UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re **PATRIOT COAL CORPORATION, *et al.*,** **Debtors.**[1]	**Chapter 11** **Case No. 12-51502-659** **(Jointly Administered)** **Objection Deadline:** **August 19, 2013 at 9:00 a.m. (prevailing Central Time)** **Proposed Hearing Date:** **August 20, 2013 at 10:00 a.m. (prevailing Central Time)**

NOTICE AND MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §§ 363(b), 1113, 1114(e) AND 105(a) AND FED. R. BANKR. P. 9019(a) AUTHORIZING ENTRY INTO NEW COLLECTIVE BARGAINING AGREEMENTS AND MEMORANDUM OF UNDERSTANDING WITH THE UNITED MINE WORKERS OF AMERICA

PLEASE TAKE NOTICE that this motion is scheduled for hearing on August 20, 2013, at 10:00 a.m. (prevailing Central Time), in Bankruptcy Courtroom Seventh Floor North, in the Thomas F. Eagleton U.S. Courthouse, 111 South Tenth Street, St. Louis, Missouri 63102.

WARNING: ANY RESPONSE OR OBJECTION TO THIS MOTION MUST BE FILED WITH THE COURT BY 9:00 A.M. (PREVAILING CENTRAL TIME) ON AUGUST 19, 2013. A COPY MUST BE PROMPTLY SERVED UPON THE UNDERSIGNED. FAILURE TO FILE A TIMELY RESPONSE MAY RESULT IN THE COURT GRANTING THE RELIEF REQUESTED PRIOR TO THE HEARING DATE.

[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.

MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §§ 363(b), 1113, 1114(e) AND 105(a) AND FED. R. BANKR. P. 9019(a) AUTHORIZING ENTRY INTO COLLECTIVE BARGAINING AGREEMENTS AND MEMORANDUM OF UNDERSTANDING WITH THE UNITED MINE WORKERS OF AMERICA

Patriot Coal Corporation ("**Patriot**") and its subsidiaries that are debtors and debtors in possession in these proceedings (the "**Debtors**"), hereby submit this motion (the "**Motion**"), pursuant to sections 363(b), 1113, 1114(e) and 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), for entry of an order[2] authorizing certain of the Debtors to (i) enter into new collective bargaining agreements with the United Mine Workers of America (the "**UMWA**"), substantially in the form of the agreement included as Exhibit A (the "**New CBAs**"), (ii) enter into that Memorandum of Understanding with the UMWA, substantially in the form of the memorandum of understanding included as Exhibit B (the "**MOU**") and (iii) take such actions as may be necessary or desirable in connection with or in furtherance of the 1113 Settlement and the 1114 Settlement (each as defined below). This relief is requested subject to ratification of the Settlements (as defined below) by the UMWA, and the Motion will be withdrawn if the Settlements are not ratified.[3]

BACKGROUND AND JURISDICTION

1. On July 9, 2012 (the "**Petition Date**"), each Debtor commenced with the United States Bankruptcy Court for the Southern District of New York (the "**SDNY Bankruptcy Court**") a voluntary case under chapter 11 of the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring these chapter 11 cases to this Court (the

[2] A copy of the proposed order granting the relief requested in the Motion (the "**Proposed Order**") will be provided to the Core Parties (as defined below), the UMWA, Knighthead Capital Management LLC, Aurelius Capital Management, LP, the UMWA 1992 Benefit Plan, the UMWA 1993 Benefit Plan, the UMWA 1974 Pension Trust, the UMWA 2012 Retiree Bonus Account Trust and the UMWA Combined Benefit Fund. A copy of the Proposed Order will be made available at *www.patriotcaseinfo.com/orders.php*.

[3] The results of the ratification vote are expected no later than August 19, 2013.

"**Transfer Order**") [ECF No. 1789].[4] 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. The Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the Joint Administration Order entered on July 10, 2012 [ECF No. 30].

2. This Court has subject matter jurisdiction over 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 heard and determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

OVERVIEW

3. The Settlements are possibly the most significant development in these chapter 11 cases. If approved by the Court, the Settlements will provide the Debtors with labor stability and critically-needed savings that will position the Debtors to emerge from bankruptcy.

4. As of the Petition Date, ten of the ninety-nine Debtors (the "**Obligor Debtors**") were signatories to collective bargaining agreements with the UMWA as set forth on Exhibit C (the "**Existing CBAs**"). The terms and conditions set forth in the Existing CBAs vary in certain respects, but generally provide the Obligor Debtors' eligible UMWA-represented employees (together with their spouses and dependents, the "**UMWA Employees**") and eligible UMWA-represented retirees (together with their spouses, dependents and survivors, the "**UMWA Retirees**") with a comprehensive package of benefits including healthcare insurance. In addition, the Existing CBAs impose a variety of work rules that significantly affect the Obligor Debtors' operations. Throughout these chapter 11 cases, the Debtors have consistently stated that they need to modify the Existing CBAs to adjust wages, benefits and work rules to levels

[4] Pursuant to the Transfer Order, all orders previously entered in these chapter 11 cases remain in full force and effect in accordance with their terms notwithstanding the transfer of venue.

more consistent with the regional market and reduce their retiree healthcare obligations to UMWA Retirees, which total more than $1 billion (the "**Retiree Benefits**") if they are to successfully reorganize and emerge from bankruptcy.

5. The Debtors began formal negotiations with the UMWA, in its capacity as the authorized representative of the UMWA Employees and the UMWA Retirees,[5] in November 2012 with the goal of securing consensual modifications to the Existing CBAs and to the Obligor Debtors' retiree healthcare obligations. Prior to commencing these negotiations, the Debtors had identified and secured hundreds of millions of dollars in other savings, including by rejecting or renegotiating unprofitable contracts, increasing efficiency, selling surplus assets, eliminating management positions, and making significant cuts to wages and benefits for its non-union employees and retirees (the "**Non-Union Savings**"). Nevertheless, the Debtors and their financial advisors concluded that, in light of the reduced demand and prices for coal, increasingly adverse regulatory compliance requirements and unsustainable wage, benefit, and retiree healthcare costs, the Non-Union Savings alone would not enable the Debtors to survive in the short-term or compete in the long-term.

6. Between November 2012 and March 2013, the Debtors and the UMWA engaged in extended negotiations, with the Debtors delivering multiple labor proposals in an effort to reach a consensual agreement with the UMWA. During that period, the Debtors and the UMWA participated in more than a dozen bargaining sessions and shared tens of thousands of pages of information concerning the labor proposals.

7. By March 14, 2013, the Debtors and the UMWA had not reached an agreement on modification to the Existing CBAs or the Retiree Benefits, and the Debtors—whose financial

[5] The UMWA agreed, pursuant to section 1114(c)(1) of the Bankruptcy Code, to serve as the authorized representative for the UMWA Retirees.

condition had continued to deteriorate in recent months—filed a motion for relief under sections 1113 and 1114 of the Bankruptcy Code (the "**1113/1114 Motion**"). Over the next six weeks, the Court presided over comprehensive litigation, which involved extensive briefing and discovery, and which culminated in a five-day trial.

8. On May 29, 2013, the Court issued a 102-page ruling granting the 1113/1114 Motion and authorizing, but not directing, the Obligor Debtors to implement their proposed changes to the Existing CBAs and to the Retiree Benefits (the "**1113/1114 Decision**"). Among other things, the 1113/1114 Decision permitted the Obligor Debtors to:

- eliminate certain wage increases for the UMWA Employees and adjust union wage rates to conform more closely with non-union wage rates;
- modify rules relating to overtime, double time, triple time, and premium pay to better align with non-union rules;
- reduce the number of holidays, vacation days, sick days, and personal days to conform more closely with non-union benefits;
- modify health coverage and offer the same coverage presently available to the Debtors' non-union employees;
- alter work rules, such as the Obligor Debtors' attendance policy; and
- transition the provision of the Retiree Benefits to a VEBA (as defined below), which would administer the Retiree Benefits.

9. Shortly after the Court issued its 1113/1114 Decision, the UMWA filed a notice of appeal (the "**1113/1114 Appeal**") and elected to have the 1113/1114 Appeal heard by the United States District Court for the Eastern District of Missouri. The 1113/1114 Appeal was assigned to the Honorable Carol E. Jackson (Case No. 4:13cv-01086-CEJ). Briefing on the 1113/1114 Appeal is complete but oral argument has not been scheduled.

10. The Debtors and the UMWA continued to negotiate following the issuance of the 1113/1114 Decision and during the pendency of the 1113/1114 Appeal because the parties

continued to believe that a consensual resolution held the promise of providing the Debtors the needed financial relief, while reducing the risk of an enterprise-threatening work stoppage. On August 9, 2013, the Debtors and the UMWA, as the representative of the UMWA Employees under the Existing CBAs, reached negotiated resolutions on modifications to the Existing CBAs, as set forth in the New CBAs and the MOU (together, the "**1113 Settlement**"), and the Debtors and the UMWA, in its capacity as the authorized representative of the UMWA Retirees, reached negotiated resolutions on modifications to the Retiree Benefits, as set forth in Article XX of the New CBAs and the MOU (collectively, the "**1114 Settlement,**" and together with the 1113 Settlement, the "**Settlements**").

11. The 1113 Settlement consensually resolves numerous issues and provides for the implementation of new collective bargaining agreements that the Debtors believe balance the needs and concerns of the UMWA Employees while providing the Debtors with the necessary savings and work rule flexibility that are key to their long-term viability. The 1114 Settlement provides for a meaningful contribution by the Debtors toward the costs of the Retiree Benefits while still providing the Debtors with the ability to maintain a competitive cost structure.

12. The Debtors are hopeful that the savings and the certainty provided by the Settlements will allow them to secure the outside investment necessary to reorganize as a going concern. This will allow the Debtors to avoid liquidation and maintain jobs and benefits for their thousands of employees, retirees and their families. The Settlements are unquestionably in the best interests of the Debtors and their estates, easily satisfy the standards for approval of a compromise and settlement under Bankruptcy Rule 9019, and should be approved in all respects.

Terms of the 1113 Settlement

13. The following briefly summarizes the key terms of the New CBAs:[6]

A. Modifications to Wages

(1) Wage rates for employees working at underground mines, surface mines, and coal preparation plants will be reduced to those wage rates in effect on June 1, 2012.

(2) Raises of $0.50 per hour on January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018.

(3) Shift differential payments, which had increased wages for UMWA-represented employees who worked during an afternoon or night shift, will be eliminated.

(4) Overtime will be paid after 40 hours per week at 1.5 times regular pay, and premium overtime will be eliminated, but all hours worked on holidays will be paid at 1.5 times regular pay.

(5) The Obligor Debtors and the UMWA agree to a wage reopener in 2016 to permit wage adjustments for 2017 and 2018. The wage reopener would require good-faith bargaining in light of then-current market conditions and would permit a maximum wage increase of ten percent, inclusive of the wage increases scheduled for January 1, 2017 and January 1, 2018.

B. Active Employee Healthcare Benefits

(1) The Obligor Debtors will implement a healthcare plan designed to more closely match the plan currently available to non-union employees, although, among other things, UMWA Employees will be subject to lower out-of-pocket maximums than non-union employees and UMWA Employees will not be required to pay healthcare premiums.

(2) The Obligor Debtors will continue to provide the currently available life and accidental death and dismemberment benefits, vision care, and dental plan. The Obligor Debtors also will provide lifetime healthcare for UMWA Employees and/or surviving spouses of UMWA Employees who become totally disabled or die as a result of a mine accident, subject to (a) the

[6] The information below is intended as a summary and is qualified in its entirety by the terms of the New CBAs. The summary of the primary terms of the New CBAs set forth herein is provided solely for the convenience of the Court and is not intended to alter the terms of the New CBAs in any respect. To the extent the terms of this Motion and the New CBAs are in conflict in any respect, the terms of the applicable New CBA shall govern.

beneficiary becoming eligible for Medicare, or (b) the remarriage of the surviving spouse beneficiary.

(3) Spouses of UMWA Employees who have their own healthcare coverage must use that as their primary coverage as of January 1, 2014.

(4) Extended healthcare coverage following layoff from employment will be reduced to 90 days from the date of layoff.

(5) The Obligor Debtors will contribute three percent of gross wages into a 401(k) or similar plan in lieu of retiree healthcare.

C. Paid Time Off

(1) As of January 1, 2014, the Obligor Debtors will reduce paid vacations days from twelve to ten and will schedule three one-week vacation outage periods to coincide with July 4, Thanksgiving, and Christmas.

(2) Floating vacation days will be reduced from four to two for 2013 through 2015 and one additional floating vacation day will be provided beginning in 2016.

(3) The graduated vacation schedule will not be altered, but the Obligor Debtors will be permitted to limit the number of graduated vacation days used in 2014 through 2016 to five, provided that all unused days will be paid in full by January 31 of the following year. The maximum number of graduated vacation days that can be used will increase to six on January 1, 2017 and to seven on January 1, 2018.

(4) Personal and sick leave days will be reduced from six, or five where applicable, to three for 2013 through 2015. The number of available personal and sick leave days will increase to four in 2016 and to five in 2017.

(5) Holidays will be reduced from eleven to eight for 2013 through 2015 by eliminating April 1, Veterans' Day, and the Employee Birthday holiday. The Employee Birthday holiday will be restored beginning in 2016.

D. Job Opportunities and Job Security

(1) The Obligor Debtors will continue current successorship requirements and will agree to have Pine Ridge Coal Company LLC, Colony Bay Coal Company, Mountain View Coal Company LLC and Rivers Edge Mining, Inc. sign the applicable New CBA.

(2) The Obligor Debtors and the UMWA will retain current provisions concerning job offers.

(3) The Memorandum of Understanding Regarding Job Opportunities will remain in force.

(4) The applicable New CBA will be implemented at newly organized mines, and the Obligor Debtors will facilitate union representation at Huff Creek Surface Mine, Buck Fork Surface Mine, Flying Eagle Underground Mine, Buffalo Mountain Surface Mine and Stanley Fork Mine.

(5) Contributions to the UMWA-BCOA Training and Education Fund, the UMWA-BCOA Labor Management Positive Change Process Fund, and the UMWA-BCOA Resolution of Disputes Trust, and other related requirements will be eliminated.

E. Work Rules

(1) The Obligor Debtors may implement their revised attendance control policy, subject to the development of mutually agreeable language providing for counseling and/or warning following the first violation.

(2) Supervisors will be permitted to work up to one hour per supervisor per shift.

(3) The requirement to provide helpers on underground face equipment will be eliminated, subject to the Obligor Debtors' assurance that current personnel in those positions would be reassigned to other positions and not terminated as a result of eliminating helper positions.

(4) The changing of crews at the location of the work will be permitted.

(5) The use of contractors will be allowed, subject to the clarification that contractor usage at idle operations will not include coal production or coal processing, and that contractor usage at active operations will not include direct production of coal. The use of contractors at active operations will not cause the layoff of employees, nor will contractors hold full-time, permanent positions that could be filled with panel members.

(6) Alternate seven day a week work schedules may be implemented for operations at Highland, Hobet surface mine, Apogee's Guyan surface mine and all Gateway operations no earlier than September 15, 2013 and only upon completion of employee communications

of the proposed changes. Alternate work schedules may be implemented at other operations following appropriate communication to the UMWA and 30 days' notice to affected UMWA Employees.

F. Multi-Employer Plan Contributions

(1) As described in further detail in paragraph 15 below, the Obligor Debtors will continue their current obligation to participate in and contribute to the UMWA 1974 Pension Plan. In connection therewith, the UMWA has made certain representations to the Debtors as set forth in a separate confidential side letter.

(2) The Obligor Debtors will withdraw from the United Mine Workers of America 1993 Benefit Plan and the UMWA 2012 Retiree Bonus Account Trust and Plan, and the Obligor Debtors will cease their 20-Year Service Payments to the UMWA Cash Deferred Savings Plan.

(3) The Obligor Debtors will make a three percent contribution to a 401(k) or similar plan in lieu of the 2012 New Inexperienced Miner pension contributions and a three percent contribution to a 401(k) or similar plan in lieu of the 2007 and 2012 New Inexperienced Miners retiree healthcare contributions.

Terms of the 1114 Settlement

14. The following briefly summarizes the key terms of the 1114 Settlement, as set forth in Article XX of the New CBAs and the MOU:[7]

(1) The UMWA has established a voluntary employees' beneficiary association trust within the meaning of section 501(c)(9) of the Tax Code (as defined below) (the "**VEBA**") in order to fund the Retiree Benefits.

(2) The Obligor Debtors will provide the Retiree Benefits through December 31, 2013; *provided, however*, that the Obligor Debtors shall be obligated to provide such benefits through such date solely to the extent that they receive the cash necessary to do so from the following funding sources: (i) any and all payments or reimbursements for or in respect of such benefits received from Peabody Holding Company and its affiliates ("**Peabody**") and/or (ii) any cash that is remitted from the VEBA to the Obligor

[7] The information below is intended as a summary and is qualified in its entirety by the terms of the New CBAs and the MOU, as applicable.

Debtors to pay for such benefits, which may include any royalty or profit sharing interest and any cash balance remaining from the initial $15 million that the Debtors have previously contributed to the VEBA ((i) and (ii) together, the "**Funding Sources**").[8]

(3) Effective January 1, 2014, the Obligor Debtors' obligations to provide the Retiree Benefits to the UMWA Retirees pursuant to any NBCWA Individual Employer Plan or otherwise, and sponsorship and administration of such plans, shall be assumed by the VEBA. The Obligor Debtors shall have no obligation to the UMWA Retirees or the UMWA with respect to the Retiree Benefits after December 31, 2013, with the sole exception of satisfying its obligation to maintain the NBCWA Individual Employer Plan obligations for UMWA Retirees assumed by the VEBA by making the contributions to the VEBA specified in the VFA (as defined below). Such contributions to the VEBA shall be in full satisfaction of the Obligor Debtors' obligations to maintain the NBCWA Individual Employer Plans and provide the Retiree Benefits thereunder. For the avoidance of doubt, after December 31, 2013, the Obligor Debtors shall not be deemed to be a sponsor, fiduciary or administrator (within the meaning of or under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or any like term under any other applicable law) of the NBCWA Individual Employer Plans or any other plan, agreement or arrangement covering the UMWA Retirees.

(4) Effective September 1, 2013 and on the first business day of each month thereafter through December 2, 2013, the Obligor Debtors shall deliver to the UMWA an estimate, based upon predicted average cost, of the funding requirement for the Retiree Benefits for the next 60 days (or, if shorter, for the period ending December 31, 2013), which funding shall include fees charged by such third-party administrators retained by the Obligor Debtors (offset by any payments in excess of the amount required for any prior period and increased by the amount of any unreimbursed benefit costs attributable to any period commencing on or after September 1, 2013), taking into account all of the Funding Sources (the aggregate amount of all such required funding, the "**VEBA Payment**"). Within five business days of such delivery, the UMWA shall cause the VEBA to remit to the Obligor Debtors (or any designated third-party administrator) an amount equal to the full amount of the VEBA Payment. If the VEBA fails to timely

[8] On July 1, 2013 the Debtors and the UMWA, in its capacity as authorized representative of the UMWA Retirees, entered into a separate side letter, pursuant to which, among other things, the Debtors agreed to pay for the Retiree Benefits through August 31, 2013 in an amount up to $15 million. To the extent that any portion of such $15 million remain after the payment of July and August Retiree Benefits, the Debtors will treat such funds as a Funding Source.

deliver the VEBA Payment, the Obligor Debtors shall notify the UMWA of such failure and provide the UMWA five business days (the "**Cure Period**") to cause the VEBA to provide the VEBA Payment. Unless otherwise agreed to in writing by the UMWA and the Obligor Debtors, the Obligor Debtors' obligations to provide the Retiree Benefits through December 31, 2013 shall immediately cease upon a failure by the VEBA to deliver the full amount of the VEBA Payment at the conclusion of the Cure Period. In such event, (a) the Obligor Debtors will deliver to the VEBA any cash from or in respect of the Funding Sources that Obligor Debtors receive from or owe to the VEBA and (b) the Obligor Debtors' obligations to the UMWA Retirees pursuant to the NBCWA Individual Employer Plans or otherwise, and sponsorship or administration of such plans, shall be assumed by the VEBA, and the Obligor Debtors shall have no obligations to the UMWA Retirees or the UMWA with respect to the Retiree Benefits with the sole exception of satisfying its obligation to maintain the NBCWA Individual Employer Plans for UMWA Retirees solely by means of payments and other transfers to the VEBA specified in the VFA, together with the transfer of any excess amounts of the VEBA Payments not required by the Obligor Debtors to provide benefits for the period prior to the date of such cessation.

(5) The Obligor Debtors and the UMWA will enter into that certain Agreement to Fund the VEBA (the "**VFA**"), which will obligate the Debtors to fund the VEBA as follows:

(a) Upon the effective date of an approved Plan (as defined below), between 35 and 38 percent of the equity in the reorganized Debtors that can be monetized, in whole or in part, to provide a source of funds to the VEBA;

(b) to the extent that in any calendar period the Debtors' liquidity exceeds the greater of $125 million or 125% of their then applicable minimum liquidity requirements in the debt covenants contained in the Debtors' exit financing facility (after taking the amount of any such payment into account), 15 percent of net income over $75 million for 2014 and 2015, and 15 percent of net income over $150 million for 2016 and beyond, subject to an annual cap of $75 million and a lifetime cap of $300 million; and

(c) per-ton royalty payments on all tons produced from all mining complexes owned or operated by Patriot or any of its subsidiaries as of the effective date of an approved Plan of (a) $0.20 per ton on annual production up to the levels

set forth in the Debtors' October 2012 five-year business plan and (b) $1.00 per ton on production in excess of the levels set forth in the Debtors' October 2012 five-year business plan.

The terms set forth in subsections (a) through (c) above may hereinafter be amended in the VFA to provide the VEBA with a fixed dollar amount in lieu of some or all of the above-referenced terms, in which event such new terms will be provided to the Court for approval.

(6) In the event there is a final, non-appealable order (a "**Final Order**") in favor of the Plaintiffs in the adversary proceeding captioned Patriot Coal Corp. v. Peabody Holding Co., No. 13-4067-659 (Bankr. E.D. Mo.) (the "**Peabody Action**") and such Final Order provides that Peabody may not eliminate its obligations with respect to the Assumed Retirees (as defined in the Peabody Action); then, only to the extent that, and for so long as, the Obligor Debtors receive reimbursement or Peabody directly pays for the Retiree Benefits for the Assumed Retirees, or Peabody causes them to be paid, the Obligor Debtors' obligations to the Assumed Retirees will continue to be governed by Obligor Debtor Heritage Coal Company LLC's Individual Employer Plan as set forth in Article XX of the applicable Existing CBA and will not be adjusted on September 1, 2013 or any date subsequent. If such Final Order provides that Peabody may reduce but not eliminate its obligations with respect to the Assumed Retirees; then, only to the extent that, and for so long as, the Obligor Debtors receive reimbursement or Peabody directly pays for the Retiree Benefits for the Assumed Retirees, or Peabody causes them to be paid, the Obligor Debtors' Retiree Benefits obligation to the Assumed Retirees will continue to be governed by Heritage Coal Company LLC's Individual Employer Plan as set forth in Article XX of the applicable Existing CBA, as such benefits may be adjusted by the Obligor Debtors commensurate with the level of reduction of Peabody's obligations provided in such Final Order.

(7) The Obligor Debtors' obligations under Heritage Coal Company LLC's Individual Employer Plan as set forth in Article XX of the applicable Existing CBA to those retirees of Squaw Creek (the "**Squaw Creek Group**") whose benefits have been paid for by the Aluminum Company of America ("**ALCOA**") pursuant to the Restated Joint Venture Agreement dated May 2, 1996, shall continue unless and until such obligations are assumed by the VEBA as provided in Article XX of the New CBAs. If at any time the Obligor Debtors no longer receive full payment or reimbursement from ALCOA or ALCOA otherwise fails to pay for the Retiree Benefits of the Squaw Creek Group, the Obligor

Debtors shall promptly and vigorously pursue all available legal remedies to cause ALCOA to be required to make (or cause to be made) such reimbursement or direct payment. During the period of time in which ALCOA is not providing payment or reimbursement for the Retiree Benefits of the Squaw Creek Group, the Obligor Debtors shall deliver to the UMWA an estimate, based upon predicted average cost, of the funding requirement for the Retiree Benefits of the Squaw Creek Group for the next 60 days, which funding shall include fees charged by such third-party administrators retained by the Obligor Debtors (offset by any payments in excess of the amount required for any prior period and increased by the amount of any unreimbursed benefit costs attributable to any period commencing on or after September 1, 2013), taking into account all of the Funding Sources (the aggregate amount of all such required funding, the "**ALCOA VEBA Payment**"). Within five business days of such delivery, the UMWA shall cause the VEBA to remit to the Obligor Debtors (or any designated third-party administrator) an amount equal to the full amount of the ALCOA VEBA Payment. If the VEBA fails to timely deliver the full amount of the ALCOA VEBA Payment, the Obligor Debtors shall notify the UMWA of such failure and provide the UMWA five business days (the "**ALCOA Cure Period**") to cause the VEBA to provide the full amount of the ALCOA VEBA Payment. Unless otherwise agreed to in writing by the UMWA and the Obligor Debtors, the Obligor Debtors' obligations to provide the Retiree Benefits of the Squaw Creek Group shall immediately cease upon a failure by the VEBA to deliver the full amount of the ALCOA VEBA Payment at the conclusion of the ALCOA Cure Period. In such event, (a) the Obligor Debtors will deliver to the VEBA any cash from or in respect of the Funding Sources that Obligor Debtors receive or owe to the VEBA and (b) the Obligor Debtors' obligations to provide Retiree Benefits to the Squaw Creek Group shall be assumed by the VEBA, and the Obligor Debtors shall have no obligations to the Squaw Creek Group retirees or the UMWA with respect to the Retiree Benefits of the Squaw Creek Group, with the sole exception of satisfying its obligations specified in the VFA, together with the transfer of any excess amounts of the ALCOA VEBA Payments not required by the Obligor Debtors to provide benefits for the period prior to the date of such cessation. The ALCOA VEBA Payments shall be in full satisfaction of the Obligor Debtors' obligations to provide the Retiree Benefits to the Squaw Creek Group, and after such cessation, the Obligor Debtors shall not be deemed to be a sponsor, fiduciary or administrator (within the meaning of or under ERISA, or any like term under any other applicable law) of the Heritage Coal Company LLC's

Individual Employer Plan or any other plan, agreement or arrangement covering the Squaw Creek Group.

(8) The UMWA will not sue, or otherwise support, encourage or participate in, directly or indirectly any lawsuit against the Obligor Debtors with respect to the Retiree Benefits or the benefits provided by the Obligor Debtors pursuant to Article XX, Section (6) of the New CBAs, other than with respect to a failure of the Obligor Debtors to take the actions of the Obligor Debtors described in Article XX, Section (4) with respect to the period from September 1, 2013 through December 31, 2013.

(9) The VEBA will, jointly and severally, release and indemnify and hold harmless the Obligor Debtors, their officers, directors, employees, agents and affiliated persons, and any third-party administrator retained by the Obligor Debtors (collectively, the "**Indemnified Persons**") for any loss, claim, damage or expense (including attorneys' fees and expenses, accountants' fees and expenses, special, direct and consequential damages, fines and penalties) when and as incurred by, or asserted against, the Obligor Debtors and such Indemnified Persons arising out of or in connection with the provision or administration of the Retiree Benefits or the plans under which such benefits are provided or the performance of their duties or pursuant to instructions received by the Obligor Debtors from the UMWA, the VEBA or their duly authorized agents, as set forth in Article XX, Section (a)(4)(ii)-(v) of the New CBAs and to fully reimburse the Obligor Debtors and such Indemnified Persons for any such attorneys' or other fees and expenses when and as incurred by them in connection with any claim, action, proceeding or activities of the Obligor Debtors and such Indemnified Persons arising out of the provision or administration of the Retiree Benefits or the performance of their duties set forth in Article XX, Section (a)(4)(ii)-(v) of the New CBAs.

(10) Any official communication issued by the International UMWA or the Obligor Debtors to the UMWA Employees or the UMWA Retirees with respect to Article XX of the New CBAs shall not misrepresent the nature of the Obligor Debtors' obligations under paragraphs 4 through 6 of Article XX, Section (a) of the New CBAs.

The MOU

15. In view of the significant modifications represented by the Settlements, including the substantial savings that the Debtors expect to realize, the Settlements also provide for certain additional provisions relating to, among other things, the Obligor Debtors' participation and contribution to the UMWA 1974 Pension Plan, the administration of the Debtors' chapter 11 cases and a chapter 11 plan of reorganization (a "**Plan**"). These understandings are reflected in the MOU. The material terms of the MOU are summarized as follows:[9]

(1) Each Obligor Company that is signatory to a New CBA that requires participation in and contributions to the UMWA 1974 Pension Plan will contribute to the UMWA 1974 Pension Plan at the rates set forth in the successor to the National Bituminous Coal Wage Agreement of 2011, if any, for the years 2017 and 2018. In connection therewith, the UMWA has made certain representations to the Debtors as set forth in a separate side letter, which the Debtors and the UMWA have agreed to keep strictly confidential.[10]

(2) The Debtors agree to establish and fund a litigation trust to pursue certain claims or causes of action for, or on behalf of, the Debtors, on the terms set forth in the MOU.

(3) Any Plan proposed or supported by the Debtors will not conflict with or alter the New CBAs or the MOU and shall not propose or contain any involuntary releases by the UMWA.

(4) Promptly following execution of the New CBAs and the MOU, and prior to ratification thereof by the UMWA Employees and the UMWA Retirees, the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees, and the Debtors will take all necessary and appropriate steps to suspend the 1113/1114 Appeal. The UMWA further agrees that, within two business days after the latest of (i) ratification of the New CBAs and the MOU; (ii) approval of the Settlements by the Court or (iii) receipt of the entire amount of the

[9] The information below is intended as a summary and is qualified in its entirety by the terms of the MOU.

[10] A copy of the side letter has been provided to the Court, counsel to the agents for the Debtors' postpetition lenders (on a confidential basis) and counsel to the Creditors' Committee (on a confidential basis) and the office of the U.S. Trustee.

Initial Investor Payment (as such term shall be defined in the VFA) by the VEBA, the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees will dismiss the 1113/1114 Appeal with prejudice.

(5) From and after the Effective Date,[11] and provided that (a) the New CBAs and the MOU have not been breached or violated by the Debtors and (b) any Plan is not in conflict with and does not alter the terms of the New CBAs or the MOU, the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees, shall support, and the VEBA, except to the extent inconsistent with its fiduciary duties under the Employee Retirement Income Security Act of 1974, as amended, shall not object to or vote against, the confirmation of such Plan.

(6) On the effective date of an approved Plan, except with respect to the VEBA Funding Amount (as such term shall be defined in the VFA) and as set forth in the New CBAs and the MOU, the UMWA, on behalf of itself and as representative of the UMWA Employees, and to the full extent of its authority as the authorized representative of the UMWA Retirees under section 1114 of the Bankruptcy Code, shall waive and release, and be deemed to have waived and released, any and all claims of any nature, whether liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, against the Debtors and their successors and affiliates, and the officers, directors, employees, agents and affiliated persons of each of the foregoing, arising directly or indirectly from the Retiree Benefits, and any and all proofs of claim filed on account of or to the extent they include any such claim, including, but not limited to, claims arising from the amendment, modification, rejection, transfer or termination of any NBCWA Individual Employer Plan or any collective bargaining agreement, including the Existing CBAs, shall, without the need for further notice or court approval, be disallowed and expunged from the Debtors'

[11] The "Effective Date" is the date an order by the Court (1) approving the New CBAs and the MOU, and authorizing the Obligor Debtors to enter into and perform their obligations thereunder and (2) finding that the UMWA is authorized to enter into and implement the New CBAs and the MOU, and binding the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees; to the terms of the New CBAs and the MOU, and binding the UMWA, in its capacity as authorized representative of the UMWA Retirees, and each of the UMWA Retirees to the terms of the 1114 Settlement becomes final and not subject to further appeal or reconsideration. The UMWA may terminate the New CBAs or the MOU if (i) the Court denies the Motion, (ii) the UMWA membership fails to ratify the New CBAs, (iii) the UMWA does not execute the VFA, (iv) the entire amount of the Initial Investor Payment to the VEBA required to be made in the VFA is not contributed to the VEBA on or before the date required by the VFA or (v) the terms of any Plan conflict with or alter any terms of the New CBAs and such Plan becomes effective, *provided* that, with respect to subparagraph (v) hereof, the UMWA will notify the Obligor Debtors in writing no later than ten (10) business days after the filing of such Plan or the filing of any amendment to a Plan, which amendment conflicts in any way with the terms of the New CBAs.

claims register, solely with respect to the portion of the proof(s) of claim relating to such a claim.

BASIS FOR RELIEF

A. Entry into the Settlements Meets the Legal Standard Established Pursuant to Bankruptcy Rule 9019(a) and is in the Best Interests of the Debtors' Estates

16. The Settlements are in the best interests of the Debtors and their stakeholders, and should be approved pursuant to Bankruptcy Rule 9019. A debtor in possession's settlement is governed by Bankruptcy Rule 9019(a), which provides, in relevant part, that "[o]n motion by the [debtor in possession] and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). This Rule empowers Bankruptcy Courts to approve settlements "if they are in the best interests of the estate." *Vaughn v. Drexel Burnham Lambert Grp., Inc. (In re Drexel Burnham Lambert Grp., Inc.)*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991). A decision to accept or reject a compromise or settlement is within the sound discretion of the Court. *Tri-State Financial, LLC v. Lovald*, 525 F.3d 649, 654 (8th Cir. 2008) (citing *In re New Concept Housing, Inc.*, 951 F.2d 932, 939 (8th Cir. 1991) ("A bankruptcy court's approval of a settlement will not be set aside unless there is plain error or abuse of discretion")); *see also* 10 *Collier on Bankruptcy* ¶ 9019.02 (15th ed. rev. 2009). The proposed settlement need not result in the best possible outcome for the debtor, but must not "fall beneath the lowest point in the range of reasonableness." *Tri-State Financial*, 525 F.3d at 654 (citing *Protective Comm. For Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)); *see also Drexel Burnham Lambert Grp.*, 134 B.R. at 505 (citing *In re W.T. Grant & Co.*, 699 F.2d 599, 608 (2d Cir. 1983)).

17. Relying on the guiding language of *Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968), courts in this circuit have set forth the following factors regarding the reasonableness of settlements:

A. the probability of success in the litigation;

B. the difficulties associated with collection;

C. the complexity of the litigation, and the attendant expense, inconvenience, and delay; and

D. the paramount interests of the creditors.

Tri-State Financial, 525 F.3d at 654, *Martin v. Cox (In re Martin)*, 212 B.R. 316, 319, (B.A.P. 8th Cir. 1997), *In re Apex Oil Co.*, 92 B.R. 847, 866 (Bankr. E.D. Mo. 1988); *see also Sec. Exch. Comm'n v. Drexel Burnham Lambert Grp., Inc. (In re Drexel Burnham Lambert Grp., Inc.)*, 960 F.2d 285, 292 (2d Cir. 1992). The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re New Concept Housing, Inc. v. Arl W. Poindexter (In re New Concept Housing, Inc.)*, 951 F.2d 932, 939 (8th Cir. 1991); *see also Mach. Terminals, Inc. v. Woodward (In re Albert-Harris, Inc.)*, 313 F.2d 447 (6th Cir. 1963). It is the responsibility of the bankruptcy court to examine a settlement and determine whether it "falls below the lowest point in the range of reasonableness." *Tri-State Financial*, 525 F.3d at 654. Moreover, the form of consideration provided in the settlement is only one of the factors to be considered when determining whether a settlement is reasonable. *Id.*; *see also In re Tower Auto., Inc.*, 342 B.R. 158, 162 (Bankr. S.D.N.Y.) *aff'd*, 241 F.R.D. 162 (S.D.N.Y. 2006).

18. Based on these factors, the Settlements should be approved for several reasons. The Settlements resolve contentious and complex ongoing appellate litigation stemming from the 1113/1114 Decision. Although the Debtors firmly believe that this Court's ruling was and is correct in all respects and supported by the facts and applicable law, the appellate process is

unpredictable and expensive. The resolutions embodied in the Settlements provide certainty and will enable the Debtors to implement labor and legacy cost modifications that achieve the savings targets necessary for their long-term viability. Moreover, the Settlements avoid the potential labor unrest and disruption that might be occasioned by implementation of the Court's 1113/1114 Decision without a consensual resolution of these complex and difficult issues.

19. There is no doubt that the savings related to the Debtors' obligations to UMWA Employees and UMWA Retirees are critical to the Debtors' successful reorganization under chapter 11. The Settlements are, therefore, a significant step toward confirmation and resolution of these chapter 11 cases. *See In re Drexel Burnham Lambert Grp.*, 130 B.R. 910, 926-27 (S.D.N.Y. 1991), *aff'd*, 960 F.2d 285 (2d Cir. 1992) (approving pre-plan settlement of multi-billion dollar class action security fraud claim [and rejecting contentions that settlement was a *sub rosa* plan]).

20. The Settlements are the product of arm's length, protracted, and hard-fought negotiations between the Debtors and the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees. The Debtors believe it represents a fair and balanced resolution of extremely difficult issues and long-term relationships and that the magnitude of this achievement cannot be overstated. The Settlements will allow the Debtors to improve their market competitiveness and reduce significant labor and legacy liabilities costs. To maintain the loyalty and morale of their employees and retirees, the Debtors' goal always has been to reach consensual agreements with the UMWA, in each of its capacities as authorized representative of the UMWA Employees and the UMWA Retirees, not a set of imposed terms. The Debtors believe that the Settlements strike a just balance between the Debtors' need for significant, long-term cost savings important to a successful reorganization,

and fairness to the Debtors' unionized employees and retirees, who have made painful sacrifices in consenting to the modifications reflected in the Settlements.

21. The Settlements are fair and justified by the level of concessions and other restructuring benefits granted by the UMWA. The Settlements will generate significant annual cost savings to the Debtors (approximately $130 million, annually), coupled with many other provisions that substantially strengthen the Debtors' operational and corporate flexibility.

22. In addition, Bankruptcy Rule 9019 applies to settlements such as the Settlements that modify (i) the terms of collective bargaining agreements pursuant to section 1113 and (ii) retiree benefits pursuant to section 1114. *See In re Tower Auto., Inc.*, 241 F.R.D. 162, 170 (S.D.N.Y. 2006) (applying Rule 9019 to approval of settlements and compromises under section 1114); *see also In re GF Corp.*, 120 B.R. 421, 425 (Bankr. D. Ohio 1990) (applying Rule 9019 to settlement pursuant to sections 1113 and 1114).

23. The Settlements unequivocally satisfy all of the requirements of Bankruptcy Rule 9019 and the applicable authority in this Circuit. The terms of the Settlements are reasonable, resolve complex appellate issues, will promote the successful administration of these cases, strike a fair balance between the parties to the dispute, and will serve to maximize value for all of the Debtors' stakeholders. Under these circumstances the Settlements and all of their terms should be approved.

B. The Debtors' Entry into the Settlements Should be Approved Pursuant to Sections 363(b), 1113, 1114(e) and 105(a) of the Bankruptcy Code

24. Ample authority also exists for approval of the Settlements under sections 363(b), 1113, 1114(e) and 105(a)[12] of the Bankruptcy Code. Section 1113 of the Bankruptcy Code

[12] Section 105 of the Bankruptcy Code provides, in relevant part, that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

governs a debtor-in-possession's proposed modifications to a collective bargaining agreement. *See United Food & Commercial Workers Union v. Family Snacks, Inc. (In re Family Snacks, Inc.)*, 257 B.R. 884, 890-91 (8th Cir. BAP 2001) ("Generally speaking, § 1113 governs the rejection or modification of a CBA by a Chapter 11 trustee or debtor-in-possession. . . . Section 1113(b)(1) . . . sets out the requirements for making a valid proposal to modify [a collective bargaining agreement.]").[13]

25. Similarly, section 1114(e) of the Bankruptcy Code governs a debtor-in possession's agreement with an authorized representative over modifications to "retiree benefits". 11 U.S.C. § 1114(e). That section provides, in relevant part:

> (1) Notwithstanding any other provision of this title, the debtor in possession . . . shall timely pay and shall not modify any retiree benefits, except that –
>
> (A) the trustee and the authorized representative of the recipients of those benefits may agree to modification of such payments, after which such benefits as modified shall continue to be paid by the trustee.

11 U.S.C. § 1114(e)(1)(B).

26. Section 363(b) provides, in relevant part, "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Although section 363(b) of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the sale, disposition or other use of a debtor's assets, courts in the Eighth Circuit and others, in applying this section,

[13] The Debtors are seeking court approval of the New CBAs out of an abundance of caution. The Debtors do not concede through this Motion that the Debtors' entry into the New CBAs requires court approval either because (i) such modifications are outside the ordinary course of business under section 363 of the Bankruptcy Code or (ii) pursuant to sections 1113 or 1114 of the Bankruptcy Code. A debtor may enter into a new collective bargaining agreement or modify an existing collective bargaining agreement postpetition without notice and a hearing as long as the new agreement does not contain "extraordinary" provisions. *See In re The Leslie Fay Cos.*, 168 B.R. 294, 303 (Bankr. S.D.N.Y. 1994) (citations omitted); *In re Illinois-California Express, Inc.*, 72 B.R. 987, 991 (D. Colo. 1987); *In re DeLuca Distributing Co.*, 38 B.R. 588 (Bankr. N.D. Ohio 1984).

have required that such an action be based upon the sound business judgment of the debtor. *See In re Farmland Indus. Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (approving an amendment to the debtors' post-petition financing credit agreement as an exercise of sound and reasonable business judgment); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 567 n.16 (8th Cir. 1997) ("[w]here the [debtor's] request is not manifestly unreasonable or made in bad faith, the court should normally grant approval 'as long as the proposed action appears to enhance the debtor's estate'" (citing *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985))); *In re Farmland Indus. Inc.*, 294 B.R. 903, 913 (Bankr. W.D. Mo. 2003) (approving the rejection of employment agreements and noting that "[u]nder the business judgment standard, the question is whether the [proposed action] is in the Debtors' best economic interests, based on the Debtors' best business judgment in those circumstances" (citations omitted)); *see also Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. (In re Chateauguay Corp.)*, 973 F.2d 141 (2d Cir. 1992) (holding that a judge reviewing a section 363(b) application must find from the evidence presented a good business reason to grant such application); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983) (same); *In re Chrysler LLC*, 405 B.R. 84 (Bankr. S.D.N.Y. 2009), *aff'd Ind. State Police Pension Trust v. Chrysler LLC (In re Chrysler LLC)*, 576 F.3d 108 (2d Cir. 2009) (same); *In re Gen. Motors Corp.*, 407 B.R. 463 (Bankr. S.D.N.Y. 2009) (same).

27. Moreover, a strong presumption attaches to a debtor's business decision that the debtor "acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *Official Comm. of Sub. Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1990) (holding that the Delaware business judgment rule has "vitality by analogy" in chapter 11); *see also In re*

Pilgrim's Pride Corp., 401 B.R. 229, 237 (Bankr. N.D. Tex. 2009) ("[I]f a valid business reason is shown for the transaction, the transaction is presumed appropriate."). The business judgment rule is "a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interest of the company." *Integrated Res., Inc.*, 147 B.R. at 656 (citations omitted). Courts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence. *Id.*

28. These exceedingly complex, vigorously negotiated agreements with the UMWA to amend significant contract provisions and fund certain benefits for the UMWA Retirees clearly meet the requirements of section 363(b) of the Bankruptcy Code. For all of the reasons set forth above, the Debtors' decision to enter into the Settlements is in the best interests of the Debtors and all of their economic stakeholders. The decision plainly reflects the sound business judgment of the Debtors. The Settlements will save the Debtors approximately $130 million per year over the next four years and create significant operational efficiencies, which are vital to the Debtors' restructuring and long-term viability. Just as importantly, the Settlements achieve the goals of the Debtors' business plan, all in the context of a consensual agreement, and avoids the uncertainty, cost, and expense of ongoing appeals and the risk of significant labor disruptions.

29. Accordingly, the Debtors submit that the Settlements should be approved under sections 363(b), 1113, 1114(e) and 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a), as a sound exercise of the Debtors' reasonable business judgment and as being in the best interest of the Debtors' estates and all parties in interest.

Waiver of Bankruptcy Rules 6004(a) and (h)

30. To implement the foregoing immediately and to the extent applicable, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

No Prior Request

31. No prior motion for the relief requested herein has been made to this Court or any other court.

Notice

32. Consistent with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered on March 22, 2013 [ECF No. 3361] (the "**Case Management Order**") the Debtors will serve notice of this Motion on the Core Parties (as defined in the Case Management Order) and the UMWA. All parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this Motion and any order approving it will also be made available on the Debtors' Case Information Website (located at *www.patriotcaseinfo.com*). A copy of the Proposed Order is available at *www.patriotcaseinfo.com/orders.php* (the "**Patriot Orders Website**"). The Proposed Order may be modified or withdrawn at any time without further notice. If any significant modifications are made to the Proposed Order, an amended Proposed Order will be made available on the Patriot Orders Website, and no further notice will be provided. In light of the relief requested, the Debtors submit that no further notice is necessary. Pursuant to paragraph 14 of the Case Management Order, if no objections are timely filed and served in accordance therewith, the relief requested herein may be entered without a hearing.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court enter an order granting the relief requested herein and such other and further relief as is just and proper.

Dated: August 13, 2013
New York, New York

Respectfully submitted,

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re **PATRIOT COAL CORPORATION, *et al.*,** **Debtors.**	**Chapter 11** **Case No. 12-51502-659** **(Jointly Administered)**

SUMMARY OF EXHIBITS

The following exhibits (the "**Exhibits**") referenced in the *Debtors' Motion (the "**Rule 9019 Motion**")*[1] *for Entry of an Order Pursuant to 11 U.S.C. §§ 363(b), 1113, 1114(e) and 105(a) and Fed. R. Bankr. P. 9019(a) Authorizing Entry Into New Collective Bargaining Agreements and Memorandum of Understanding with the United Mine Workers of America* will be provided to the Core Parties , the UMWA, Knighthead Capital Management LLC, Aurelius Capital Management, LP, the UMWA 1992 Benefit Plan, the UMWA 1993 Benefit Plan, the UMWA 1974 Pension Trust, the UMWA 2012 Retiree Bonus Account Trust and the UMWA Combined Benefit Fund. Copies of the Exhibits will also be made available at *www.patriotcaseinformation.com/exhibits.php* and will be made available for inspection at the hearing.

Exhibit A:	Form of New CBA
Exhibit B:	Form of MOU
Exhibit C:	List of Existing CBAs

[1] Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Rule 9019 Motion.

SCHEDULE 1
(Debtor Entities)

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