

**UNITED STATES COURT OF APPEALS FOR
THE THIRD CIRCUIT**

No. 24-2076

SWN PRODUCTION CO LLC

v.

BLUE BECK LTD,
Appellant

On Appeal from the U.S. District Court, M.D. Pa.
Judge Malachy E. Mannion, No. 3:22-cv-00091

Before: SHWARTZ, RESTREPO, AND CHUNG, Circuit Judges
Submitted: Sept. 28, 2026; Filed: Sept. 29, 2026

OPINION OF THE COURT

SHWARTZ, Circuit Judge.

Defendant Bluebeck Ltd. appeals the District Court's order denying its motion for fees, costs, and expenses. Because the District Court lacked jurisdiction over the case, it had no authority to consider the motion. Therefore, we will vacate the District Court's order and remand directing the Court to dismiss the motion.

Plaintiff SWN Production Co., LLC leased land from Defendant. Under the lease, Plaintiff paid Defendant royalties from the sale of gas obtained from the land. A dispute arose concerning performance under the lease, and Plaintiff sued for a declaration that, among other things, (1) no default had occurred or had not been cured, (2) Defendant was required to disclose information so Plaintiff could cure the alleged defaults, and (3) forfeiture of the lease could not occur absent the parties' agreement or a judicial determination that a default occurred.

The District Court dismissed the complaint without prejudice as unripe because termination of the lease was contingent on future events.¹ SWN Prod. Co., LLC v. Blue Beck Ltd., No. 22-CV-91, 2023 WL 6609019, at *5-7, *9 (M.D. Pa. Oct. 10, 2023). Defendant then moved for fees, costs, and expenses² under the lease's fee-shifting provision.³

¹ The dismissal order was not appealed.

² Some of the fees and expenses related to the discovery the parties engaged in while the motion to dismiss was pending. SWN Prod. Co., LLC v. Blue Beck Ltd., No. 3:22-CV-91, 2024 WL 2057368, at *1 (M.D. Pa. May 8, 2024).

³ Under the lease's fee-shifting provision, [t]he losing Party in any action brought to compel performance of, or to recover for breach of any covenant or condition herein contained, or for declaratory relief, shall pay to the prevailing Party's [sic] reasonable fees, costs and expenses incurred prior to bringing such suit and its reasonable attorney and professional fees in

The District Court denied the motion⁴ because the fee provision applied only to a prevailing party, and Defendant was not a prevailing party because the dismissal without prejudice did not finally determine the parties' rights, and thus Defendant did not obtain a judgment in its favor.⁵ SWN Prod. Co., LLC v. Blue Beck Ltd., No. 3:22-CV-91, 2024 WL 2057368, at *6 (M.D. Pa. May 8, 2024) (citing, inter alia, Profit Wize Mktg. v. Wiest, 812 A.2d 1270, 1275 (Pa. Super. Ct. 2002)) (hereinafter "fees order").

Defendant appeals.

addition to the amount of judgment and all other fees and all charges, costs and expenses incurred in such actions.

App. 83.

⁴ The District Court ordered Defendant to produce for its review unredacted information so it could evaluate whether the attorneys' fees incurred to defend the case were reasonable.

⁵ The District Court held that it had jurisdiction to decide the fees motion under 28 U.S.C. § 1332 but did not address its previous holding that it lacked Article III jurisdiction over the original claim. SWN Prod. Co., LLC v. Blue Beck Ltd., No. 3:22-CV-91, 2024 WL 2057368, at *1 (M.D. Pa. May 8, 2024).

II⁶

Article III of the U.S. Constitution “limits federal jurisdiction to actual ‘cases’ and ‘controversies.’” Armstrong World Indus., Inc. by Wolfson v. Adams, 961 F.2d 405, 410-11 (3d Cir. 1992) (quoting U.S. Const. art. III, § 2). To be a case or controversy, a dispute must be, among other things, ripe, meaning it must not “depend[] on ‘contingent future events that may not occur as anticipated, or indeed may not occur at all.’” Trump v. New York, 592 U.S. 125, 131 (2020) (quoting Texas v. United States, 523 U.S. 296, 300 (1998)). Because ripeness is a constitutional justiciability requirement, federal courts lack subject-matter jurisdiction over unripe claims, even when statutory subject-matter jurisdiction would otherwise exist. See Black Horse Lane Assoc., L.P. v. Dow Chem. Corp., 228 F.3d 275, 299 n.15 (3d Cir. 2000) (concluding that the district court correctly dismissed an unripe counterclaim for lack of subject-matter jurisdiction); Gulden v. Exxon Mobil Corp., 119 F.4th 299, 310 (3d Cir. 2024) (observing that a justiciability defect “forecloses . . . a district court’s statutory subject-matter jurisdiction”).

With limited exceptions, a “final determination of lack of subject-matter jurisdiction of a case in a federal court . . . precludes further adjudication,” Willy v. Coastal Corp., 503 U.S. 131, 137 (1992) (absence of federal question), including

⁶ “We have jurisdiction . . . to review the [D]istrict [C]ourt’s assumption of jurisdiction.” Dole v. Trinity Indus., Inc., 904 F.2d 867, 870 (3d Cir. 1990). “We exercise plenary review in determining whether the District Court had subject matter jurisdiction.” Bracken v. Matgouranis, 296 F.3d 160, 162 (3d Cir. 2002).

granting attorney's fees, costs and penalties, see Mayor & Aldermen of City of Nash. v. Cooper, 73 U.S. 247, 250 (1867) (remarking that court "clearly err[ed]" by granting costs after concluding it lacked statutory jurisdiction because, "[i]f there were no jurisdiction, there was no power to do anything but to strike the case from the docket"); Citizens' Bank of La. v. Cannon, 164 U.S. 319, 324 (1896) ("Having dismissed the bill for want of [statutory] jurisdiction, the court was without power to decree the payment of costs and penalties.").⁷

⁷ One exception is sanctions. Courts have the power to control their dockets and enforce their orders via, for example, sanctions under Federal Rule of Civil Procedure 11, even in cases dismissed for lack of subject-matter jurisdiction. Willy v. Coastal Corp., 503 U.S. 131, 137-39 (1992). Because the only source for fees here is the lease, this exception does not apply because a district court's interest in "having rules of procedure obeyed" does not extend to enforcing private contracts. Id. at 139 (distinguishing Rule 11 sanctions, "designed to punish a party who has already violated the court's rules," from a civil contempt order "designed to force the contemnor to comply with an order of the court," only the latter of which would "fall with a showing that the court was without authority to enter the decree" with which compliance was ordered).

Likewise, no statutory provision authorizes fee-shifting here, so we need not consider whether any such statute would provide jurisdiction to consider the fees motion. See, e.g., 28 U.S.C. § 1447(c) (permitting a court that remands a wrongly removed case for lack of subject-matter jurisdiction to award fees in remand order); see also District of Columbia v. Jeppsen ex rel. Jeppsen, 514 F.3d 1287, 1289 (D.C. Cir. 2008) (noting split of authority on whether a fee-shifting statute that does not

Here, the District Court concluded that the case was unripe, and therefore not a case or controversy over which it had jurisdiction under Article III, and thus dismissed it for lack of subject-matter jurisdiction. See Armstrong, 961 F.2d at 410-11. Because “[a] lack of jurisdiction ‘voids any decree entered in a federal court,’” George v. Rushmore Serv. Ctr., LLC, 114 F.4th 226, 239 (3d Cir. 2024) (vacating orders issued in case absent Article III jurisdiction because of lack of standing), the Court lacked authority to address the fees motion, so we will vacate its fees order.⁸ See Kreider Dairy Farms, Inc. v. Glickman, 190 F.3d 113, 121 (3d Cir. 1999).

by its terms confer subject-matter jurisdiction on federal courts authorizes district court to consider fees motion absent subject-matter jurisdiction).

⁸ We address only whether a fee motion based on a contract’s fee-shifting clause provides an independent basis for jurisdiction absent Article III jurisdiction over the original claim. In the context of statutory fee-shifting provisions, Courts of Appeals are split on whether district courts lacking subject-matter jurisdiction may award fees. Compare Laborers Loc. 938 Joint Health & Welfare Tr. Fund v. B.R. Starnes Co. of Fla., 827 F.2d 1454, 1458 (11th Cir. 1987) (per curiam) (holding that lack of statutory subject-matter jurisdiction meant no fees would be awarded under ERISA’s fee-shifting statute); Keene Corp. v. Cass, 908 F.2d 293, 298 (8th Cir. 1990) (holding that fees could not be awarded under 42 U.S.C. § 1988 in a lawsuit based on 42 U.S.C. § 1983 over which district court lacked subject-matter jurisdiction under Rooker-Feldman doctrine, which holds on statutory basis that only the Supreme Court has appellate jurisdiction over final state-court judgments, see 28 U.S.C. § 1257(a)); Verizon

Md., Inc. v. Pub. Serv. Comm’n of Md., 535 U.S. 635, 644 n.3 (2002) (characterizing Rooker-Feldman as “recogniz[ing] that 28 U.S.C. § 1331 is a grant of original jurisdiction, and does not authorize district courts to exercise appellate jurisdiction over state-court judgments, which Congress has reserved to [the Supreme] Court” (citing 28 U.S.C. § 1257(a))); Branson v. Nott, 62 F.3d 287, 293 (9th Cir. 1995) (same), abrogated on other grounds by Amphastar Pharms. Inc. v. Aventis Pharma SA, 856 F.3d 696, 708-11 (9th Cir. 2017) (holding that some federal fee-shifting statutes independently grant jurisdiction and a party who prevails on a jurisdictional point may still be prevailing party for fee-shifting); W.G. v. Senatore, 18 F.3d 60, 64-65 (2d Cir. 1994) (holding that district court lacked authority to award fees when it lacked statutory and Article III subject-matter jurisdiction over underlying IDEA case because of failure to exhaust and unripeness); Cliburn v. Police Jury Ass’n of La., Inc., 165 F.3d 315, 316 (5th Cir. 1999) (per curiam) (“Given that the district court lacked jurisdiction to hear [plaintiff’s] claims under ERISA, it logically follows that the court lacked jurisdiction to entertain the [defendant’s] request for fees, costs, and expenses under ERISA.”), and Primax Recoveries, Inc. v. Gunter, 433 F.3d 515, 520 (6th Cir. 2006) (“[A] court without subject-matter jurisdiction over an ERISA action lacks the authority to award attorney’s fees.” (citing cases)), with Citizens for a Better Env’t v. Steel Co., 230 F.3d 923, 926-29 (7th Cir. 2000) (holding that despite plaintiffs’ lack of standing, district court had jurisdiction to consider fees motion under 42 U.S.C. § 11046(f) because “a motion seeking an award under [a fee-shifting] statute[] is a case or controversy that may be adjudicated to the extent the movant has suffered at its adversary’s hands an injury may be

III

For the foregoing reasons, we will vacate the fees order and remand to the District Court with directions to dismiss the motion.

redressed by a decision in its favor”), and U.S. ex rel. Grynberg v. Praxair, Inc., 389 F.3d 1038, 1056-58 (10th Cir. 2004) (viewing claim for fees as a “separate” case or controversy and holding that district court had jurisdiction to award fees under FCA’s fee-shifting provision despite lacking statutory jurisdiction over claim that failed to meet FCA jurisdictional requirements); see also Wendt v. Leonard, 431 F.3d 410, 414 (4th Cir. 2005) (noting split but not needing to decide question); District of Columbia v. Jeppsen ex rel. Jeppsen, 514 F.3d 1287, 1289 (D.C. Cir. 2008) (same); Walton v. Claybridge Homeowners Ass’n, Inc., 433 F. App’x 477, 479 (7th Cir. 2011) (noting split).

We need not weigh in on the issue of whether a fee-shifting statute independently grants jurisdiction, and we hold only that after a final determination of the absence of Article III subject-matter jurisdiction, the district court lacks constitutional authority to act absent another basis for such jurisdiction. We also do not opine on whether a federal court has the authority to decide a fee request in a case where only statutory subject-matter jurisdiction is lacking or a case that is dismissed on Article III grounds which includes a cause of action that has a statutory fee-shifting provision.

Counsel for Appellant

Thomas J. Campenni
Robert D. Schaub
Rosenn Jenkins & Greenwald

Steven G. Leventhal
Leventhal Mullaney & Blinkoff

Counsel for Appellee

Cara L. Brack
Carolyn B. McGee
Ronald L. Hicks
Nelson Mullins