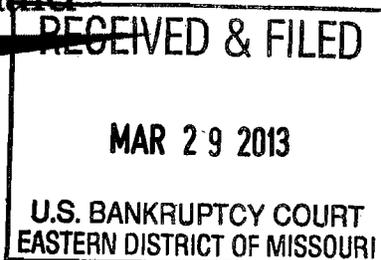


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Honorable Kathy A. Surratt-States
United States Bankruptcy Court
for the Eastern District of Missouri
111 South Tenth Street
St. Louis, Missouri 63102

Re: Patriot Coal Corp., et al., Case No. 12-51502-659

Your Honor,

As you know, together with Kramer, Levin, Naftalis & Frankel, LLP, I represent the Official Committee of Unsecured Creditors (the "Committee") in these Chapter 11 cases. We have received the Debtors' March 28, 2013 letter to the Court, seeking a conference concerning the 1113/1114 hearing scheduled to begin on April 29, 2013.

Relying on *In re UAL Corp.*, 408 F.3d 847 (7th Cir. 2005), the Debtors argue that participation in the 1113/1114 hearing should be limited to the parties to the relevant collective bargaining agreements – the Debtors and the United Mine Workers of America (the "UMWA"). Creditors of the estate, they assert, are not "interested parties" and, therefore, should not be permitted full participation in the hearing. Instead, the Debtors contend, creditors should be accorded only very limited procedural rights (i.e., attendance at depositions, limited briefing, etc.).

The Committee - the principal fiduciary for unsecured creditors - has a profound interest in participating in the hearing.

The Debtors' position is premised on the assumption that the 1113/1114 proceeding is merely a two-party dispute over the rejection of a contract. Of course, that ignores the reality that the proposal the Debtors ask the Court to approve purports to grant UMWA retirees "an unsecured claim against the Debtors' estate." Declaration of Paul P. Huffard, dated March 14, 2013. ¶ 67. "The value of the unsecured claim," they acknowledge, "may be substantial, potentially generating hundreds of millions of dollars in cash . . . to the extent the claim is monetized." *Id.* More particularly, they estimate the claim will be allowed in the amount of \$1 billion and may be worth as much as \$500 million in the market. *Id.* ¶ 69. Similarly, the Debtors also propose to give the 1974 Pension Plan a potentially enormous unsecured claim in respect of the Debtors' withdrawal from that multiemployer plan

Nowhere, however, do the Debtors, specify the particular Debtor (or Debtors) against which these claims would be allowed. The potential for allowance of an unsecured claim of that extraordinary magnitude against one or more of the Debtors' estates, plainly distinguishes this case from the sort of bilateral contract rejection proceeding contemplated in *UAL*.

Honorable Kathy Surratt-States

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March 29, 2013

At the risk of stating the obvious, more than \$1 billion in claims will materially impact recoveries available to creditors at any estate(s) against which they are allowed. It is, of course, essential that the Committee can make certain that, among other considerations, any such claims are allowed only if (i) in the proper amounts, (ii) against the proper Debtor or Debtors; and (iii) given only appropriate treatment. (The Committee reserves its rights concerning whether these claims should be allowed against certain Debtors or all Debtors as a consolidated group.)

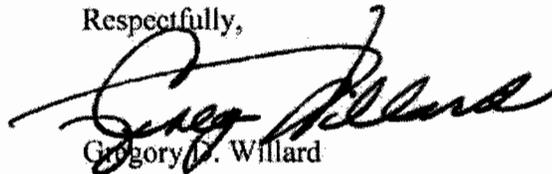
Under these circumstances (and similar to the colloquy Ms. Long and I had with Your Honor during the recent hearing regarding the respective statutory standing of the U.S. Trustee and Committee in adversary proceedings), the Committee, as authorized by Section 1109(b) of the Bankruptcy Code, is plainly a party in interest in the 1113/1114 hearing and is entitled to appear, be heard, and participate.

That said, the Committee is sympathetic to the Debtors' concerns about overcomplicating this very critical hearing in these cases. I wish to personally assure Your Honor of the following: the Committee's participation at the hearing would be limited and would not adversely affect your conduct of the hearing. Although the Committee hasn't reached its final position on the 1113/1114 motion, in no event would the Committee call more than one witness – if it calls a witness at all. In addition, we would limit our examination, if any, of other witnesses to evidence that is not otherwise presented and that is directly relevant to the interests of the unsecured creditors of these estates.

As always, we remain available to participate in a conference concerning this matter at the Court's convenience, or to assist in any way that would be helpful.

With appreciation, I remain

Respectfully,



Gregory D. Willard

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