral rights · civil procedure

QUESTIONS PRESENTED

1. Whether the written lease is ambiguous or expressly prohibits LCT from deducting railway transportation and marketing costs in calculating royalties.
2. Whether evidence created a genuine dispute of material fact concerning an alleged oral modification requiring royalties to be calculated on the value of clean coal at the plant.
3. Whether the alleged oral modification was supported by consideration.
4. Whether defendants were entitled to summary judgment on Melcroft's unjust-enrichment claim where the parties agreed that the contract controlled.

HOLDINGS

1. The written lease unambiguously permits LCT to deduct rail transportation and marketing costs necessary to determine the coal's value at the pit; Melcroft may not proceed on an express-breach theory based on the written lease.
2. The evidence creates genuine disputes of material fact regarding whether the parties orally modified the lease to calculate royalties based on clean coal at the plant, so that theory must be submitted to a jury.
3. The alleged modification was supported by sufficient consideration because tailoring the royalty agreement to metallurgical coal provided contractual certainty.
4. Defendants were entitled to judgment on Count II because the parties agreed that the contract controls, precluding an unjust-enrichment theory.

KEY QUOTATIONS

> *"The language is plain and clear; the lease authorizes LCT to deduct rail and marketing costs to obtain the coal's value "at the pit.""* (Discussion & Analysis § I)

> *"The Court therefore finds genuine disputes of material fact about whether there was an oral modification to the written lease."* (Discussion & Analysis § II)

FACTUAL BACKGROUND

Melcroft leased Pennsylvania coal rights to a mining operator in exchange for royalties, and the lease was later assigned to Robindale and then to its affiliate LCT. LCT mined metallurgical coal at Rustic Ridge and calculated royalties by deducting transportation, cleaning, and later railway and marketing costs from downstream sales proceeds before applying the five-percent royalty rate. Melcroft contended that the lease required royalties to be calculated on the value of clean coal at the plant and that the parties orally modified the lease to prohibit railway and marketing deductions. Evidence included testimony about royalty discussions, correspondence, and the parties' course of performance.

PROCEDURAL HISTORY

Melcroft sued Robindale Energy Services, Inc. and LCT Energy, L.P., alleging that deductions for railway transportation and marketing costs improperly reduced coal royalty payments. Defendants moved for summary judgment. The court granted the motion in part and denied it in part, holding that Melcroft could not proceed on an express-breach theory based on the written lease but could proceed to a jury on an alleged oral modification; the court also entered judgment for defendants on the unjust-enrichment claim based on the parties' agreement that the contract controlled.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand was ordered. The breach-of-contract claim survives only under the oral-modification theory and must proceed to a jury; no theory based on breach of the written lease may be presented. Judgment was entered for defendants on Count II.

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 252 (1986)
- Goldstein v. Repossessors Inc., 815 F.3d 142, 146 (3d Cir. 2016)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986)
- Pa. Supply, Inc. v. Am. Ash Recycling Corp. of Pa., 895 A.2d 595, 600 (Pa. Super. Ct. 2006)
- Corestates Bank, N.A. v. Cutillo, 723 A.2d 1053, 1058 (Pa. Super. Ct. 1999)
- Shoemaker v. Mt. Lookout Coal Co., 35 A. 731, 731 (Pa. 1896)
- Kilmer v. Elexco Land Servs., Inc., 990 A.2d 1147, 1158 (Pa. 2010)
- Somerset Cmty. Hosp. v. Allan B. Mitchell & Assocs., 685 A.2d 141, 146-147 (Pa. Super. Ct. 1996)
- Universal Builders, Inc. v. Moon Motor Lodge, Inc., 244 A.2d 10 (Pa. 1968)
- E. Texas Motor Freight, Diamond v. Lloyd, 484 A.2d 797 (Pa. 1984)
- Moore Eye Care, P.C. v. ChartCare Sols. Inc., 364 F. Supp. 3d 426, 432 (E.D. Pa. 2018)
- Barnhart v. Dollar Rent A Car Sys., Inc., 595 F.2d 914, 919 (3d Cir. 1979)
- Oasis International Waters, Inc. v. United States, 134 Fed. Cl. 155, 189 (2017)