UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

A&B Campbell Family LLC, et al. v. Williams Partners, L.P., et al.

A&B Campbell · No. 3:15-CV-00340 · Decided December 22, 2025

SUMMARY

The United States District Court for the Middle District of Pennsylvania addresses three motions to dismiss claims arising from alleged underpayment of royalties and anti-competitive conduct related to natural-gas gathering services in the Marcellus Shale. The court holds that the plaintiffs lack antitrust standing because they did not allege injury to competition and were not consumers or competitors in the relevant market. The court also concludes that the complaint insufficiently alleges an agreement among the defendants and grants the motions to dismiss the Sherman Act claims with prejudice.

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	December 22, 2025
DOCKET	3:15-CV-00340
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs brought claims under Sections 1 and 2 of the Sherman Act, RICO, and Pennsylvania contract law. Defendants moved to dismiss the second amended complaint under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court identifies the elements of the claims, disregards conclusory allegations not entitled to an assumption of truth, and determines whether the well-pleaded factual allegations plausibly establish entitlement to relief. The court accepts plausible factual allegations as true and draws reasonable inferences in plaintiffs' favor, but does not assume the truth of legal conclusions or facts not alleged.
PRECEDENTIAL VALUE	unpublished district court memorandum; nonprecedential

TOPICS

commercial litigation | oil and gas | mineral rights | motions to dismiss | civil procedure

PRACTICE AREAS

antitrust | RICO | commercial litigation | oil and gas | contract law | civil procedure

QUESTIONS PRESENTED

1. Whether plaintiffs pleaded antitrust injury sufficient to confer standing under Sections 1 and 2 of the Sherman Act.
2. Whether plaintiffs adequately pleaded an agreement or conspiracy among the defendants to restrain trade or monopolize commerce.
3. Whether plaintiffs adequately pleaded an association-in-fact RICO enterprise.
4. Whether plaintiffs adequately pleaded a RICO conspiracy under 18 U.S.C. § 1962(d).
5. Whether the alleged deductions of post-production costs breached the oil and gas leases under Pennsylvania law.
6. Whether plaintiffs should receive further leave to amend.

HOLDINGS

1. Plaintiffs lacked antitrust standing because they did not plead an injury resulting from a reduction in competition in a relevant market, were not consumers or competitors in that market, and did not show that their royalty injury was inextricably intertwined with the alleged anticompetitive scheme.
2. Even if plaintiffs had antitrust standing, their Section 1 and Section 2 Sherman Act claims failed because the second amended complaint did not allege facts establishing an actual agreement among all defendants.
3. Plaintiffs failed to plead an association-in-fact RICO enterprise because they alleged only ordinary business relationships and conclusory assertions of a common purpose, without descriptive facts showing relationships and coordinated activity among all defendants.
4. Plaintiffs' RICO conspiracy claim failed because the underlying RICO claim was deficient.
5. Plaintiffs did not state a breach-of-contract claim because the leases permitted calculation of royalties at the wellhead using the net-back method, including deduction of post-production costs.
6. Further leave to amend was denied because plaintiffs had already had ample opportunity to cure the pleading deficiencies and another amendment would be futile or inequitable.

KEY QUOTATIONS

> *"Based on the foregoing, Anadarko, MEPUSA, and Access's motions to dismiss are GRANTED. (Doc. 235; Doc. 237; Doc. 239). A&B's SAC is DISMISSED with prejudice. (Doc. 216). The Court DENIES leave to amend."* (Section V)

> *"The ensuing injury must result from the competition-reducing effect of the defendant's behavior."* (Section III.A.1)

> *"An association-in-fact must share "(1) a purpose, (2) relationships among those associated with the enterprise, and (3) longevity sufficient to permit these associates to pursue the enterprise's purpose.""*
> (Section III.B.1)

FACTUAL BACKGROUND

Plaintiffs are oil and gas lessors holding royalty interests arising from leases covering more than 12,000 acres in Pennsylvania's Marcellus Shale region. They alleged that the defendants participated in market-allocation and related arrangements involving natural-gas development and gathering services, causing inflated post-production deductions and reduced royalty payments. Plaintiffs asserted Sherman Act, RICO, and breach-of-contract claims based principally on alleged underpayment of royalties and deductions calculated using the net-back method.

PROCEDURAL HISTORY

Plaintiffs commenced the action in 2015 and filed a second amended complaint on October 17, 2024. The court previously dismissed the amended complaint on August 30, 2024. After reassignment and lifting of a stay, three defendant groups moved to dismiss the second amended complaint. The court granted the motions, dismissed all six causes of action with prejudice, and denied leave to amend.

DISPOSITION

dismissed

CASES CITED

- Associated Gen. Contractors of Cal., Inc. v. Cal. State Council of Carpenters, 459 U.S. 519 (1983)
- Brunswick Corp. v. Pueblo Bowl-O-Mat, Inc., 429 U.S. 477, 488-89 (1977)
- Ethypharm S.A. France v. Abbott Lab'ys, 707 F.3d 223, 233, 237 (3d Cir. 2013)
- Hanover 3201 Realty, LLC v. Vill. Supermarkets, Inc., 806 F.3d 162, 173-75 (3d Cir. 2015)
- W. Penn Allegheny Health Sys., Inc. v. UPMC, 627 F.3d 85, 99, 102 (3d Cir. 2010)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 553, 567 (2007)
- In re Flat Glass Antitrust Litig., 385 F.3d 350, 361 (3d Cir. 2004)
- In re Generic Pharms. Pricing Antitrust Litig., 386 F. Supp. 3d 477, 483-84 (E.D. Pa. 2019)
- United States v. Turkette, 452 U.S. 576, 583 (1981)
- Boyle v. United States, 556 U.S. 938, 946 (2009)
- In re Ins. Brokerage Antitrust Litig., 618 F.3d 300, 369, 374 (3d Cir. 2010)
- Smith v. Berg, 247 F.3d 532, 535, 538 (3d Cir. 2001)
- Lightning Lube, Inc. v. Witco Corp., 4 F.3d 1153, 1191 (3d Cir. 1993)
- Kilmer v. Elexco Land Servs., Inc., 605 Pa. 413, 990 A.2d 1147, 1149, 1158 (2010)
- Coastal Forest Res. Co. v. Chevron U.S.A., Inc., No. 2:20-CV-1119, 2021 WL 1894596, at *4, *6-*7 (W.D. Pa. May 11, 2021)
- Grayson v. Mayview State Hosp., 293 F.3d 103, 108 (3d Cir. 2002)

- Rolo v. City Investing Co. Liquidating Tr., 155 F.3d 644, 654 (3d Cir. 1998)