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

In re:	:	Case No.: 12-12900 (SCC)
	:	
PATRIOT COAL CORPORATION, et al.	:	Chapter 11
	:	
Debtors.	:	(Jointly Administered)
	:	

OBJECTION AND RESERVATION OF RIGHTS

STB Ventures, Inc. (“STB”), on behalf of its undersigned counsel, submits this objection and reservation of rights (the “Objection/Reservation”) in response to Patriot Coal Corporation, *et al.*’s (collectively, the “Debtors”) Third Omnibus Motion to Reject Certain Agreements (the “Rejection Motion”) [ECF No. 333], and states as follows:

PROCEDURAL HISTORY

1. On July 9, 2012, each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code (title 11, United States 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.

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

3. On August 10, 2012, the Debtors filed the Rejection Motion, which addressed in part that certain Overriding Royalty Agreement executed on October 31, 1994 (the "Agreement") between STB and Ark Land Company ("Ark").

4. STB was served with the Rejection Motion on August 10, 2012. The Rejection Motion plainly states that an objection deadline and a hearing date for the Rejection Motion are "To be determined."

5. On August 10, 2012, the Debtors commenced an adversary proceeding against STB (the "Adversary Proceeding") [Case No. 12-01793], seeking a declaratory judgment that the Agreement is (a) not an executory contract and thereby not subject to assumption or rejection under section 365 of the Bankruptcy Code, and (b) not integrated with or severable from any other agreement.

6. STB was served with a summons and complaint for the Adversary Proceeding on August 23, 2012.

7. On or about August 28, 2012, counsel for STB discussed with Debtors' counsel the Rejection Motion and Adversary Proceeding. Debtors' counsel confirmed that the Debtors intend on proceeding with the Adversary Proceeding first and that there is still no objection deadline or hearing date for the Rejection Motion. Additionally, Debtors' counsel advised that,

in the event the Rejection Motion is set for a hearing, STB will be provided with notice of the hearing date and an objection deadline.

RELEVANT BACKGROUND

8. The Agreement was executed on October 31, 1994 in connection with an Asset Purchase Agreement dated October 31, 1994 (“Purchase Agreement”) among STB, Eagle Minerals Company, a Delaware corporation; Guyan Mining Company, a Virginia general partnership; and Guyan Equipment Company, a Virginia general partnership (each, a “Seller” and, collectively, the “Sellers”); and Apogee Coal Company, a Delaware corporation; and Ark Land Company, a Delaware corporation (“Ark”) (collectively, the “Purchasers”).

9. The consideration involved in the Purchase Agreement was payment of (i) a certain lump sum amount, and (ii) delivery of the Agreement to the Sellers (together, the “Consideration”).

10. In exchange for the Consideration, the Sellers assigned their three leasehold interests (“Guyan Leases”) in certain coal reserves located in West Virginia (“Guyan Reserves”) to Ark, among other things.

11. Sometime thereafter, Ark subsequently assigned the Guyan Leases (the “Assignment”) to one of the Debtors, Robin Land, LLC, a Delaware limited liability company, (“Robin”).

12. Upon information and belief, the Assignment required Robin to perform all of the obligations under the Guyan Leases and to perform all of the obligations under the Agreement.

OBJECTION/RESERVATION

13. To ensure that STB’s rights are protected and for the avoidance of doubt, STB objects to the relief sought by the Debtors in their Rejection Motion with respect to the

Agreement. STB's grounds for objection include, but are not limited to, that the Agreement is economically interdependent with the Guyan Leases and, hence, are not severable from the Guyan Leases. Rather, the Agreement and the Guyan Leases must be assumed *cum onere*, or rejected *in toto*. If a hearing on the Rejection Motion is scheduled, STB intends on filing a supplemental objection opposing the Rejection Motion and attending the hearing on the Rejection Motion.

14. Accordingly, STB reserves all rights to amend, modify, and supplement this Objection/Reservation and present argument at the hearing on the Rejection Motion (if scheduled).

Dated: August 29, 2012

Respectfully submitted,

By /s/ John S. Mairo
John S. Mairo

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