

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-12900 (SCC)**

**(Jointly Administered)**

**ORDER APPROVING THE REJECTION OF BULK COAL TRANSFER  
AND STORAGE AGREEMENT**

Upon the notice of rejection (the “**Notice**”)<sup>2</sup> of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) filed on November 9, 2012 [ECF No. 1551] pursuant to the Court’s Order dated August 16, 2012 Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases and for the Abandonment of Personal Property [ECF No. 370] (the “**Rejection Procedures Order**”); and the Court having jurisdiction to consider the Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Notice and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper

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<sup>1</sup> The Debtors are the entities listed on Schedule 1 attached to the Motion [ECF No. 136]. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

<sup>2</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Notice.

notice of the Notice having been provided in accordance with the Rejection Procedures Order; and it appearing that no other or further notice need be provided; and the relief requested in the Notice being in the best interests of the Debtors and their respective estates and creditors; and rejecting the Contracts and Leases and abandoning the Expendable Property to the extent set forth herein representing a prudent exercise of the Debtors' business judgment; and the Court having reviewed the Notice; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the relief requested in the Notice is hereby granted as set forth herein; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006 and Local Rule 6006-1, the Debtors' rejection of the Contract set forth in Schedule 1 hereto (the "**Contract**") is hereby approved and shall be effective as of the applicable date set forth on Schedule A to the Notice; and it is further

ORDERED that claims arising out of any rejection effected pursuant to this Order must timely be filed in accordance with the Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof [ECF No. 1388] on or before the date that is 30 days after the date hereof, and that absent a timely filing such claim shall be irrevocably barred; and it is further

ORDERED that all rights and defenses of the Debtors and Drummond Coal Sales, Inc. ("**Drummond**") are hereby reserved with respect to any payments made by the Debtors to Drummond before the date hereof pursuant to the Contract on account of services attributable to the time period following the date hereof; and it is further

ORDERED that, without further order of this Court, all counterparties to the Contract are prohibited from setting off or otherwise utilizing any monies deposited by the Debtors with such counterparty as a security deposit or pursuant to another similar arrangement; and it is further

ORDERED that notice of the Notice and the relief requested therein with respect to the Contract satisfy Bankruptcy Rules 6006 and Local Bankruptcy Rule 6006-1; and it is further

ORDERED that the notice procedures set forth in the Notice with respect to the Contract are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties to the Contract with notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: December 6, 2012  
New York, New York

*/s/ Shelley C. Chapman*  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Schedule 1**

<b>Counterparties to the Contracts and Leases to be Rejected</b>	<b>Title of Agreement/ Contract Type</b>	<b>Debtors' Contract ID</b>	<b>Debtor Parties to the Contracts and Leases to be Rejected</b>	<b>Date of Contract or Lease</b>	<b>Location of Real Property that is the Subject of a Lease to be Rejected</b>	<b>Description and Location of Expendable Property*</b>	<b>Rejection Effective Date</b>
Drummond Coal Sales, Inc.	Bulk Coal Transfer and Storage Agreement	TRSP 002	Patriot Coal Sales LLC	6/25/12	N/A	N/A	11/12/12