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*Proposed Conflicts Counsel to the Debtors
and Debtors in Possession*

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

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.¹

Chapter 11

Case No. 12-[] (___)

(Jointly Administered)

**DEBTORS' SECOND OMNIBUS MOTION FOR AN ORDER APPROVING
PROCEDURES FOR (i) THE REJECTION OF CERTAIN AGREEMENTS
EFFECTIVE AS OF THE PETITION DATE AND (ii) THE
ABANDONMENT OF CERTAIN EXCESS LEASED EQUIPMENT**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) respectfully represent:

Relief Requested

1. By this motion (the “**Motion**”), the Debtors seek an order in the form attached hereto as Exhibit A (the “**Order**”) approving procedures (i) to reject, pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, the DPL Agreements and the Equipment

¹ The Debtors are the entities listed on Schedule 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

Leases (each as defined below and as listed in Annex 1 to Exhibit B attached hereto) (collectively, the “**Agreements**”),² with such rejections to take effect as of the Petition Date, and (ii) to abandon, pursuant to section 554(a) of the Bankruptcy Code and Bankruptcy Rule 6007, the Excess Leased Equipment (as defined below).

Background and Jurisdiction

2. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, which is incorporated herein by reference.

5. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

² Due to confidentiality concerns, the Debtors have not attached copies of the Agreements to this Motion. However, upon request, the Debtors will provide copies of these Agreements to the Court, the U.S. Trustee and the advisors to any official committee of unsecured creditors appointed in these chapter 11 cases.

Basis for Relief

6. **The DPL Agreements.** The Debtors hereby seek to reject (i) the Settlement and Amendment executed on June 12, 2009 (the “**2009 Settlement Agreement**”) between Dayton Power and Light Company (“**DPL**”) and Patriot Coal Corporation, (ii) the Coal Supply Agreement dated January 1, 1996, originally executed by Ashland Coal, Inc. and DPL, as amended and assigned (the “**1996 Coal Supply Agreement**”) and (iii) the Master Fuel Purchase and Sale Agreement dated June 12, 2009 (the “**2009 Coal Supply Agreement**”) between DPL and Patriot Coal Sales LLC (as set forth in Annex 1 to Exhibit B attached hereto, collectively, the “**DPL Agreements**”). The 1996 Coal Supply Agreement provided for the supply of coal to DPL. The 2009 Settlement Agreement resolved certain claims under the 1996 Coal Supply Agreement and required payment by Patriot Coal Corporation to buy out certain coal delivery obligations thereunder. While the 2009 Coal Supply Agreement, executed in conjunction with the 2009 Settlement Agreement, required Patriot Coal Sales LLC to supply coal to DPL, there are no current or expected coal deliveries to DPL under such agreement. The Debtors have determined, in the sound exercise of their business judgment, that (i) rejecting the DPL Agreements would benefit the Debtors’ estates by terminating ongoing payment obligations under the DPL Agreements and (ii) the DPL Agreements provide no ongoing benefit to the Debtors’ estates. The Debtors estimate that rejecting the DPL Agreements will save the Debtors’ estates approximately \$6 million in total.

7. **Equipment Leases.** The Debtors hereby seek to reject those certain equipment lease agreements entered into, at various times, by Patriot Leasing Company LLC (“**Patriot Leasing**”) and RBS Asset Finance, Inc. (as set forth in Annex 1 to Exhibit B attached hereto, collectively, the “**Equipment Leases**”), pursuant to which Patriot Leasing leases certain mining

equipment (the “**Excess Leased Equipment**”). The Excess Leased Equipment is situated in idle mining facilities and/or is no longer being used by the Debtors, and would be burdensome to continue to lease and maintain. The Debtors estimate that the savings from rejecting the Equipment Leases will exceed \$220,000.

Procedures

8. The Debtors request that the Court approve the following procedures (the “**Procedures**”) regarding the Agreements and the Excess Leased Equipment that are the subject of this Motion.

A. Notice and Opportunity to be Heard

9. Contemporaneously herewith, the Debtors have served a notice (the “**Notice**”) substantially in the form of Exhibit B attached hereto via facsimile or overnight delivery service on the counterparties to the Agreements identified on Annex 1 to Exhibit B and any other parties requiring notice under the terms of the respective Agreements (collectively, the “**Counterparties**”). The Notice sets forth the Debtors’ intent to reject the Agreements and, as applicable, abandon the Excess Leased Equipment. As the Debtors filed this Motion on the Petition Date, they were unable to give the Counterparties prior notice pursuant to Bankruptcy Rules 6006, 6007 and 9014 and Local Bankruptcy Rules 6006-1 and 6007-1.

10. The Notice includes, *inter alia*, the following information, as applicable: (i) the identity of Counterparties, (ii) a description of the Agreements and (iii) if applicable, the location and a description of the Excess Leased Equipment.

11. To satisfy the notice and hearing requirements of the Bankruptcy Rules, the Debtors respectfully request that this Court enter the Order approving the Procedures set forth herein.

12. Within three business days of the entry of the Order, the Debtors shall serve a copy of the Order and this Motion on (a) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), (b) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors’ estates on a consolidated basis, (d) attorneys for the administrative agent for the Debtors’ proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney’s Office for the Southern District of New York and (i) the Counterparties.

13. The Debtors request that the deadline to file an objection (“**Objection**”) to the Motion shall be 4:00 p.m. (prevailing Eastern Time) on the date that is 10 days after the entry of the Order (the “**Objection Deadline**”). An Objection shall be considered timely only if, on or prior to the Objection Deadline, it is (a) filed with the Court and (b) served upon and actually received by (i) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (ii) proposed counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Brian M. Resnick, (iii) proposed conflicts counsel to the Debtors, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178, Attn: Steven J. Reisman and Michael A. Cohen, (iv) attorneys for the administrative agent for the Debtors’ proposed postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Marcia Goldstein and Joseph Smolinsky, and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Margot B. Schonholtz and

Ana Alfonso and (v) attorneys for any official committee of unsecured creditors then appointed in these cases.

14. Unless otherwise ordered by the Court, a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two days before the date of the applicable hearing.

15. As to the rejection of any Agreement or the abandonment of any item of Excess Leased Equipment to which no Objections are timely filed, served, and received as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court an order approving the rejection of such Agreement and/or (as applicable) the abandonment of such Excess Leased Equipment *nunc pro tunc* to the Petition Date, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party. If an Objection is timely and properly filed with respect to an Agreement or any item of Excess Leased Equipment, a hearing will be held only with respect to such Agreement or item of Excess Leased Equipment at a date and time to be established by the Court. The filing of such an Objection will not delay the entry of an order approving the rejection of any Agreement or the abandonment of any item of Excess Leased Equipment as to which no Objection has been filed.

B. Filing Proofs of Claim

16. The Debtors propose that any claims arising out of the rejections or abandonments discussed herein must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed. Any claim not timely filed will be irrevocably barred.

Retrieval of Excess Leased Equipment

17. The Debtors have provided information on the Notice that will assist the relevant Counterparties in retrieving the Excess Leased Equipment. The Counterparties must remove such Excess Leased Equipment from the location designated in the applicable exhibit. If a Counterparty does not retrieve or otherwise take control of the Excess Leased Equipment within 15 days of the Petition Date, the Debtors request that such Counterparty be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including the cost of insuring the relevant Excess Leased Equipment. If a Counterparty does not remove its Excess Leased Equipment or make timely payments for storage and other costs, the Debtors may file a motion to compel removal of the Excess Leased Equipment and/or payment to the Debtors of storage and other attendant costs, including, without limitation, all legal fees.

Debtors' Further Actions to Implement Procedures

18. The Debtors submit that the proposed Procedures are reasonable, in the best interests of the estates and should be approved by this Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejection or abandonment contemplated herein.

**Rejection of the Agreements
Is Supported by the Debtors' Business Judgment
and Should Be Approved by the Court**

19. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465

U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). “[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to ‘renounce title to and abandon burdensome property.’” *In re Orion Pictures Corp.*, 4 F.3d 1095, 1098 (2d Cir. 1993).

20. Courts defer to a debtor’s business judgment in rejecting an executory contract or unexpired lease and, upon finding that a debtor has exercised its sound business judgment, regularly approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the “business judgment” standard used to approve rejection of executory contracts); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009) (same); *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008) (same); *In re Klein Sleep Products, Inc.*, 78 F.3d 18, 25 (2d Cir. 1996) (same); *In re Minges*, 602 F.2d 38, 42–43 (2d Cir. 1979) (same); *In re Balco Equities Ltd.*, 323 B.R. 85, 98–99 (Bankr. S.D.N.Y. 2005) (same); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the “business judgment” test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its “business judgment”).

21. The Procedures also reduce the Debtors’ obligations with respect to Excess Leased Equipment that is no longer used by the Debtors, would be burdensome to continue to maintain, and the Debtors interest in the property is of inconsequential value to their estates. The Debtors submit that the abandonment of the Excess Leased Equipment satisfies the standard set forth in section 554(a) of the Bankruptcy Code. Section 554(a) of the Bankruptcy Code provides that a debtor in possession may abandon, subject to Court approval, “property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” By the

plain terms of the statute, therefore, before authorizing abandonment of property, the Court must find either that the property is burdensome to the estate or the property is both of inconsequential value and inconsequential benefit to the estate. *See, e.g., Midlantic Nat'l Bank v. N.J. Dep't of Env'tl. Prot.*, 474 U.S. 494, 497, *reh'g denied*, 475 U.S. 1091 (1986).

22. The Agreements either provide no ongoing benefit to the Debtors' estates or provide benefits that are substantially less than the corresponding costs. Rejecting the Agreements and abandoning the Excess Leased Equipment will save the Debtors approximately \$6.2 million and, for all the reasons set forth herein, is clearly beneficial to the Debtors' estates and creditors. Additionally, the Debtors have determined that the Excess Leased Equipment is no longer needed to support the Debtors' operations and, accordingly, is no longer being utilized by the Debtors. The Debtors and their financial advisors have thoroughly considered the available alternatives to rejection of the Agreements and abandonment of the Excess Leased Equipment and believe that the relief requested herein is most likely to maximize the value of the estates. In light of the foregoing, the Debtors respectfully request that the Court approve rejection of the Agreements pursuant to section 365(a) of the Bankruptcy Code and abandonment of the Excess Leased Equipment pursuant to section 554(a) of the Bankruptcy Code in the manner requested herein as a sound exercise of their business judgment.

23. The Debtors submit that the Procedures satisfy Bankruptcy Rules 6006 and 9014 and Local Bankruptcy Rule 6006-1 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing. *See, e.g., In re Drexel Burnham Lambert*, 160 B.R. 729 (S.D.N.Y. 1993) (granting interested parties an opportunity to present objections satisfies due process); *In re Colorado Mountain Cellars, Inc.*, 226 B.R. 244, 246 (D. Colo. 1998) (noting that a hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the

proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses.

24. Bankruptcy Rule 6007 allows the Court discretion to limit notice and the time for filing objections to any abandonment of property. The Debtors submit that requiring notice of abandonment of Excess Leased Equipment be given to all creditors and indenture trustees would be unnecessarily expensive, time consuming, and would not provide any useful purpose. Furthermore, the Debtors submit that any reduction of time to file an objection to abandonment will not prejudice the rights of any party in interest. Accordingly, the Debtors request the Court limit notice under Bankruptcy Rule 6007 to the parties in interest set forth herein and limit the time for filing objections as set forth herein.

25. Local Bankruptcy Rule 6007-1 requires that a notice of a proposed abandonment describe the property to be abandoned, state the reason for the proposed abandonment, and identify the entity to whom the property is proposed to be abandoned. The Debtors submit that the description herein of the Excess Leased Equipment, coupled with the information to be provided in the Notice, satisfy such requirements.

Notice

26. No trustee, examiner or creditors' committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on (a) the Office of the United States Trustee for the Southern District of New York, (b) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors' estates on a consolidated basis, (d) attorneys for the administrative agent for the Debtors' proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States

Environmental Protection Agency and (h) the United States Attorney's Office for the Southern District of New York. In addition, the Debtors have served the Notice on the Counterparties.

No Previous Request

27. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: New York, New York
July 9, 2012

**CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP**

By: /s/ Steven J. Reisman

Steven J. Reisman

Michael A. Cohen

101 Park Avenue
New York, NY 10178-0061
Telephone: (212) 696-6000
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*Proposed Conflicts Counsel to the
Debtors and Debtors in Possession*

SCHEDULE 1
(Debtor Entities)

- | | |
|--|--|
| 1. Affinity Mining Company | 51. KE Ventures, LLC |
| 2. Apogee Coal Company, LLC | 52. Little Creek LLC |
| 3. Appalachia Mine Services, LLC | 53. Logan Fork Coal Company |
| 4. Beaver Dam Coal Company, LLC | 54. Magnum Coal Company LLC |
| 5. Big Eagle, LLC | 55. Magnum Coal Sales LLC |
| 6. Big Eagle Rail, LLC | 56. Martinka Coal Company, LLC |
| 7. Black Stallion Coal Company, LLC | 57. Midland Trail Energy LLC |
| 8. Black Walnut Coal Company | 58. Midwest Coal Resources II, LLC |
| 9. Bluegrass Mine Services, LLC | 59. Mountain View Coal Company, LLC |
| 10. Brook Trout Coal, LLC | 60. New Trout Coal Holdings II, LLC |
| 11. Catenary Coal Company, LLC | 61. Newtown Energy, Inc. |
| 12. Central States Coal Reserves of Kentucky, LLC | 62. North Page Coal Corp. |
| 13. Charles Coal Company, LLC | 63. Ohio County Coal Company, LLC |
| 14. Cleaton Coal Company | 64. Panther LLC |
| 15. Coal Clean LLC | 65. Patriot Beaver Dam Holdings, LLC |
| 16. Coal Properties, LLC | 66. Patriot Coal Company, L.P. |
| 17. Coal Reserve Holding Limited Liability Company No. 2 | 67. Patriot Coal Corporation |
| 18. Colony Bay Coal Company | 68. Patriot Coal Sales LLC |
| 19. Cook Mountain Coal Company, LLC | 69. Patriot Coal Services LLC |
| 20. Corydon Resources LLC | 70. Patriot Leasing Company LLC |
| 21. Coventry Mining Services, LLC | 71. Patriot Midwest Holdings, LLC |
| 22. Coyote Coal Company LLC | 72. Patriot Reserve Holdings, LLC |
| 23. Cub Branch Coal Company LLC | 73. Patriot Trading LLC |
| 24. Dakota LLC | 74. PCX Enterprises, Inc. |
| 25. Day LLC | 75. Pine Ridge Coal Company, LLC |
| 26. Dixon Mining Company, LLC | 76. Pond Creek Land Resources, LLC |
| 27. Dodge Hill Holding JV, LLC | 77. Pond Fork Processing LLC |
| 28. Dodge Hill Mining Company, LLC | 78. Remington Holdings LLC |
| 29. Dodge Hill of Kentucky, LLC | 79. Remington II LLC |
| 30. EACC Camps, Inc. | 80. Remington LLC |
| 31. Eastern Associated Coal, LLC | 81. Rivers Edge Mining, Inc. |
| 32. Eastern Coal Company, LLC | 82. Robin Land Company, LLC |
| 33. Eastern Royalty, LLC | 83. Sentry Mining, LLC |
| 34. Emerald Processing, L.L.C. | 84. Snowberry Land Company |
| 35. Gateway Eagle Coal Company, LLC | 85. Speed Mining LLC |
| 36. Grand Eagle Mining, LLC | 86. Sterling Smokeless Coal Company, LLC |
| 37. Heritage Coal Company LLC | 87. TC Sales Company, LLC |
| 38. Highland Mining Company, LLC | 88. The Presidents Energy Company LLC |
| 39. Hillside Mining Company | 89. Thunderhill Coal LLC |
| 40. Hobet Mining, LLC | 90. Trout Coal Holdings, LLC |
| 41. Indian Hill Company LLC | 91. Union County Coal Co., LLC |
| 42. Infinity Coal Sales, LLC | 92. Viper LLC |
| 43. Interior Holdings, LLC | 93. Weatherby Processing LLC |
| 44. IO Coal LLC | 94. Wildcat Energy LLC |
| 45. Jarrell's Branch Coal Company | 95. Wildcat, LLC |
| 46. Jupiter Holdings LLC | 96. Will Scarlet Properties LLC |
| 47. Kanawha Eagle Coal, LLC | 97. Winchester LLC |
| 48. Kanawha River Ventures I, LLC | 98. Winifrede Dock Limited Liability Company |
| 49. Kanawha River Ventures II, LLC | 99. Yankeetown Dock, LLC |
| 50. Kanawha River Ventures III, LLC | |

EXHIBIT A

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-[] (___)

(Jointly Administered)

**SECOND OMNIBUS ORDER APPROVING PROCEDURES FOR (i) THE REJECTION
OF CERTAIN AGREEMENTS EFFECTIVE AS OF THE PETITION DATE AND (ii)
THE ABANDONMENT OF CERTAIN EXCESS LEASED EQUIPMENT**

Upon the second omnibus motion (the “**Motion**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) for an order pursuant to sections 365(a) and 554(a) of the Bankruptcy Code and Bankruptcy Rules 6006, 6007 and 9014, approving the rejection of the Agreements and the abandonment of the Excess Leased Equipment pursuant to the Procedures as set forth in the Motion; and upon consideration of the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed in support of the Debtors’ first-day pleadings; and the Court having jurisdiction to consider the Motion 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 Motion and the requested relief being a

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided to (a) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), (b) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors’ estates on a consolidated basis, (d) attorneys for the administrative agent for the Debtors’ proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney’s Office for the Southern District of New York and (i) the Counterparties; and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their respective estates and creditors; and rejecting the Agreements and abandoning the Excess Leased Equipment representing a prudent exercise of the Debtors’ business judgment; and the Debtors having articulated good, sufficient and sound business justifications and compelling circumstances for rejecting the Agreements and abandoning the Excess Leased Equipment; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; 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 Procedures set forth in the Motion for the rejection of the Agreements and the abandonment of the Excess Leased Equipment, are hereby approved pursuant to sections 365(a) and 554(a) of the Bankruptcy Code; and it is further

ORDERED that the form of the notice attached as Exhibit B to the Motion is hereby approved; and it is further

ORDERED that within three business days of the entry of this Order, the Debtors shall serve a copy of the Order on (a) the U.S. Trustee, (b) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors' estates on a consolidated basis, (d) attorneys for the administrative agent for the Debtors' proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney's Office for the Southern District of New York and (i) the Counterparties; and it is further

ORDERED that any objection to the relief requested in the Motion on a permanent basis must, by 4:00 p.m. (prevailing Eastern Time) on the date that is 10 days after the date of the entry of this Order (the "**Objection Deadline**"), be: (a) filed with the Court and (b) actually received by (i) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (ii) proposed counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Brian M. Resnick, (iii) proposed conflicts counsel to the Debtors, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178, Attn: Steven J. Reisman and Michael A. Cohen, (iv) attorneys for the administrative agent for the Debtors' proposed postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Marcia Goldstein and Joseph Smolinsky, and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Margot B. Schonholtz and

Ana Alfonso and (v) attorneys for the official committee of unsecured creditors then appointed in these cases; and it is further

ORDERED that a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two days before the date of the applicable hearing; and it is further

ORDERED that as to the rejection of any Agreement or the abandonment of any item of Excess Leased Equipment to which no Objections are timely filed, served, and received as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court an order approving the rejection of such Agreement and/or (as applicable) the abandonment of such Excess Leased Equipment *nunc pro tunc* to the Petition Date, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party; and it is further

ORDERED that if any timely Objections are received to the rejection of any Agreement or the abandonment of any Excess Leased Equipment, there shall be a hearing held on _____, 2012 at _____ (prevailing Eastern Time) only with respect to the rejection of the Agreements and/or the abandonment of the Excess Leased Equipment to which such Objections are properly filed and served; and it is further

ORDERED that filing of an Objection will not delay the entry of an order approving the rejection of any Agreement or the abandonment of any item of Excess Leased Equipment as to which no Objection has been filed; and it is further

ORDERED that claims arising out of any rejection or abandonment effected pursuant to these Procedures must timely be filed in accordance with any order pursuant to

Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed. Any claim not timely filed shall be irrevocably barred; and it is further

ORDERED that if a Counterparty does not retrieve or otherwise take control of the Excess Leased Equipment within 15 days of the Petition Date, the such Counterparty shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including the cost of insuring the relevant Excess Leased Equipment. If a Counterparty does not remove its Excess Leased Equipment or make timely payments for storage and other costs, the Debtors may file a motion to compel removal of the Excess Leased Equipment and/or payment to the Debtors of storage and other attendant costs, including, without limitation, all legal fees; and it is further

ORDERED that the Debtors are hereby authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the Procedures; and it is further

ORDERED that the Procedures satisfy Bankruptcy Rules 6006 and 6007 and Local Bankruptcy Rules 6006-1; and it is further

ORDERED that the description of Excess Leased Equipment in the Motion, coupled with the information provided in Annex 1 to each Notice, satisfy Local Bankruptcy Rule 6007-1; and it is further

[Remainder of page intentionally left blank.]

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

Dated: New York, New York

_____, 2012

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-[] (___)

(Jointly Administered)

NOTICE OF INTENT TO REJECT CERTAIN EXECUTORY CONTRACTS

PLEASE TAKE NOTICE, that on July 9, 2012 (the “**Petition Date**”), Patriot Coal Corporation and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), filed chapter 11 petitions commencing chapter 11 cases under the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that, contemporaneously with the service of this Notice, the Debtors filed the Debtors’ Second Omnibus Motion for an Order Pursuant to Sections 365 and 554 of the Bankruptcy Code and Bankruptcy Rules 6006, 6007 and 9014 Approving Procedures for (i) the Rejection of Certain Agreements Effective as of the Petition Date and (ii) the Abandonment of Certain Excess Leased Equipment (the “**Motion**”)² seeking an Order approving Procedures for the rejection of certain executory contracts and the abandonment of certain excess leased equipment. The proposed Procedures would enable the Debtors to reject the Agreements and abandon the Excess Leased Equipment described in the Motion without further notice effective as of the Petition Date.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Motion, the above-captioned Debtors hereby provide notice of their intent to reject the Agreements and abandon the Excess Leased Equipment referenced in Annex 1 hereto.

PLEASE TAKE FURTHER NOTICE that, upon entry of the Order granting the relief sought in the Motion, the Procedures set forth in the Motion for the rejection of the Agreements and the abandonment of the Excess Leased Equipment listed therein shall be effective as of the Petition Date. If any affected Counterparty wishes to object to the rejection of

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Order. A copy of the Motion is available free of charge on the Debtors’ case information website www.PatriotCaseInfo.com.

an Agreement to which it is a party, or to the abandonment of any item of Excess Leased Equipment in which it has an interest, such affected Counterparty must file and serve such objection in accordance with the terms set forth in the Order. Any objection filed in connection with a rejection or abandonment thereunder shall be heard by the Court at a date and time to be established by the Court. However, there will be no hearing for any Agreement or item of Excess Leased Equipment for which no timely objection is received. If, after a hearing, the disputed rejection or abandonment is approved by the Court, any Agreement or Excess Leased Equipment subject to the overruled or withdrawn Objection will be rejected or abandoned, as applicable, as of the Petition Date.

Dated: New York, New York
July 9, 2012

**CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP**

By: _____
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*Proposed Conflicts Counsel to the
Debtors and Debtors in Possession*

Annex 1

NON-LEASE AGREEMENTS					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL No.	REJECTION EFFECTIVE DATE
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	MAGNUM COAL COMPANY	Coal Supply Agreement	6/12/2009 (previously amended on 3/20/2002 with original contract date of 1/1/1996)	N/A	Petition Date
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	PATRIOT COAL SALES, LLC	Master Fuel Purchase and Sale Agreement	Dated 1/1/2009; executed on 6/12/2009	N/A	Petition Date
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	PATRIOT COAL CORPORATION	Settlement and Amendment	6/12/2009	N/A	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Pine Ridge - Fletcher Roof Bolter HDDR 13 Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: 200734	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2011	Description: Freedom U/G - Power Center 750KVA Location: Freedom Mine 19050 Hwy 1078 South Henderson, KY 42420 Serial No.: 36113-33336-1210	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2011	Description: Freedom U/G - Power Center 750KVA Location: Freedom Mine 19050 Hwy 1078 South Henderson, KY 42420 Serial No.: 36113-33338-1210	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0176	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0177	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0178	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0179	Petition Date