

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

Jointly Administered

**FIRST 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 first 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,

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.

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 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 agents 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 set forth on Annex 1 to the Notice, 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 two 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 agents 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 service 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) attorneys for the administrative agents 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 (iv) 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 August 2, 2012, at 2:00 p.m. (prevailing Eastern Time) (the "**Hearing Date**") 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 the Debtors propose that the order of rejection also provide that if a Counterparty does not retrieve or otherwise take control of the Excess Leased Equipment within five days of the Hearing Date, 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 to the extent that there may be any inconsistency between the terms of the interim or final order approving the proposed debtor in possession financing, if and when entered, and this Order, the terms of the interim or final order approving the proposed debtor in possession financing, as applicable, shall govern; 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

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: July 11, 2012
New York, New York

/s/ Allan L. Gropper
HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE