

**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)**

In re:

BRODY MINING, LLC,

Debtor.

**Case No. 13-48727-659
(Joint Administration Proposed)**

In re:

PATRIOT VENTURES LLC,

Debtor.

**Case No. 13-48728-659
(Joint Administration Proposed)**

AFFIDAVIT OF JOHN E. LUSHEFSKI

John E. Lushefski declares and states:

1. I am the Senior Vice President and Chief Financial Officer for Patriot Coal Corporation (“**Patriot Coal**”). I have been employed in this position by Patriot Coal since September 21, 2012. Prior to that, I served as a member of the Board of Directors

¹ The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

of Patriot Coal. I am familiar with the day-to-day business, operations, and financial affairs of the Initial Debtors and the New Debtors (defined below).

2. I submit this Declaration (a) in support of the voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) of Brody Mining, LLC and Patriot Ventures LLC (together, the “**New Debtors**”); (b) in support of the contemporaneously-filed request for relief in the form of the Motion of the Debtors for Entry of an Order (i) Directing Joint Administration of Chapter 11 Cases Pursuant to Rule 1015(b); (ii) Making Certain Orders and Other Pleadings Entered or Filed in Chapter 11 Cases Applicable to New Debtors, On an Interim Basis, Pursuant to Section 105(a) of the Bankruptcy Code; and (iii) Setting a Hearing Date for Entry of Final Relief (the “**Motion**”); and (c) to assist the Court and other interested parties in understanding the circumstances giving rise to the commencement of the New Debtors’ cases. I have reviewed the petitions and the Motion, or have otherwise had them explained to me, and it is my belief that the relief sought therein is essential to the uninterrupted operation of the business operations of the New Debtors, as well as Patriot Coal and its affiliates and subsidiaries that filed voluntary petitions for relief on July 9, 2012 (the “**Initial Debtors**”), as described in (a) the Declaration of Mark N. Schroeder [ECF No. 4] and (b) the Declaration of Paul P. Huffard, Senior Managing Director of Blackstone Advisory Services, L.P., the Debtors’ financial advisors [filed as an exhibit to ECF No. 25] (together, the “**First Day Affidavits**”), incorporated herein by reference.

3. Except as otherwise indicated, all facts set forth herein are based upon my personal knowledge, my review of relevant documents, information provided to me by

employees working under my supervision, or my opinion based on experience, knowledge and information concerning the operations of the New Debtors and the Initial Debtors, and the coal industry as a whole.

4. On September 23, 2013 (the “**New Debtors’ Petition Date**”), the New Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The New Debtors seek to continue in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. New Debtor Brody Mining, LLC provides labor for one of the mines at the Debtors’ Wells mine complex in West Virginia. In the ordinary course of its business (and as otherwise permitted under the terms of its debtor in possession financing (the “DIP Facility”)), Patriot acquired Brody Mining, LLC in December 2012 so as to secure its labor resources. The employees of Brody Mining, LLC are not represented by a union and are thus not affected by the proceedings in these cases regarding the negotiation and approval of new collective bargaining agreements.

6. New Debtor Patriot Ventures LLC was historically the Patriot Coal subsidiary that owned most of the joint venture interests held by the Patriot Coal affiliated group. Having recently disposed of such joint venture interests (in one instance, to the other owner of the joint venture and in the other two instances, via contributions of the joint venture interests to wholly-owned subsidiaries), Patriot Ventures LLC now serves as a holding company for certain indirect subsidiaries of Patriot Coal. Patriot Ventures LLC has no employees.

7. The New Debtors are affiliates of the Initial Debtors. As required by the DIP Facility (as defined in the Motion), each of the New Debtors is a guarantor thereof.

8. The New Debtors seek to have their chapter 11 cases jointly administered with the Initial Debtors' cases because the New Debtors' financial affairs and business operations are closely related thereto. Moreover, joint administration will avoid the preparation, replication, service, and filing, as applicable, of duplicative notices, applications, and orders, thereby saving the Debtors considerable expense and resources.

9. In the Motion, the New Debtors seek to have the Court apply certain of the Initial Debtors' orders on first-day motions (the "**Orders**"), listed on Exhibit A to the Motion, with certain modifications, to the New Debtors' cases.

10. As to the Orders, the New Debtors request that:

(a) References to the "Petition Date" in each of the Orders shall be deemed to refer to the New Debtors' Petition Date, and deadlines and obligations running from the Petition Date shall be calculated accordingly.

(b) Papers required to be served on the United States Trustee shall be sent to Paul A. Randolph and Leonora S. Long, 110 South Tenth Street, Suite 6.353, St. Louis, Missouri 63102. No courtesy copies of papers need be sent to Chambers.

11. As to the Order (i) Prohibiting Utilities From Altering, Refusing or Discontinuing Service, (ii) Deeming Utility Companies Adequately Assured of Future Performance and (iii) Establishing Procedures for Determining Requests for Additional Adequate Assurance [ECF No. 189], the New Debtors request that the relief granted

therein be modified so that the Adequate Assurance Deposit Request Deadline as to the New Debtors shall be 21 days from the date of entry of an order on this Motion, and subsequent deadlines shall be calculated accordingly.

12. Each of the Orders listed on Exhibit A to the Motion would provide direct or indirect relief to the New Debtors. This relief is critical to the operations of the New Debtors for the same reasons stated in the applicable portions of the First Day Affidavits with respect to the Initial Debtors, which portions are hereby incorporated by reference. If the relief requested in the Motion were not granted, the New Debtors would be at risk of irreparable harm to their businesses and the estates.

13. The New Debtors do not believe that any unpaid compensation payable to any employee exceeds \$12,475.00, and no insiders of the New Debtors are owed wages.

14. The New Debtors and their estates are at risk of immediate and irreparable harm unless the Court grants authority for the New Debtors, as existing guarantors of the DIP facility, to continue to access credit thereunder on a postpetition basis as debtor-obligors pursuant to the Final Order (I) Authorizing Debtors (A) to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(c)(1) and 364(e) and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to Prepetition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, as amended [ECF No. 275].

I, the undersigned Senior Vice President and Chief Financial Officer of Patriot Coal, declare under penalty of perjury that the foregoing is true and correct.

Dated: September 23, 2013

/s/ John E. Lushefski
John E. Lushefski