

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Aug 20, 2013

Kathy A. Surratt - States
KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

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)

**MOTION TO EXPEDITE DEBTORS' MOTION 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**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), by and through their undersigned counsel, move for an order pursuant to Rule 9013-2(A) of the Local Rules of the Bankruptcy Court for the Eastern District of Missouri (the “**Local Rules**”) to expedite the Debtors’ Motion (the “**Rule 9019 Motion**”)² 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

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.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Rule 9019 Motion.

the United Mine Workers of America (the “**UMWA**”), which the Debtors intend to file on August 13, 2013, and scheduling the Rule 9019 Motion for hearing at the Debtors’ next scheduled status hearing on **August 20, 2013 at 10:00 a.m. (Central Time)**.

Additionally, the Debtors respectfully seek a waiver of paragraph 12(a) of the Court’s Order Establishing Certain Notice, Case Management and Administrative Procedures [ECF No. 3361] (the “**Case Management Order**”) with respect to the Rule 9019 Motion, thereby allowing the Rule 9019 Motion to be heard on less than 21-days’ notice.³

BACKGROUND AND JURISDICTION

1. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced 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. The Debtors’ cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and the Joint Administration Order entered on July 10, 2012 [ECF No. 30].

2. The Debtors began formal negotiations with the UMWA, in its capacity as the authorized representative of the UMWA Employees and the UMWA Retirees,⁴ in November 2012 with the goal of securing consensual modifications to the Existing CBAs

³ The UMWA received an initial draft of the Rule 9019 Motion on August 9, 2013. A substantially final draft of the Rule 9019 Motion was distributed, on a confidential basis, to the Court, the United States Trustee, the UMWA, the official committee of unsecured creditors, the administrative agents for the Debtors’ postpetition lenders, 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 (collectively, the “**Interested Parties**”) on August 12, 2013.

⁴ The UMWA agreed, pursuant to section 1114(c)(1) of the Bankruptcy Code, to serve as the authorized representative for the UMWA Retirees.

and to the Debtors' retiree healthcare obligations. By March 14, 2013, the Debtors and the UMWA had not reached an agreement and the Debtors filed a motion for relief under sections 1113 and 1114 of the Bankruptcy Code (the "**1113/1114 Motion**"). On May 29, 2013, the Court issued a 102-page ruling granting the 1113/1114 Motion and authorizing the Debtors to implement their proposed changes to the Existing CBAs and to retiree healthcare benefits (the "**1113/1114 Decision**").

3. 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 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.

4. The Debtors and the UMWA continued to negotiate following the issuance of the 1113/1114 Decision and during the pendency of the appeal from that decision 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.

5. On August 9, 2013, the Debtors and the UMWA, in its capacity as the authorized representative of the UMWA Employees and the UMWA Retirees, reached global, consensual resolutions of the outstanding 1113 and 1114 issues.

6. The Rule 9019 Motion seeks approval of these settlements with the UMWA (the "**Settlements**") that resolve complex ongoing appellate litigation stemming from the 1113/1114 Decision and 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 a non-consensual resolution of these complicated and difficult issues.

7. 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 this Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BASIS FOR RELIEF

8. Local Rule 9013-2(A) provides that an emergency or expedited hearing may be granted upon a movant's "written motion, setting forth the reason the matter should be heard on an expedited or emergency" basis.

9. The Debtors and the UMWA have been engaged in months of extensive and intense negotiations to resolve the Debtors' legacy labor liabilities. Recognizing that settlements must be reached expeditiously in order for the Debtors to formulate and effectuate an emergence strategy, the Debtors and the UMWA have been in almost constant negotiations over the past several weeks in an effort to reach a consensual resolution as quickly as possible. Such negotiations were protracted and complex, but on August 9, 2013, the Debtors and the UMWA reached negotiated resolutions of the outstanding 1113 and 1114 issues, which are now embodied in the Settlements.

10. It is critical that the Rule 9019 Motion be heard on August 20, 2013. The Debtors are hopeful that the Settlements will allow them to secure the outside investment necessary to reorganize as a going concern. Delaying consideration of the Rule 9019 Motion beyond August 20, 2013 would seriously threaten the Debtors' reorganization efforts at this very important juncture.

11. In order to avoid public disclosure of the details of the Settlements in advance of the UMWA's formal communications with its represented members, which communications are critical to the ratification process, the Debtors are not able to file the Rule 9019 Motion prior to August 13. The Debtors submit that no party in interest in these cases will be prejudiced by shortening the otherwise applicable objection period to 6 days, with a hearing to be held on August 20, 2013. The UMWA received an initial draft of the 9019 Motion on August 9, 2013, and the Court and the other Interested Parties received an advance draft of the Rule 9019 Motion on August 12, 2013. Further, the Debtors will forgo any opportunity to file a reply to any objection to the Rule 9019 Motion. Accordingly, cause exists to grant the expedited relief requested herein.

NOTICE

12. Consistent with the Case Management Order, the Debtors will serve notice of this Motion on the Core Parties and the Interested Parties. 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).

WHEREFORE the Debtors respectfully request that the Court enter an order scheduling the Rule 9019 Motion for hearing on an expedited basis at the Debtors' next scheduled status hearing on August 20, 2013 at 10:00 a.m. (prevailing Central Time).

Dated: August 12, 2013
New York, New York

Respectfully submitted,

DAVIS POLK & WARDWELL LLP

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and Debtors in Possession*

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

In re:
Patriot Coal Corporation
Debtor

Case No. 12-51502-kss
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0865-4

User: klom
Form ID: pdfol

Page 1 of 2
Total Noticed: 1

Date Rcvd: Aug 21, 2013

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 23, 2013.
aty +Marshall Huebner, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017-3982

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE. TOTAL: 0

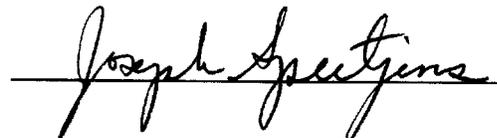
Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 23, 2013

Signature:



District/off: 0865-4

User: klom
Form ID: pdfol

Page 2 of 2
Total Noticed: 1

Date Rcvd: Aug 21, 2013

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 21, 2013 at the address(es) listed below:
NONE.

TOTAL: 0