

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF  
PENNSYLVANIA

**PPL Electric Utilities Corporation v. Coterra Energy, Inc.**

PPL Electric · No. 3:25-CV-794 · Decided February 7, 2026

SUMMARY

The United States District Court for the Middle District of Pennsylvania addresses defendants’ motions to dismiss claims arising from the withholding of royalty payments under an oil and gas lease. The court dismisses the unjust enrichment claim and the request for attorney’s fees without prejudice, while allowing amendment. It denies dismissal of the alleged fiduciary-duty allegation, tortious-interference claim, punitive-damages request, and general prayer for equitable relief.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                            |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Middle District of Pennsylvania                                                                                                                                                                                                                                                                       |
| WRITING FOR THE COURT | Karoline Mehalchick                                                                                                                                                                                                                                                                                                                        |
| JURISDICTION          | United States District Court for the Middle District of Pennsylvania                                                                                                                                                                                                                                                                       |
| DECIDED               | February 7, 2026                                                                                                                                                                                                                                                                                                                           |
| DOCKET                | 3:25-CV-794                                                                                                                                                                                                                                                                                                                                |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                      |
| PROCEDURAL POSTURE    | Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss claims in a removed state-court action.                                                                                                                                                                                                                         |
| STANDARD OF REVIEW    | On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, views them in the light most favorable to the plaintiff, and determines whether the complaint states a facially plausible claim. The court may consider the complaint, documents incorporated by reference, and matters subject to judicial notice. |
| PRECEDENTIAL VALUE    | Unknown; memorandum opinion from a United States district court with no reporter citation in the source.                                                                                                                                                                                                                                   |

TOPICS

[motions to dismiss](#) [civil procedure](#) [breach of contract](#) [unjust enrichment](#)  
[intentional interference with contract](#)

## PRACTICE AREAS

civil procedure

contracts

torts

remedies

real estate

commercial litigation

## QUESTIONS PRESENTED

1. Whether PPL's unjust-enrichment claim was barred because the parties' relationship and the challenged royalty withholding were governed by a valid written lease.
2. Whether PPL's allegation that Coterra owed a fiduciary duty stated a separate breach-of-fiduciary-duty claim subject to dismissal.
3. Whether PPL plausibly pleaded intent and absence of privilege or justification for its tortious-interference claim against Wage.
4. Whether the tortious-interference claim was barred by the statute of limitations on the face of the complaint.
5. Whether PPL plausibly pleaded a claim for punitive damages.
6. Whether PPL could recover attorney's fees absent a statute, contractual provision, or other established exception.
7. Whether PPL's request for general equitable relief was subject to dismissal for failure to plead special damages.

## HOLDINGS

1. The unjust-enrichment claim was dismissed because the alleged withholding and retention of royalty payments fell within the scope of the valid written lease, and PPL did not plead unjust enrichment in the alternative to its breach-of-contract claim.
2. The motion to dismiss the allegation that Coterra owed PPL a fiduciary duty was denied because PPL did not assert a separate breach-of-fiduciary-duty cause of action.
3. PPL plausibly pleaded its tortious-interference claim against Wage, including intent to harm and absence of privilege or justification, so Wage's motion to dismiss Count IV was denied.
4. The tortious-interference claim was not subject to dismissal on statute-of-limitations grounds because untimeliness was not apparent on the face of the complaint.
5. PPL's request for punitive damages was not dismissed at the pleading stage because whether the alleged conduct was sufficiently outrageous and reckless was fact-intensive.
6. PPL's request for attorney's fees was dismissed because PPL identified no statute, agreement, or other established exception authorizing recovery.
7. PPL's boilerplate request for such other relief as the court deemed just and equitable was not dismissed because it sought general rather than specially pleaded damages.
8. Leave to amend was granted as to the unjust-enrichment claim and attorney's-fees request because amendment was not shown to be futile or inequitable.

## KEY QUOTATIONS

*“Under Rule 12(b)(6), a motion to dismiss may be granted only if, accepting all well-pleaded allegations in the complaint as true and viewing them in the light most favorable to the plaintiff, a court finds the plaintiff’s claims lack facial plausibility.”* (Section II)

*“For the foregoing reasons, Defendants’ motions to dismiss are GRANTED in part and DENIED in part.”*  
(Section V)

## FACTUAL BACKGROUND

PPL leased Susquehanna County real property to Coterra for natural-gas well drilling under a written oil-and-gas lease requiring royalty payments and permitting Coterra to withhold sums subject to a title dispute. A prior title dispute, the Magnotti Matter, ended with prejudice in 2019, after which PPL retained residual acreage and Coterra released previously suspended royalties. PPL alleged that Coterra later withheld substantial royalty payments despite the absence of any continuing title dispute, and that attorney Charles L.E. Wage communicated information concerning a title dispute or adverse claim to Coterra. PPL asserted claims for breach of contract, unjust enrichment, and tortious interference, among others.

## PROCEDURAL HISTORY

PPL filed suit in the Court of Common Pleas of Susquehanna County, Pennsylvania, asserting declaratory judgment, breach of contract, unjust enrichment, and tortious interference claims. Coterra removed the action to the Middle District of Pennsylvania under 28 U.S.C. §§ 1441(a) and 1332(a). Coterra and Wage moved to dismiss, and the court granted the motions in part and denied them in part, dismissing the unjust-enrichment claim and attorney-fees claim without prejudice while granting leave to amend.

## DISPOSITION

other

## CASES CITED

- Warren Gen. Hosp. v. Amgen Inc., 643 F.3d 77, 84 (3d Cir. 2011)
- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555-56 (2007)
- Morrow v. Balaski, 719 F.3d 160, 165 (3d Cir. 2013)
- Baraka v. McGreevey, 481 F.3d 187, 195 (3d Cir. 2007)
- Associated Gen. Contractors of Cal. v. California State Council of Carpenters, 459 U.S. 519, 526 (1983)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Tellabs, Inc. v. Makor Issues & Rights, Ltd., 551 U.S. 308, 322 (2007)
- Roethlein v. Portnoff Law Associates, Ltd., 81 A.3d 816, 285 n.8 (2013)
- Powers v. Lycoming Engines, 328 Fed. Appx. 121, 126 (3d Cir. 2009)
- Allegheny General Hosp. v. Phillip Morris, Inc., 228 F.3d 429, 447 (3d Cir. 2000)
- Toppo v. Passage Bio, Inc., 285 A.3d 672, 687 (Pa. Super. Ct. 2022)
- Guttridge v. J3 Energy Grp. Inc., 165 A.3d 908, 916 (Pa. Super. Ct. 2017)

- Wilson v. Parker, 227 A.3d 343, 353 (Pa. Super. Ct. 2020)
- Lugo v. Farmers Pride, Inc., 967 A.2d 963, 970 (Pa. Super. Ct. 2009)
- Hickey v. Univ. of Pittsburgh, 81 F.4th 301, 315-16 (3d Cir. 2023)
- Liberty Mutual Ins. Co. v. Gemma, 301 F. Supp. 3d 523, 542 (W.D. Pa. 2018)
- Kraus Indus., Inc. v. Moore, 06-00542, 2007 WL 2744194, at \*8 (W.D. Pa. 2007)
- Hershey Foods Corp. v. Ralph Chapek, Inc., 828 F.3d 989, 999 (3d Cir. 1987)
- Acumed LLC v. Advanced Surgical Servs., Inc., 561 F.3d 199, 212 (3d Cir. 2009)
- Brokerage Concepts, Inc. v. U.S. Healthcare, Inc., 140 F.3d 494, 530 (3d Cir. 1998)
- Phillips v. Selig, 959 A.2d 420, 429 (Pa. Super. Ct. 2008)
- Glenn v. Point Park College, 272 A.2d 895, 899 (Pa. 1971)
- Empire Trucking Co., Inc. v. Reading Anthracite Coal Co., 71 A.3d 923, 934-35 (Pa. Super. Ct. 2013)
- ITP, Inc. v. OCI Co., 865 F. Supp. 2d 672, 682 (E.D. Pa. 2012)
- Robinson v. Johnson, 313 F.3d 128, 135 (3d Cir. 2002)
- Feld v. Merriam, 485 A.2d 742, 747-48 (Pa. 1984)
- SHV Coal, Inc. v. Continental Grain Co., 587 A.2d 702, 704 (Pa. 1991)
- Hutchinson v. Luddy, 870 A.2d 766, 772 (Pa. 2005)
- Fiedler v. Stroudsburg Area Sch. Dist., 427 F. Supp. 3d 539, 558 (M.D. Pa. 2019)
- Jones v. Allied Servs. Skilled Nursing & Rehab Ctr., No. 3:23-CV-00725, 2024 WL 1533665, at \*5 (M.D. Pa. Apr. 9, 2024)
- Fidelity-Philadelphia Trust Co. v. Philadelphia Transportation Co., 173 A.2d 109, 113 (Pa. 1961)
- Linde v. Linde, 220 A.3d 1119, 1148 (Pa. Super. Ct. 2019)
- Lower Frederick Twp. v. Clemmer, 543 A.2d 502, 512 (Pa. 1988)
- Hooker v. State Farm Fire and Cas. Co., 880 A.2d 70, 77 (Pa. Commw. Ct. 2005)
- DeAngelo Bros., Inc. v. Long, 2005 WL 1309037, at \*1 (M.D. Pa. 2005)
- O'Malley v. O'Malley, 2008 WL 11366282, at \*2 (M.D. Pa. 2008)
- Grayson v. Mayview State Hosp., 293 F.3d 103, 108 (3d Cir. 2002)
- In re Avandia Mktg., Sales Practices & Products Liab. Litig., 564 F. App'x 672, 673 (3d Cir. 2014)
- Lake v. Arnold, 232 F.3d 360, 373 (3d Cir. 2000)
- McMullen v. Kutz, 985 A.2d 769, 775-76 (Pa. 2009)