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)**

NOTICE RELATED TO THE DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

In advance of the hearing at which the Court will consider confirmation of the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as amended, the "**Plan**"),[2] which is scheduled for December 17, 2013, the Debtors submit the following:

(1) a proposed Order confirming the Plan, attached hereto as Exhibit A;

(2) a memorandum of law in support of confirmation of the Plan, attached hereto as Exhibit B;

(3) a declaration of John E. Lushefski in support of confirmation of the Plan, attached hereto as Exhibit C; and

(4) a declaration of Paul P. Huffard in support of confirmation of the Plan, attached hereto as Exhibit D.

[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 it in the Plan.

Dated: December 15, 2013
New York, New York

Respectfully submitted,

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SCHEDULE 1
(Debtor Entities)

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

Exhibit A

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)**

ORDER CONFIRMING DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

The Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, dated December 14, 2013 (attached hereto as Appendix A, the "**Plan**"),[2] having been filed with this Court (the "**Court**") by Patriot Coal Corporation ("**Patriot Coal**") and its subsidiaries that are Debtors and Debtors In Possession in these cases (collectively, the "**Debtors**"); and the Court having entered, after due notice and a hearing, pursuant to Sections 1125 and 1126 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and Rule 3017(D) of the Local Rules of the Bankruptcy Court for the Eastern District of Missouri, an order dated November 7, 2013 (the "**Approval Order**") (i) approving the Debtors' Disclosure Statement, including all Appendices attached thereto (as amended, the "**Disclosure Statement**"), (ii) approving solicitation and notice materials, (iii) approving forms of ballots, (iv) establishing solicitation and voting procedures, (v) establishing procedures for allowing and estimating certain claims for voting purposes,

[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, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

(vi) scheduling a confirmation hearing (the "**Confirmation Hearing**") and (vii) establishing notice and objection procedures; and the Debtors having provided a copy of the Disclosure Statement to all holders of Claims in Class 1C (Senior Notes Parent Claims), Classes 2C-100C (Senior Notes Guarantee Claims), Class 1D (Convertible Notes Claims), Classes 1E and 2D-101D (General Unsecured Claims) and Classes 1F and 2E-101E (Convenience Class Claims) (collectively, the "**Voting Classes**") as provided for by the Approval Order; and the various schedules to the Plan and Plan Supplements having been filed and served as required by the Plan; and the Confirmation Hearing having been held before the Court on December 17, 2013 after due notice to holders of Claims and Interests and other parties in interest in accordance with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules; and upon all of the proceedings had before the Court and after full consideration of: (i) each of the objections to confirmation of the Plan (the "**Objections**"); (ii) the memorandum of law in support of confirmation of the Plan filed by the Debtors, dated December 14, 2013 (the "**Confirmation Brief**"); (iii) the declarations filed in connection with confirmation of the Plan, including (a) the *Declaration of John E. Lushefski in Support of Confirmation of the Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**Lushefski Declaration**"), (b) the *Declaration of Paul P. Huffard in Support of Confirmation of the Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**Huffard Declaration**") and (c) the *Declaration of Craig E. Johnson of GCG, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 5136] (the "**Vote Certification**" and, collectively with the Lushefski Declaration and the Huffard Declaration, the "**Declarations**") and the testimony contained therein and any additional testimony presented to

the Court and (iv) all other evidence proffered or adduced during, memoranda and objections filed in connection with and arguments of counsel made at the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor,

It hereby is DETERMINED, FOUND, ADJUDGED, DECREED AND ORDERED THAT:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). The Court has jurisdiction over the Chapter 11 Cases pursuant to Sections 157 and 1334 of title 28 of the United States Code. Venue is proper pursuant to Sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding pursuant to Section 157(b)(2)(L) of title 28 of the United States Code, and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

2. Commencement and Joint Administration of the Chapter 11 Cases. On the Petition Date, each Debtor (other than Brody Mining, LLC and Patriot Ventures LLC) (collectively, the "**Initial Debtors**") commenced with the United States Bankruptcy Court for the Southern District of New York a case under Chapter 11 of the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring the Initial Debtors' Chapter 11 cases to this Court [ECF No. 1789]. Subsequently, Brody Mining, LLC and Patriot Ventures LLC (together, the "**New Debtors**") each commenced its Chapter 11 case by filing a petition for voluntary relief with this Court on September 23, 2013. The Initial 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], and the New Debtors' cases are being jointly

administered with the Initial Debtors' cases pursuant to Bankruptcy Rule 1015(b) and the Order Directing Joint Administration of Chapter 11 Cases entered by this Court on September 27, 2013 in each of the New Debtors' Chapter 11 cases. The Debtors have operated their businesses and managed their properties as Debtors In Possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

3. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings and other documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Chapter 11 Cases.

4. Burden of Proof. The Debtors, as the Plan proponents, have the burden of proving the elements of Section 1129 of the Bankruptcy Code by a preponderance of the evidence, and they have met that burden as further found and determined herein.

5. Notice; Transmittal and Mailing of Materials.

(a) Due, adequate and sufficient notice of the Disclosure Statement, the Plan and the Confirmation Hearing, along with adequate notice of the respective deadlines for voting on and filing objections to the Plan, has been given to all known holders of Claims and Interests substantially in accordance with the procedures set forth in the Approval Order, and no other or further notice is or shall be required;

(b) The Debtors have transmitted to members of the Voting Classes solicitation packages (the "**Solicitation Packages**"), each containing (i) a cover letter describing the contents of the Solicitation Package and the contents of the enclosed CD-ROM, (ii) a CD-ROM containing (x) the Disclosure Statement (with the Plan annexed

thereto and other exhibits) and (y) the Approval Order (without exhibits), (iii) the Confirmation Hearing Notice, (iv) a Ballot or Beneficial Ballot, as appropriate, together with a pre-addressed postage paid envelope and (v) a letter from the Creditors' Committee regarding acceptance of the Plan substantially in accordance with the procedures set forth in the Approval Order. All procedures used to distribute the Solicitation Packages to the Voting Classes were fair and were conducted in accordance with the Bankruptcy Code and the Bankruptcy Rules and all other applicable rules, laws and regulations;

(c) The Debtors have transmitted to members of the (i) non-voting unimpaired classes — Claims in Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) — and (ii) the non-voting impaired classes — Claims in Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal) — to the extent knowable, a notice describing such recipient's non-voting status and the deadline for filing objections to the Plan (the "**Non-Voting Notices**") substantially in accordance with the procedures set forth in the Approval Order;

(d) The Debtors have served all parties in interest with, at a minimum, the Confirmation Hearing Notice;

(e) Adequate and sufficient notice of the Confirmation Hearing and all other bar dates described in the Approval Order and the Plan has been given in accordance with the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required; and

(f) The filing with the Court and service of the version of the Plan attached as Appendix A to the Disclosure Statement, the filing of the Plan on December [ ], 2013

and the disclosure of any further modifications to the Plan on the record at the Confirmation Hearing constitute due and sufficient notice of the Plan and all modifications thereto.

6. Voting. Votes on the Plan were solicited after disclosure of "adequate information" as defined in Section 1125 of the Bankruptcy Code. As evidenced by the Vote Certification, votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules.

7. Plan Supplements and Schedules. On December 5, 2013, the Debtors filed a Plan Supplement, as described in Section 15.6 of the Plan. In addition, the Debtors filed Schedules 9.2(a) and 9.2(b) on November 27, 2013 and revised Schedules 9.2(a) and 9.2(b) on December 13, 2013. All such Plan Supplements and schedules to the Plan comply with the terms of the Plan, and the filing and notice of such documents was good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

8. Plan Modifications (11 U.S.C. § 1127). Subsequent to solicitation, the Debtors made certain non-material modifications to the Plan (the "**Plan Modifications**"). Prior notice regarding the substance of the Plan Modifications, coupled with the filing with the Court of the Plan as modified by the Plan Modifications and, if applicable, the disclosure of the Plan Modifications on the record at the Confirmation Hearing, constitute due and sufficient notice thereof.

9. Deemed Acceptance of Plan as Modified. All Plan Modifications are consistent with all of the provisions of the Bankruptcy Code, including, without limitation, Sections 1122, 1123, 1125 and 1127 and Bankruptcy Rule 3019, and all holders of Claims who voted to accept

the Plan and who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan as modified by the Plan Modifications. No holder of a Claim or Interest shall be permitted to change its vote as a consequence of the Plan Modifications.

10. Bankruptcy Rule 3016(a). The Plan reflects the date it was filed with the Court and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a).

11. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to DIP Facility Claims, Administrative Claims and Priority Tax Claims that need not be classified, the Plan classifies 707 Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose and such Classes do not unfairly discriminate between or among holders of Claims or Interests. The Plan satisfies Sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Section 3.1 of the Plan specifies that Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) are Unimpaired by the Plan, thereby satisfying Section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Section 3.1 of the Plan designates Class 1C (Senior Notes Parent Claims), Classes 2C-

100C (Senior Notes Guarantee Claims), Class 1D (Convertible Notes Claims), Classes 1E and 2D-101D (General Unsecured Claims), Classes 1F and 2E-101E (Convenience Class Claims), Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal) as Impaired, and Article 3 of the Plan specifies the treatment of each of these Classes of Claims and Interests under the Plan, thereby satisfying Section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of a Claim or Interest has agreed to a less favorable treatment, thereby satisfying Section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents and agreements set forth in the Plan Supplements and schedules and described in the Plan provide adequate and proper means for the Plan's implementation, thereby satisfying Section 1123(a)(5) of the Bankruptcy Code.

(f) Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The certificate of incorporation of Reorganized Patriot Coal, the form of which was filed as a Plan Supplement on December 5, 2013 (the "**New Certificate of Incorporation**"), prohibits the issuance of non-voting equity securities to the extent required by the Bankruptcy Code. Thus, the requirements of Section 1123(a)(6) of the Bankruptcy Code are satisfied.

(g) Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). Section 10.3 of the Plan contains provisions on the manner of appointment of the directors and officers of the Reorganized Debtors that are consistent with the interests of creditors,

equity security holders and public policy in accordance with Section 1123(a)(7) of the Bankruptcy Code.

(h) Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

12. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(2) of the Bankruptcy Code. Specifically, *inter alia*:

(a) The Debtors are proper debtors under Section 109(d) of the Bankruptcy Code;

(b) The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by order of the Court; and

(c) The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Approval Order in transmitting the Disclosure Statement, the Plan and related documents and notices in soliciting and tabulating votes on the Plan.

(d) Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Chapter 11 Cases, the Debtors, the DIP Agents, the DIP Lenders, the L/C Issuers, the arrangers, bookrunners and any syndication agent under the DIP Facilities, the Prepetition Credit Agreement Agent, the Prepetition Credit Agreement Lenders, the arrangers under the Prepetition Credit Agreement, the Creditors' Committee and its current and former members, the Exit Credit Facilities Parties, the Backstop Parties, the Senior Notes Trustee, the Convertible Notes Trustee, Arch, Peabody, the

UMWA and the other Exculpated Parties referred to in Section 11.6 of the Plan have acted in "good faith" within the meaning of Section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in Section 1125 of the Bankruptcy Code and the Exculpated Parties referred to in Section 11.6 of the Plan are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 11.6 of the Plan.

13. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying Section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and records of these Chapter 11 Cases, the Disclosure Statement and the hearing thereon, and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and effectuating a successful reorganization of the Debtors.

14. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Subject to the provisions of Section 7.1(a) of the Plan, any payment made or to be made by any of the Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying Section 1129(a)(4) of the Bankruptcy Code.

15. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with Section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the

persons proposed to serve as members of the New Board were disclosed in a Plan Supplement filed on December 5, 2013, and the appointment to, or continuance in, such positions of such persons is consistent with the interests of holders of Claims against, and Interests in, the Debtors and with public policy.

16. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and does not require approval by any governmental regulator. Therefore, the Plan satisfies Section 1129(a)(6) of the Bankruptcy Code.

17. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies Section 1129(a)(7) of the Bankruptcy Code. The Liquidation Analysis set forth in Appendix B to the Disclosure Statement and supported in the Lushefski Declaration and the Huffard Declaration (a) is persuasive and credible, (b) has not been controverted by other evidence, (c) is based on sound methodology and (d) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

18. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) are all Classes of Unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan under Section 1126(f) of the Bankruptcy Code. The Voting to Accept Classes (as defined in the Confirmation Brief) have voted to accept the Plan in accordance with Section 1126(c) of the Bankruptcy Code.

19. Treatment of DIP Facility, Administrative, Priority Tax and Priority Non-Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of DIP Facility Claims, Administrative Claims and Other Priority Claims pursuant to Section 2.1, Section 2.2 and Section 3.2 of the Plan, respectively, satisfies the requirements of Sections 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims pursuant to Section 2.3 of the Plan satisfies the requirements of Section 1129(a)(9)(C) of the Bankruptcy Code.

20. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). The Voting to Reject Classes (as defined in the Confirmation Brief) have voted against the Plan; and the Deemed to Reject Classes (as defined in the Confirmation Brief) are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code. Although Section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Rejecting Classes (as defined in the Confirmation Brief), the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Classes and thus satisfies Section 1129(b) of the Bankruptcy Code with respect to such Classes. With respect to each Debtor, without including any acceptance of the Plan by any insider, there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan. Thus, the Plan satisfies the requirements of Section 1129(a)(10) of the Bankruptcy Code.

21. Feasibility (11 U.S.C. § 1129(a)(11)). The evidence submitted regarding feasibility through the Declarations together with all evidence proffered or advanced at or prior to the Confirmation Hearing (a) is persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that confirmation of the Plan is not likely to be followed by the

liquidation or the need for further financial reorganization of the Reorganized Debtors, thus satisfying the requirements of Section 1129(a)(11) of the Bankruptcy Code.

22. Payment of Fees (11 U.S.C. § 1129(a)(12)). As provided in Section 15.4 of the Plan, all fees payable pursuant to Section 1930(a) of title 28 of the United States Code, as determined by the Court, have been paid or shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first, thus satisfying the requirements of Section 1129(a)(12) of the Bankruptcy Code.

23. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). As required by section 1129(a)(13) of the Bankruptcy Code, following the Effective Date of the Plan, as set forth in Section 9.4 of the Plan, the payment of all retiree benefits (as defined in section 1114 of the Bankruptcy Code) will continue at the levels established pursuant to subsections (e)(1)(B) of section 1114 of the Bankruptcy Code or as otherwise addressed by orders of the Bankruptcy Court, at any time prior to the entry of this Confirmation Order, for the duration of the periods the Debtors have obligated themselves to provide such benefits, thereby satisfying section 1129(a)(13) of the Bankruptcy Code; *provided, however*, that nothing in this Confirmation Order will be construed to restrict or enlarge the Reorganized Debtors' rights to modify any such retiree benefits (including health and welfare benefits) under applicable non-bankruptcy law.

24. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Based upon the Declarations and all other evidence before the Court, the Plan does not discriminate unfairly and is fair and equitable with respect to all of the Rejecting Classes, as required by Sections 1129(b)(1) and (2) of the Bankruptcy Code. Thus, the Plan may be confirmed notwithstanding certain of the Debtors' failure to satisfy Section 1129(a)(8) of the Bankruptcy Code. Upon

confirmation and the occurrence of the Effective Date, the Plan shall be binding upon the members of the Rejecting Classes.

(a) The Plan Does Not Unfairly Discriminate Against the Rejecting Classes. The Plan does not unfairly discriminate against the Rejecting Classes. With respect to the difference in treatment under the Plan between the Rejecting Classes and the Accepting Classes, (a) a reasonable basis exists for any discrimination; (b) the Plan cannot be consummated without the discrimination; (c) the discrimination was proposed in good faith; and (d) the degree of discrimination is in proportion to its rationale. As a result, there is a reasonable basis for any disparate treatment between and among Classes. Therefore, the Plan satisfies Section 1129(b)(1) of the Bankruptcy Code.

(b) The Plan is Fair and Equitable. The Plan is fair and equitable, in that, other than as provided with respect to Classes 2G-101G (Interests in Subsidiary Debtors), which serves to preserve the corporate structure for the benefit of all creditors, no holder that is junior to the Claims and Interests classified in the Rejecting Classes will receive or retain under the Plan any property on account of such junior interest. Therefore, the Plan satisfies Section 1129(b)(2)(C)(ii) of the Bankruptcy Code.

25. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan of reorganization filed in these Chapter 11 cases. Accordingly, Section 1129(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

26. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan, as evidenced by its terms, is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act.

27. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in Section 1129 of the Bankruptcy Code.

28. Implementation. All documents and agreements necessary to implement the Plan, including, without limitation, those contained in the Plan Supplements and schedules to the Plan, and all other relevant and necessary documents have been negotiated in good faith at arm's-length and are in the best interests of the Debtors and the Reorganized Debtors and shall, upon completion of such documentation and execution, be valid, binding and enforceable documents and agreements not in conflict with any federal or state law.

29. Good Faith. The Debtors, the DIP Agents, the DIP Lenders, the L/C Issuers, the arrangers, bookrunners and any syndication agent under the DIP Facilities, the Prepetition Credit Agreement Agent, the Prepetition Credit Agreement Lenders, the arrangers under the Prepetition Credit Agreement, the Creditors' Committee and its current and former members, the Exit Credit Facilities Parties, the Backstop Parties, the Senior Notes Trustee, the Convertible Notes Trustee, Arch, Peabody, the UMWA and the other Released Parties will be acting in good faith if they proceed to (i) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby in accordance with the Plan and this Confirmation Order (including, without limitation, the Restructuring Transactions set forth in Section 5.6 of the Plan and the Plan Supplements) and (ii) take the actions authorized and directed by this Confirmation Order.

30. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised their reasonable business judgment prior to the Confirmation Hearing in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article 9 of the Plan, the schedules to the Plan, the Plan Supplements, this Confirmation Order or otherwise. Each assumption or rejection of an executory contract or

unexpired lease pursuant to this Confirmation Order and in accordance with Article 9 of the Plan, or otherwise by prior order of this Court, shall be legal, valid and binding upon the applicable Reorganized Debtor and all non-Debtor entities party to such executory contract or unexpired lease (subject to the rights of the non-debtor entities party to such agreements to object to such assumption or rejection and the rights of the applicable Reorganized Debtor in response to any such objection); *provided, however,* that nothing in this Confirmation Order shall be construed as an Order of this Court compelling performance under any assumed contract or lease; *provided, further,* that no unexpired lease listed on Schedule 9.2(a) shall include or be deemed to include any (i) payment agreements; (ii) royalty agreements, including overriding royalty agreements; (iii) assignment and assumption agreements; (iv) purchase and other acquisition agreements; (v) sale agreements; or (vi) purchase option agreements.

31. Adequate Assurance. The Debtors have provided adequate assurance of future performance for each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan. The Debtors have cured or provided adequate assurance that the Reorganized Debtors will cure defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan. The Plan and such assumptions, therefore, satisfy the requirements of Section 365 of the Bankruptcy Code.

32. Valuation. In accordance with the estimated recoveries set forth in the Disclosure Statement, the enterprise value of the Debtors is insufficient to support a distribution to holders of Interests in Patriot Coal (Class 1H) or Section 510(b) Claims (Classes 1G, 2F-101F).

33. Transfers by Debtors; Vesting of Assets. All transfers of property of the Debtors' Estates, including, without limitation, the transfer of the New Common Stock, the Rights

Offering Notes and the Rights Offering Warrants, shall be free and clear of all mortgages, deeds of trust, Liens, charges, Claims, encumbrances, pledges and other interests, except as expressly provided in the Plan, this Confirmation Order or the Exit Credit Facilities Documents. Pursuant to Sections 1141(b) and (c) of the Bankruptcy Code, all property of each of the Debtors (excluding property that has been abandoned pursuant to the Plan or an order of the Bankruptcy Court) shall vest in each of the respective Reorganized Debtors or their successors or assigns, as the case may be, free and clear of all mortgages, deeds of trust, Liens, pledges, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan, this Confirmation Order or the Exit Credit Facilities Documents. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable nonbankruptcy law.

34. Releases and Discharges. The releases and discharges of Claims and Causes of Action described in the Plan, including releases by the Debtors and by holders of Claims, constitute good faith compromises and settlements of the matters covered thereby and are consensual. Such compromises and settlements are made in exchange for consideration and are in the best interest of holders of Claims, are fair, equitable, reasonable and are integral elements of the resolution of the Chapter 11 Cases in accordance with the Plan. Each of the discharge, release, indemnification and exculpation provisions set forth in the Plan, including, without limitation, those set forth in the UMWA Settlement, the UMWA Settlement Order, the Non-Union Retiree Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement and the Peabody Settlement Order, each of which are incorporated herein by reference, (a) is within the jurisdiction of the Bankruptcy Court under sections 1334(a), 1334(b) and 1334(e) of title 28 of the United States Code, (b) is an essential means of implementing the Plan, (c) is an integral and non-severable element of the Plan and the transactions incorporated

therein, (d) confers a material benefit on, and is in the best interests of, the Debtors, their Estates and their Creditors, (e) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties-in-interest in the Chapter 11 Cases with respect to the Debtors, (f) is fair, equitable and reasonable and in exchange for good and valuable consideration and (g) is consistent with sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code.

35. Exit Credit Facilities. The incurrence of indebtedness, provision of guarantees and granting of collateral under the Exit Credit Facilities and the Exit Credit Facilities Documents are in the best interests of the Reorganized Debtors, and are necessary and appropriate for the consummation of the Plan and the operations of the Reorganized Debtors. The Exit Credit Facilities Documents were negotiated at arm's length, and in good faith, without the intent to hinder, delay or defraud any creditor of the Debtors. The Exit L/C Credit Agreement has been approved by the requisite Second Out DIP Lenders pursuant to paragraph 23 of the DIP Order. The Debtors have provided sufficient and adequate notice of the Exit Credit Facilities and the Exit Credit Facilities Documents to all parties in interest in these Chapter 11 Cases. The terms and conditions of the Exit Credit Facilities, as set forth in the Exit Credit Facilities Documents, are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and are approved.

36. Rights Offerings. The incurrence of indebtedness, provision of guarantees and granting of collateral under the Rights Offering Notes, the Rights Offering Notes Indenture and the Collateral Documents (as defined in the Rights Offering Notes Indenture) (the "**Rights Offering Notes Collateral Documents**," and together with the Rights Offering Notes Indenture, the "**Rights Offering Notes Documents**"), are, in each case, in the best interests of the

Reorganized Debtors, and are necessary and appropriate for the consummation of the Plan and the operations of the Reorganized Debtors. The Debtors have provided sufficient and adequate notice of the Rights Offering Notes and the Rights Offering Notes Documents to all parties in interest in these Chapter 11 Cases. The terms and conditions of the Rights Offering Notes, as set forth in the Rights Offering Notes Documents are, in each case, fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and are approved.

37. Backstop Parties. Pursuant to, *inter alia*, the Plan, the Backstop Rights Purchase Agreement, and the Rights Offerings Procedures, upon the Effective Date, as a result of the transactions effectuated by the Plan, the Rights Offerings, and the Backstop Rights Purchase Agreement, the Backstop Parties will not own, directly or indirectly, any of the New Common Stock, by vote or value of such New Common Stock, and the Backstop Parties shall only be passive investors in the Reorganized Debtors with respect to and by virtue of their receipt and holding of the Rights Offering Warrants and the Rights Offering Notes obtained in connection with the Rights Offerings. Pursuant to, *inter alia*, the Plan, the Backstop Rights Purchase Agreement, and the Rights Offerings Procedures, the Backstop Parties have acted individually in making their respective passive investments in the Reorganized Debtors, and, upon the Effective Date, the Backstop Parties' investment interests in the Reorganized Debtors shall not provide for any right or ability (and the Backstop Parties and their respective affiliates expressly disclaim any intention) to participate in or control the management, business, or operations of the Reorganized Debtors.

38. The Debtors have made an overwhelming and uncontroverted showing of the very substantial cost, harm, risk and prejudice to these Estates and their Creditors that would result if the Plan is not consummated.

DECREES

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

39. Confirmation. The Plan is approved and confirmed under Section 1129 of the Bankruptcy Code. The schedules to the Plan and the terms of the Plan Supplements are incorporated by reference into and are an integral part of the Plan.

40. Objections. All objections that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan, are overruled on the merits.

41. Plan Supplements. The documents contained or referred to in the Plan or the Plan Supplements, including, *inter alia*, the Voting Trust Agreement, the Rights Offering Notes Indenture, the New Stockholders' Agreement, the Rights Offering Warrant Agreement, the Exit Credit Facilities Documents, the Registration Rights Agreement, the documents underlying the Restructuring Transactions, and any amendments, modifications, and supplements thereto, and all documents and agreements related thereto (including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery and performance thereof by the Reorganized Debtors, are authorized and approved. Unless the provisions of the documents contained or referred to in the Plan or the Plan Supplements provide otherwise, until such documents are finalized and executed, without further order or authorization of this Court, the Debtors, the Reorganized Debtors and their successors are authorized and empowered to make any and all modifications to all documents included as part of the Plan Supplements or otherwise

contemplated by the Plan in accordance with Article 13 of the Plan. Once finalized and executed, and upon the Effective Date, the documents comprising the Plan Supplements and all other documents contemplated by the Plan shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms subject to any amendments, modifications and supplements thereto without approval of this Court and, to the extent applicable, shall create, as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests purported to be created thereby.

42. Provisions of Plan and Confirmation Order Non-Severable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are each non-severable and mutually dependent.

43. Preparation, Delivery and Execution of Additional Documents by Third Parties. Each holder of a Claim receiving a distribution pursuant to the Plan and all other parties in interest shall, from time to time, take any reasonable actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

44. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Approval Order, was appropriate and satisfactory based on the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. The solicitation of votes on the Plan complied with the solicitation procedures in the Approval Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. Notice of the Plan Supplements and all related documents was appropriate and satisfactory based upon the circumstances of the Chapter 11

Cases and was in compliance with the provisions of the Plan, the Bankruptcy Code and the Bankruptcy Rules.

45. Plan Classifications Controlling. The classification of Claims and Interests for purposes of distributions made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the Creditors in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes and (c) shall not be binding on the Debtors or Reorganized Debtors.

46. Treatment in Full Satisfaction. The treatment of Claims and Interests set forth in the Plan is in full and complete satisfaction of the legal, contractual and equitable rights that each holder of a Claim or Interest may have against the Debtors, the Debtors' Estates or their respective property, on account of such Claim or Interest.

47. Releases of Liens. Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan (including, but not limited to, the Exit Credit Facilities Documents and the Rights Offering Notes Documents) on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released, settled, discharged and compromised and all rights, titles, and interests of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall revert to the Reorganized Debtors and their successors and assigns. Each DIP Agent, DIP Lender and

holder of a Secured Claim shall take all actions to effectuate and confirm such termination, release and discharge as reasonably requested by the Debtors or the Reorganized Debtors. The Reorganized Debtors are authorized to file any necessary or desirable documents to evidence such release in the name of the party secured by such pre-Effective Date mortgages, deeds of trust, Liens, pledges or other security interests.

48. Continued Corporate Existence. Except as otherwise provided in the Plan and subject to any Restructuring Transactions consummated as permitted by Section 5.6 of the Plan or described in the Plan Supplements, each Debtor shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, each with all of the powers of a corporation, under the laws of its jurisdiction of organization and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

49. Cancellation of Old Stock and Debtors' Obligations under Indenture Documents. On the Effective Date, all rights of any holder of Claims against, or Interest in, the Debtors, including options or warrants to purchase Interests, obligating the Debtors to issue, transfer or sell Interests or any other capital stock of the Debtors, shall be cancelled; *provided*, *however*, that Interests in Subsidiary Debtors shall be Reinstated. Regarding the Convertible Notes Indenture and the Senior Notes Indenture, and any related note, guaranty, bond, certificate or similar instrument (other than, for the avoidance of doubt, the Rights Offering Notes Indenture) (together the "**Indenture Documents**"), the obligations of the Debtors thereunder and in any way related thereto shall be fully satisfied, released and discharged in exchange for the treatment provided under the Plan for Allowed Senior Notes Claims and Allowed Convertible Notes Claims, as applicable; *provided* that the satisfaction, release and discharge of the Debtors'

obligations with respect to the Indenture Documents shall not alter the obligations or rights of any non-Debtor third parties vis-à-vis one another with respect to such Indenture Documents.

50. Authorization of New Common Stock; Rights Offering Warrants; Rights Offering Notes. Without further act or action under applicable law, regulation, order or rule, Reorganized Patriot Coal is authorized to issue the New Common Stock, Rights Offering Notes and Rights Offering Warrants on the Effective Date pursuant to the terms of the Plan, free and clear of all Liens, Claims and other Interests. Each share of the New Common Stock, Rights Offering Note and Rights Offering Warrant issued and distributed pursuant to the Plan shall be duly authorized, validly issued, and fully paid and non-assessable. The Debtors or the Reorganized Debtors, as the case may be, are authorized to execute and deliver all documentation relating to the issuance of the aforementioned New Securities and the Restructuring Transactions, and are authorized to engage in such further transactions as are determined by the Debtors (or the Reorganized Debtors) to be necessary in the furtherance of the Plan or the Rights Offerings.

51. Exit Credit Facilities; Rights Offering Notes; Incurrence of New Indebtedness.

(a) The Reorganized Debtors' entry on the Effective Date into (i) the Exit Credit Facilities and the Exit Credit Facilities Documents and (ii) the Rights Offering Notes Documents in connection with the issuance of the Rights Offering Notes, and, in each case of (i) and (ii), the incurrence of the indebtedness thereunder, the provision of guarantees, the granting of collateral and other security interests in accordance therewith, and all other actions to be taken, undertakings to be made and obligations to be incurred by the Reorganized Debtors (including, without limitation, the payment of all fees, expenses, losses, damages, indemnities and other amounts provided for in the Exit Credit Facilities Documents and the Rights Offering Notes Documents) shall be authorized and

approved in all respects by virtue of entry of this Confirmation Order, in accordance with the Bankruptcy Code and applicable state law (including, but not limited to, section 303 of the Delaware General Corporations Law, to the extent applicable, and any analogous provision of the applicable business organizations law or code of each other state in which the Reorganized Debtors are incorporated or organized) and without the need for any further corporate action or any further action by holders of Claims or Interests in the Debtors or the Reorganized Debtors or stockholders, directors, members or partners of the Debtors or the Reorganized Debtors, and with like effect as if such actions had been taken by unanimous actions thereof.

(b) Each of the Reorganized Debtors, without any further action by the Court or each respective Reorganized Debtors' officers, directors or stockholders, is hereby authorized and directed to enter into, and take such actions as necessary to perform under, or otherwise effectuate, the Exit Credit Facilities, the Exit Credit Facilities Documents, the Notes Rights Offering and the Rights Offering Notes Documents, as well as any notes, documents or agreements in connection therewith, including, without limitation, any documents required in connection with the creation or perfection of Liens or other security interests in connection therewith.

(c) Upon consummation of the Exit Credit Facilities and the Notes Rights Offering, the lenders or trustees thereunder, as applicable, shall have legal, valid, binding and enforceable Liens and other security interests on the collateral specified in the Exit Credit Facilities Documents and the Rights Offering Notes Documents. The guarantees, mortgages, deeds of trust, pledges, Liens and other security interests granted pursuant to or in connection with the Exit Credit Facilities and Rights Offering Notes Documents are

granted in good faith, for good and valuable consideration and for legitimate business purposes as an inducement to lenders to extend credit thereunder and are reasonable and shall be, and hereby are, deemed not to constitute a preferential transfer, fraudulent conveyance, fraudulent transfer or other voidable transfer and shall not otherwise be subject to avoidance, recharacterization or subordination. The priorities of such Liens and other security interests shall be as set forth in and subject to the Intercreditor Agreements (as defined in the Exit Credit Facility Documents), the other Exit Credit Facility Documents or Rights Offering Notes Documents and applicable law.

(d) The Reorganized Debtors and the secured parties (and their designees and agents) under the Exit Credit Facilities Documents are hereby authorized to make all filings and recordings, and to obtain all governmental approvals and consents to evidence, establish and perfect such Liens and other security interests under the provisions of the applicable state, provincial, federal or other law that would be applicable in the absence of the Plan and this Confirmation Order (it being understood that perfection of the Liens and other security interests granted under the Exit Credit Facilities Documents shall occur automatically by virtue of the entry of this Confirmation Order and consummation of the Exit Credit Facilities, and any such filings, recordings, approvals and consents shall not be necessary or required as a matter of law to perfect such Liens and other security interests), and shall thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and other security interests to third parties.

(e) The Exit L/C Credit Agreement, having been approved by the affirmative vote of the requisite holders of Second Out DIP Facility Claims pursuant to paragraph 23

of the DIP Order, is an Approved Second Out DIP L/C Arrangement, and, upon consummation of the Exit L/C Credit Agreement, each Outstanding L/C under the Second Out DIP Facility shall be deemed to be Paid in Full. From and after the Effective Date, the Second Out DIP Agent and each lender and L/C Issuer under the Second Out DIP Facility shall be deemed to be bound by the Exit L/C Credit Agreement. Without limiting the foregoing, upon the consummation date of the Exit L/C Credit Agreement, the Debtors are authorized to and shall pay the consent fee payable under that certain Agreement, dated as of November 5, 2013, to the Second Out DIP Facility Lenders entitled thereto. Neither Barclays Bank PLC nor Deutsche Bank Securities Inc. shall have any obligations or liability to the Second Out DIP Agent or any lender or any L/C Issuer under the Second Out DIP Facility in connection with or related to the Exit L/C Credit Agreement, except to the extent of the obligations expressly provided for in the Exit L/C Credit Agreement.

(f) Notwithstanding anything to the contrary in this Confirmation Order or the Plan, the Court's retention of jurisdiction shall not govern any disputes arising or asserted under, or any enforcement action or rights or remedies taken or exercised in connection with any documentation executed in connection with the Exit Credit Facilities, the Rights Offering Notes or any Liens or other security interests related thereto.

52. Restructuring Transactions.

(a) On or after the Effective Date, including after the cancellation and discharge of all Claims pursuant to the Plan and before the issuance of the New Common Stock, the Reorganized Debtors may engage in or take such actions as may be necessary or appropriate to effect the Restructuring Transactions. The actions to effect the

Restructuring Transactions may include (a) dissolving companies or creating new companies (including limited liability companies), (b) merging, dissolving, transferring assets or otherwise consolidating any of the Debtors in furtherance of the Plan, or engaging in any other transaction in furtherance of the Plan, (c) executing and delivering appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, liquidation, domestication, continuation or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (d) executing and delivering appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, debt or obligation on terms consistent with the terms of the Plan; (e) filing appropriate certificates or articles of merger, consolidation or dissolution or other filings or recordings pursuant to applicable state law; and (f) taking any other action reasonably necessary or appropriate in connection with the Restructuring Transactions. In each case in which the surviving, resulting or acquiring Entity in any of these transactions is a successor to a Reorganized Debtor, such surviving, resulting or acquiring Entity will perform the obligations of the applicable Reorganized Debtor pursuant to the Plan, including with respect to the DIP Agents and the DIP Lenders and including paying or otherwise satisfying the Allowed Claims to be paid by such Reorganized Debtor. Implementation of any Restructuring Transaction shall not affect any performance obligations, distributions, discharges, exculpations, releases or injunctions set forth in the Plan. Nothing in the Plan or this Confirmation Order authorizes the transfer or assignment of any governmental (i) license, (ii) permit, (iii) registration, (iv)

authorization or (v) approval without compliance with all applicable legal requirements under non-bankruptcy laws and regulations governing such transfers or assignments.

(b) The Debtors and/or Reorganized Debtors, as the case may be, are hereby authorized to execute and deliver such contracts, instruments, certificates, agreements and documents (collectively, the "**Restructuring Documents**") to make such filings under state law or applicable law and to take such other actions as any appropriate officer may determine to be necessary, appropriate or desirable to effect the transactions contemplated by Section 5.6(c) of the Plan. Each appropriate officer of each Debtor or Reorganized Debtor is authorized to execute, deliver, file and have recorded any of the Restructuring Documents and to take such other actions on behalf of such Debtor or Reorganized Debtor as such person may determine to be required, appropriate or desirable under state law or any other applicable law in connection with the Restructuring Transactions, and the appropriate officers of each Debtor or Reorganized Debtor are authorized to certify or attest to any of the foregoing actions. The execution and delivery or filing of any such Restructuring Document or the taking of any such action shall be deemed conclusive evidence of the authority of such person so to act. Each federal, state and local governmental agency or department is authorized and directed to accept the filing of any Restructuring Document. This Confirmation Order is declared to be in recordable form and shall be accepted by any filing or recording officer or authority of any applicable governmental authority or department without any further orders, certificates or other supporting documents.

53. Voting Trust.

(a) Entry into the Voting Trust Agreement, the establishment of the Voting Trust, the selection of the Voting Trustee and the form of the proposed Voting Trust Agreement is appropriate and in the best interests of the Debtors.

(b) On or before the Effective Date, the parties to the Voting Trust Agreement are authorized to enter into and perform under the Voting Trust Agreement. The Voting Trust Agreement shall, upon execution, be valid, binding and enforceable in accordance with its terms.

(c) On the Effective Date, the shares of New Class B Common Stock designated to be transferred to a Voting Trust(s) shall be issued and transferred by the Debtors directly to the Voting Trust(s) without the need for any person or Entity to take any further action or obtain any approval. Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax. Upon the foregoing transfers to the Voting Trust, except as specifically set forth in the Voting Trust Agreement, the Debtors and the Reorganized Debtors shall have no further liability or obligation relating to the Voting Trust. Except as specifically set forth in the Voting Trust Agreement, in no event shall the Debtors or the Reorganized Debtors have or be deemed to have any fiduciary or other duty to the Voting Trust, nor any responsibilities for administering the Voting Trust.

(d) The appointment of the Voting Trustee(s) in accordance with the terms of the Plan and the Voting Trust Agreement is hereby approved. The duty of the Voting Trustee(s) shall be to vote the shares of the New Class B Common Stock held in trust so as to maximize the enterprise value of Reorganized Patriot Coal that accretes to the

holders of the debt and equity of Reorganized Patriot Coal. The Voting Trustee(s) shall govern the Voting Trust(s) in accordance with the Voting Trust Agreement(s). The Backstop Parties shall have no interest in the Voting Trust or the shares subject thereto, and shall have no right to designate, direct, remove or reappoint any Voting Trustee(s).

(e) From and after the date of the Effective Date, the Voting Trustee, the Voting Trust, and each of their respective members, attorneys, advisors or agents, shall (a) not have or incur any liability to any Person (including the Patriot Retirees VEBA and any holder of the Reorganized Debtors' loans or securities) for any act or omission in connection with, or arising out of, the administration of the Voting Trust or any other actions taken or not taken in connection with the Voting Trust Agreement, including with respect to any votes cast or not cast, and any transfer of New Common Stock pursuant to Section 2.2 of the Voting Trust Agreement (including, without limitation, with respect to the timing thereof, the amount of consideration received therefore and the process pursuant to which the Voting Trustee determined the fair market value of such New Common Stock), unless such act or omission constitutes fraud, gross negligence or willful misconduct on its part as determined by a final, non-appealable order of a court of competent jurisdiction, (b) be entitled to rely in good faith upon the advice of counsel with respect to their duties and responsibilities under the Voting Trust and the Voting Trust Agreement, and (c) be fully protected in, and shall not have or incur any liability to any Person (including the Patriot Retirees VEBA and any holder of the Reorganized Debtors' loans or securities) for, acting or in refraining from acting, in accordance with such advice.

54. Corporate Action.

(a) On and after the Effective Date, the adoption, filing, approval and ratification, as necessary, of all corporate or related actions contemplated hereby with respect to each of the Reorganized Debtors shall be deemed authorized and approved in all respects. Without limiting the foregoing, such actions may include: (i) the adoption and filing of the New Certificate of Incorporation, (ii) the adoption and filing of certificates of incorporation and other organizational documents of the Reorganized Debtors and (iii) the Restructuring Transactions authorized by Section 5.6 of the Plan, including those described in the Plan Supplements.

(b) All matters provided for in the Plan involving the corporate structure of any Debtor or any Reorganized Debtor, or any corporate action required by any Debtor or any Reorganized Debtor in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders or directors of such Debtor or Reorganized Debtor or by any other stakeholder.

(c) On or after the Effective Date, the appropriate officers of each Reorganized Debtor and members of the board of directors, board of managers or equivalent body of each Reorganized Debtor are authorized and directed to issue, execute, deliver, file and record any and all agreements, documents, securities, deeds, bills of sale, conveyances, releases and instruments contemplated by the Plan or the transactions contemplated thereby in the name of and on behalf of such Reorganized Debtor and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the transactions contemplated thereby.

55. New Board. Upon the occurrence of the Effective Date, the Persons proposed to serve as members of the New Board, as identified in the Plan Supplement filed on December 5, 2013, shall be the members of the New Board.

56. Securities Laws Exemption. To the maximum extent provided by Section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the offering, issuance and distribution of the New Common Stock shall be exempt from, among other things, the registration and prospectus delivery requirements of Section 5 of the Securities Act and any other applicable state and federal law requiring registration and/or delivery of a prospectus prior to the offering, issuance, distribution or sale of securities, subject to the provisions of Section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in Section 2(a)(11) of the Securities Act. The offering, issuance and distribution of the Rights Offering Notes and the Rights Offering Warrants will be made pursuant to the exemption set forth in Section 4(2) of the Securities Act or another exemption thereunder. In addition, any securities contemplated by the Plan and any and all agreements incorporated therein, including the New Securities, shall be subject to (i) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities and instruments, including those set forth in the New Certificate of Incorporation, the New Stockholders' Agreement, the Rights Offering Warrant Agreement and the Rights Offering Notes Indenture; and (iii) applicable regulatory approval, if any.

57. Distributions Under the Plan. All distributions under the Plan shall be made in accordance with Article 6 of the Plan.

58. Unclaimed Distributions. All distributions under the Plan that remain unclaimed for one year after distribution shall indefeasibly revert to Reorganized Patriot Coal. Upon such reversion, the relevant Allowed Claim (and any Claim on account of missed distributions) shall be automatically discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

59. Disputed Claims. On and after the Effective Date, the Reorganized Debtors shall have the sole authority to litigate, compromise, settle, otherwise resolve or withdraw any objections to all Claims and to compromise and settle any Claims without notice to or approval by the Bankruptcy Court or any other party. Notwithstanding any other provision in the Plan, no payments or distributions shall be made with respect to a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim.

60. Other Administrative Claim Bar Date. All requests for payment of Other Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims, which are subject to the provisions of Section 7.1 of the Plan) must be filed with the Claims Agent and served on counsel for the Debtors and Reorganized Debtors by the Other Administrative Claim Bar Date. Any requests for payment of Other Administrative Claims pursuant to Section 7.2 of the Plan that are not properly filed and served by the Other Administrative Claim Bar Date shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors or any action by the Bankruptcy Court. Notwithstanding the foregoing, requests for payment of Other Administrative Claims need not be filed with respect to Other Administrative Claims that (i) are for goods or services provided to the Debtors in the ordinary course of business, (ii) previously have been Allowed by Final Order

of the Bankruptcy Court, including the DIP Orders, (iii) are for Cure amounts, (iv) are on account of post-petition taxes (including any related penalties or interest) owed by the Debtors or the Reorganized Debtors to any governmental unit (as defined in Section 101(27) of the Bankruptcy Code), (v) are held by Peabody and preserved under the terms of the Peabody Settlement, or (vi) the Debtors or the Reorganized Debtors have otherwise agreed in writing do not require such a filing.

61. Approval of Assumption or Rejection of Executory Contracts. Entry of this Confirmation Order shall, subject to the occurrence of the Effective Date, constitute approval, to the extent applicable, (a) pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article 9 of the Plan, (b) pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and assignment of the executory contracts and unexpired leases assumed and assigned pursuant to Article 9 of the Plan, and (c) pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Article 9 of the Plan; *provided, however,* that nothing in this Confirmation Order shall be construed as an Order of this Court compelling performance under any assumed contract or lease. In the event that the mergers of some or all of the Debtors—as contemplated in Section 5.6 of the Plan, including as described in the Plan Supplements—are consummated, any executory contracts or unexpired leases assumed by the Debtors hereunder, under the Plan or by prior order of the Court, shall be assumed and assigned (and be deemed to be assumed and assigned) to the surviving entity of the applicable merger, and, to the extent applicable, any provision in any executory contract or unexpired lease so assumed and assigned that purports to declare a breach or default as a result of a change of control, an assignment of such contract, the

Debtors' or the Reorganized Debtors' financial condition, bankruptcy, or failure to perform any of its obligations under such contract is unenforceable, and no counterparty to any such executory contract or unexpired lease so assumed and assigned shall be permitted to declare a default by or against the Debtors or the Reorganized Debtors under such contract or otherwise take any action against the Debtors or the Reorganized Debtors in connection with any of the foregoing.

62. Inclusiveness. Unless otherwise specified on a schedule to the Plan or a notice sent to a given party, each executory contract and unexpired lease listed or to be listed thereon shall include any and all modifications, amendments, supplements and restatements of such executory contract or unexpired lease; *provided, however*, that no unexpired lease listed on Schedule 9.2(a) shall include or be deemed to include any (i) payment agreements; (ii) royalty agreements, including overriding royalty agreements; (iii) assignment and assumption agreements; (iv) purchase and other acquisition agreements; (v) sale agreements; or (vi) purchase option agreements.

63. Notice of Assumption and Rejection of Executory Contracts and Unexpired Leases Assumed Under the Plan. The filing of the Plan and the schedules thereto and the publication of notice of the entry of this Confirmation Order provide adequate notice of the assumption, assumption and assignment and rejection of executory contracts and unexpired leases pursuant to Article 9 of the Plan (both for contracts and leases that appear on any of those schedules and for contracts and leases assumed or rejected by category or default).

64. Cure of Defaults. The parties to each executory contract and unexpired lease to be assumed or assumed and assigned pursuant to the Plan were afforded good and sufficient notice of such assumption or assumption and assignment and an opportunity to object and be

heard. Treatment Objections shall be resolved in accordance with Section 9.5(c) of the Plan. In accordance with Section 9.5(d) of the Plan, if a Treatment Objection is filed with respect to any executory contract or unexpired lease sought to be assumed or rejected by any of the Debtors or Reorganized Debtors, the Reorganized Debtors reserve the right (a) to seek to assume or reject such agreement at any time before the assumption, rejection, assignment or Cure with respect to such agreement is determined by Final Order and (b) to the extent a Final Order is entered resolving a dispute as to Cure or the permissibility of assignment (but not approving the assumption of the executory contract or unexpired lease sought to be assumed), to seek to reject such agreement within 14 calendar days after the date of such Final Order, in each case by filing with the Bankruptcy Court and serving upon the applicable Assumption Party or Rejection Party, as the case may be, a Notice of Intent to Assume or Reject.

65. Treatment Objection Deadline. With respect to an executory contract or unexpired lease sought to be assumed, rejected or deferred pursuant to the Plan, the Treatment Objection Deadline shall be the deadline for filing and serving a Treatment Objection, which deadline shall be 4:00 p.m. (prevailing Central Time) on, (a) with respect to an executory contract or unexpired lease listed on Schedule 9.2(a) or 9.2(b), the 15th calendar day after the relevant schedule is filed and notice thereof is mailed, (b) with respect to an executory contract or unexpired lease the proposed treatment of which has been altered by an amended or supplemental Schedule 9.2(a) or 9.2(b), the 15th calendar day after such amended or supplemental schedule is filed and notice thereof is mailed, (c) with respect to an executory contract or unexpired lease for which a Notice of Intent to Assume or Reject is filed, the 15th calendar day after such notice is filed and notice thereof is mailed and (d) with respect to any other executory contract or unexpired lease, including any to be assumed or rejected by category

pursuant to Sections 9.1, 9.3 or 9.4 of the Plan (without being listed on Schedule 9.2(a) or 9.2(b)), the deadline for objections to Confirmation of the Plan established pursuant to the Approval Order or other order of the Bankruptcy Court.

66. Rejection Claims and Rejection Bar Date. Any Rejection Claim must be filed with the Claims Agent by the earlier of the Rejection Bar Date and 30 days after the entry of this Confirmation Order (the "**Confirmation Bar Date**"). Any Rejection Claim for which a Proof of Claim is not properly filed and served by the Confirmation Bar Date shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors or their respective Estates or properties. The Debtors or the Reorganized Debtors, as applicable, may contest any Rejection Claim in accordance with, and to the extent provided by, Section 8.1 of the Plan.

67. Adequate Assurance for Counterparties to Executory Contracts Assumed Under the Plan. Subject only to the occurrence of the Effective Date, to the extent applicable, all counterparties to all executory contracts and unexpired leases of the Debtors assumed and assigned in accordance with Article 9 of the Plan are deemed to have been provided with adequate assurance of future performance pursuant to Section 365(f) of the Bankruptcy Code.

68. Operation as of the Effective Date. As of the Effective Date, unless otherwise provided in the Plan or this Confirmation Order, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and settle and compromise Claims and Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code.

69. Discharge of Claims and Termination of Interests. Except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA

Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, the rights afforded in the Plan and the payments and distributions to be made thereunder shall discharge all existing debts and Claims, and shall terminate all Interests of any kind, nature or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by Section 1141 of the Bankruptcy Code. Except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, upon the Effective Date, all existing Claims against the Debtors and Interests in the Debtors shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Interests (and all representatives, trustees or agents on behalf of each holder) shall be precluded and enjoined from asserting against the Reorganized Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim or Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a Proof of Claim and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date. Except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, this Confirmation Order shall be a judicial determination of the discharge of all Claims against, liabilities of and Interests in the Debtors, subject to the occurrence of the Effective Date.

70. Discharge of Debtors. Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch

Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, each holder (as well as any representatives, trustees or agents on behalf of each holder) of a Claim or Interest and any Affiliate of such holder shall be deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by Section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such persons shall be forever precluded and enjoined, pursuant to Section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against, or terminated Interest in, the Debtors.

71. Governmental Units. Nothing in the Plan or this Confirmation Order releases, discharges, precludes, exculpates, or enjoins the enforcement of: (i) any liability or obligation to, or any Claim or cause of action by, a Governmental Unit under any applicable Environmental Law to which any Entity is subject as and to the extent that they are the owner, lessee, controller, or operator of real property or a mining operation after the Effective Date (whether or not such liability, obligation, Claim or cause of action is based in whole or part on acts or omission prior to the Confirmation Date); (ii) any liability to a Governmental Unit under any applicable Police or Regulatory Law that is not a Claim; (iii) the Debtors' and Reorganized Debtors' obligations under (1) the Consent Decree in *United States v. Patriot Coal et al.*, 2:09cv0099 (S.D. W.Va.), (2) the settlement and consent order (including subsequent modifications) entered in *Mandirola v. Hobet Mining, LLC and Catenary Coal Co., LLC*, Case Nos. 07-C-03 & 10-C-96 (W. Va. Cir. Ct. Boone County), (3) the settlement and consent order (including subsequent modifications) entered in *Mandirola v. Apogee Coal Co., LLC*, Case No. 10-C-144 (W. Va. Cir. Ct. Logan County), (4) the consent decree and court orders in *Ohio Valley Environmental Coalition, Inc. v. Hobet Mining, LLC, et al.*, Case Nos. 3:07-cv-00413, 3:08-cv-00088, and 3:09-cv-01167 (S.D.

W.Va.), and (5) the consent decree in *Ohio Valley Environmental Coalition, Inc. v. Patriot Coal Corp., et al.*, Case No. 3:11-cv-00115 (S.D. W. Va.); (iv) any Claim of a Governmental Unit under any applicable Police or Regulatory Law arising on or after the Confirmation Date; (v) any liability to a Governmental Unit on the part of any Person or Entity other than the Debtors or Reorganized Debtors; (vi) any liability to a Governmental Unit under the Mine Act, any state mine safety law or the BLBA; or (vii) any valid right of setoff or recoupment by any Governmental Unit. Nothing in the Plan or this Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding sentence.

72. Nothing in the Plan or this Confirmation Order, or any documents incorporated by reference herein, including, without limitation, the Peabody Settlement and the Peabody Settlement Order, limits or in any way affects (i) the liability of the Debtors, the Reorganized Debtors, or any third party to successful claimants or the DOL under the BLBA, (ii) the DOL's power to administer the Mine Act or the BLBA, including, without limitation, the authority to determine whether and under what conditions the Debtors, the Reorganized Debtors, or any third party shall be authorized to self-insure their BLBA liabilities and the form and amount of security necessary to secure those liabilities, or (iii) the liability of, or right of action against, any non-Debtor for any Claim under ERISA by a Governmental Unit.

73. UMWA Plans, Other UMWA Plans. For the avoidance of doubt, nothing in the Plan or this Confirmation Order, or any documents incorporated by reference herein, including, without limitation, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, is to be construed as (i) (a) releasing, discharging, precluding, waiving or enjoining the liability of the

Reorganized Debtors or any third party to the UMWA 1974 Pension Plan, the UMWA 1992 Benefit Plan or the UMWA Combined Benefit Fund (collectively, the "**UMWA Plans**"), if any, on account of any claim by or on behalf of the UMWA Plans, if any, (b) releasing, discharging, precluding, waiving or enjoining the liability of any third party to the UMWA 2012 Retiree Bonus Account Trust or the UMWA 1993 Benefit Plan (collectively, the "**Other UMWA Plans**"), if any, on account of any claim by or on behalf of the Other UMWA Plans, or (c) releasing, discharging, precluding, waiving or enjoining the liability of the Reorganized Debtors to the Other UMWA Plans, if any, on account of any claim by or on behalf of the Other UMWA Plans, solely, in the case of this subclause (c), to the extent arising on or after the Effective Date; or (ii) affecting the rights and defenses of any party with respect to any such Claim. This provision shall not apply with respect to any Causes of Action of the Debtors or the Reorganized Debtors against Arch or Peabody that are released under the Arch Settlement Order or the Peabody Settlement Order, as applicable, or the Arch Settlement or the Peabody Settlement, as applicable.

74. Potential LRPB Claims. Nothing in the Plan (including, without limitation, Section 11.4 thereof) or this Confirmation Order, shall (i) release, waive, or discharge the Potential LRPB Claims or (ii) preclude the LRPB Lessors from prosecuting the Potential LRPB Claims against the Reorganized Debtors and/or any other person or entity to the fullest extent permitted by applicable law from and after the Effective Date. Nothing in the Plan or this Confirmation Order or any other order or decree entered into after November 1, 2013 shall be deemed to impair, bar or estop the LRPB Lessors from exercising their rights (i) available pursuant to applicable law or (ii) set forth in the LRPB Lease, in each case from and after the Effective Date.

75. Term of Injunction or Stay. Unless otherwise provided in the Plan or this Confirmation Order, any injunction or stay arising under or entered during the Chapter 11 Cases under Section 105 or 362 of the Bankruptcy Code or otherwise that is in existence on the Confirmation Date shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

76. Exculpation. As provided for in Section 11.6 of the Plan, and except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, to the maximum extent permitted by applicable law, none of the Exculpated Parties shall have or incur any liability to any holder of a Claim, Cause of Action or Interest for any act or omission in connection with, related to or arising out of, the Chapter 11 Cases, the negotiation of any settlement or, agreement, contract, instrument, release or document created or entered into in connection with the Plan or in the Chapter 11 Cases (including the Plan Supplements, the Rights Offerings, the Backstop Rights Purchase Agreement, the Rights Offerings Procedures, the DIP Facilities, the UMWA Settlement, the Non-Union Retiree Settlement Order (including the termination of life insurance benefits in accordance with paragraph 10 thereof), the Arch Settlement, the Peabody Settlement and, in each case, any documents related thereto), the Exit Credit Facilities (and, in each case, any documents related thereto), the pursuit of confirmation of the Plan, the consummation of the Plan, the preparation and distribution of the Disclosure Statement, the offer, issuance and distribution of any securities issued or to be issued under or in connection with the Plan, including pursuant to the Rights Offerings and the Backstop Rights Purchase Agreement, the Backstop Fees, the Backstop Expense Reimbursement, any other prepetition or postpetition act taken or omitted to be taken in

connection with or in contemplation of the restructuring of the Debtors or the administration of the Plan or the property to be distributed under the Plan, except for any act or omission that is determined in a Final Order to have constituted willful misconduct (including, without limitation, actual fraud) or gross negligence. Each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.

77. Release by the Debtors. As provided for in Section 11.7 of the Plan, pursuant to Section 1123(b) of the Bankruptcy Code, to the maximum extent permitted by applicable law, and except as otherwise specifically provided in the Plan (including Section 11.12 of the Plan), this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, on and after the Effective Date, in exchange for good and valuable consideration, including their cooperation and contributions to these Chapter 11 Cases, the Released Parties shall be deemed released and discharged by the Debtors, the Reorganized Debtors and their Estates from any and all Claims, obligations, debts, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors, their Estates and/or the Reorganized Debtors, whether known or unknown, foreseen or unforeseen, asserted or unasserted, existing or hereinafter arising, in law, equity or otherwise, whether for tort, fraud, contract, violations of federal or state laws, or otherwise, including those Causes of Action based on avoidance liability under federal or state laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability or otherwise that the Debtors, the Reorganized Debtors, their estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity or that any holder of a Claim or Interest or other entity would have been legally

entitled to assert for or on behalf of the Debtors, their estates or the Reorganized Debtors, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party (excluding any assumed executory contract or lease), the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Plan Supplements, the DIP Facilities, the Loan Documents (as defined in the Prepetition Credit Agreement), the Exit Credit Facilities (and, in each case, any documents related thereto), the Rights Offerings, the Backstop Rights Purchase Agreement, the Rights Offerings Procedures, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement, the Peabody Settlement Order or, in each case, related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined in a Final Order to have constituted willful misconduct (including, without limitation, actual fraud) or gross negligence; *provided, however*, that if any Released Party directly or indirectly brings or asserts any Claim or Cause of Action that has been released or is contemplated to be released pursuant to the Plan in any way arising out of or related to any document or transaction that was in existence prior to the Effective Date against the Debtors or the Reorganized Debtors, or any of their respective Affiliates, officers, directors, members, employees, advisors, actuaries, attorneys, financial advisors, investment bankers, professionals

or agents, in each case, solely in their capacity as such, then the release set forth in Section 11.7 of the Plan shall automatically and retroactively be null and void *ab initio* with respect to such Released Party bringing or asserting such Claim or Cause of Action**;** *provided further* that the immediately preceding proviso shall not apply to (i) any action by a Released Party in the Bankruptcy Court (or any other court determined to have competent jurisdiction), including any appeal therefrom, to prosecute the amount, priority or secured status of any prepetition or ordinary course administrative Claim against the Debtors, (ii) any release or indemnification provided for in any settlement or granted under any other court order, including, without limitation, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement**,** the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, (iii) any action by a Released Party to enforce such Released Party's rights against the Debtors and/or the Reorganized Debtors under the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order**,** or (iv) any action by the DIP Agents or DIP Lenders to enforce their rights under the DIP Facilities relating to Contingent DIP Obligations or any Approved Second Out DIP L/C Arrangement, in which case of (i) through (iv), however, the Debtors shall retain all defenses related to any such action.

78. Voluntary Releases by the Holders of Claims and Interests. As provided for in Section 11.8 of the Plan, except as otherwise specifically provided in this Confirmation Order or in the Plan (including Section 11.12(c) thereof), for good and valuable consideration, on and after the Effective Date, to the maximum extent permitted by applicable law, holders of Claims that (i) are deemed to have accepted the Plan or (ii) (a) voted to accept or reject the Plan and (b) did not elect (as permitted on the Ballots) to opt out of the releases contained in Section 11.8 of

the Plan shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Released Parties from any and all claims, equity interests, obligations, debts, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors, the Debtors' Estates and/or the Reorganized Debtors, whether known or unknown, foreseen or unforeseen, asserted or unasserted, existing or hereinafter arising, in law, equity or otherwise, whether for tort, fraud, contract, violations of federal or state laws, or otherwise, including those Causes of Action based on avoidance liability under federal or state laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability or otherwise that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, the restructuring, the Chapter 11 Cases, the DIP Facilities, the Loan Documents (as defined in the Prepetition Credit Agreement), the UMWA Settlement, the UMWA Settlement Order, the Non-Union Retiree Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement, the Peabody Settlement Order, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party (excluding any assumed executory contract or lease), the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Plan Supplements, the Rights Offerings, the Exit Credit Facilities Documents, the Backstop Rights Purchase Agreement, the Rights Offerings Procedures, or, in each case, related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event

or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that is determined in a Final Order to have constituted willful misconduct (including, without limitation, actual fraud) or gross negligence; provided that any holder of a Claim that elects to opt out of the releases contained in Section 11.8 of the Plan shall not receive the benefit of the releases set forth in Section 11.8 of the Plan (even if for any reason otherwise entitled); *provided, further*, that no Governmental Unit shall be deemed to have given the foregoing release.

79. Injunction. Except as otherwise specifically provided in the Plan, this Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, all Entities who have held, hold or may hold claims, interests, Causes of Action or liabilities that: (1) are subject to compromise and settlement pursuant to the terms of the Plan; (2) have been released pursuant to Section 11.7 of the Plan; (3) have been released pursuant to Section 11.8 of the Plan; (4) have been released or are contemplated to be released pursuant to the UMWA Settlement, the UMWA Settlement Order, the Non-Union Retiree Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, (5) are subject to exculpation pursuant to Section 11.6 of the Plan, including exculpated claims (but only to the extent of the exculpation provided in Section 11.6 of the Plan); or (6) are otherwise stayed or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind, whether directly, derivatively or otherwise, including on account of any claims, interests, Causes of Action or liabilities that have been compromised or settled against the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property or

estate of any Entity, directly or indirectly, so released or exculpated) on account of or in connection with or with respect to any released, settled, compromised, or exculpated claims, interests, Causes of Action or liabilities; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property of the Debtors or the Estates, the Reorganized Debtors, or any Entity so released or exculpated) on account of or in connection with or with respect to any such released, settled, compromised, or exculpated claims, interests, Causes of Action, or liabilities; (c) creating, perfecting or enforcing any lien, claim, or encumbrance of any kind against the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property of the Debtors or the Estates, the Reorganized Debtors, or any Entity so released or exculpated) on account of or in connection with or with respect to any such released, settled, compromised, or exculpated claims, interests, Causes of Action, or liabilities; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property of the Debtors or the Estates, the Reorganized Debtors, or any Entity so released or exculpated) on account of or in connection with or with respect to any such released, settled, compromised, or exculpated claims, interests, Causes of Action or liabilities unless such holder has filed a timely proof of claim with the Bankruptcy Court preserving such right of setoff pursuant to Section 553 of the Bankruptcy Code or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property of the Debtors or the Estates, the Reorganized Debtors, or any Entity so released or exculpated) on account of or in connection with or with respect to any such released, settled, compromised, or exculpated claims, interests,

Causes of Action, or liabilities released, settled or compromised pursuant to the Plan; provided that nothing contained herein shall preclude an Entity from obtaining benefits directly and expressly provided to such Entity pursuant to the terms of the Plan; provided, further, that nothing contained herein shall be construed to prevent any Entity from defending against claims objections or collection actions whether by asserting a right of setoff or otherwise to the extent permitted by law.

80. For the avoidance of doubt, Barclays Bank PLC, Deutsche Bank Securities Inc., and issuers of letters of credit under the Exit L/C Credit Agreement are "Exit Credit Facilities Parties," "Exculpated Parties" and "Released Parties," as used in this Confirmation Order and in the Plan.

81. Bankruptcy Court Jurisdiction to Evaluate Scope of Release and Exculpation and Related Injunction. Following entry of this Confirmation Order, this Court shall retain exclusive jurisdiction to consider any and all Claims or Causes of Action subject to the exculpations and releases in Article 11 of the Plan for the purpose of determining whether such claims belong to the Debtors' Estates or third parties and all parties shall be enjoined from pursuing any such Claims or Causes of Action prior to this Court making such determination. In the event it is determined that any such Claims or Causes of Action belong to third parties, then, subject to any applicable subject matter jurisdiction or other statutory limitations, this Court shall have exclusive jurisdiction with respect to any such litigation, subject to any determination by this Court to abstain and consider whether such litigation should more appropriately proceed in another forum.

82. Except as otherwise provided in this Confirmation Order or in the Plan, and to the maximum extent permitted by law, all entities who have held, hold or may hold Claims,

Interests, Causes of Action or liabilities that (1) have been released pursuant to Article 11 of the Plan or (2) are subject to exculpation pursuant to Article 11 of the Plan (such Claims, Interests, Causes of Action or liabilities, the "**Enjoined Causes of Action**") are permanently enjoined and precluded, from and after the Effective Date, from commencing or continuing in any manner any such Enjoined Causes of Action against, as applicable, any Released Party or Exculpated Party, including, with respect thereto, (i) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Exculpated Parties or the Released Parties (or property of any Exculpated Party or Released Party), (ii) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Exculpated Parties or the Released Parties or against the property or interests in property of the Exculpated Parties or the Released Parties, or (iii) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Exculpated Parties or the Released Parties or against the property or interests in property of the Exculpated Parties or the Released Parties, with respect to any such Claim, Cause of Action or Interest. Such injunction of the Enjoined Causes of Action shall, to the maximum extent permitted by law, extend to any successors or assignees of the Exculpated Parties or the Released Parties and their respective properties and interest in properties.

83. Preservations of Causes of Action.

(a) Except as expressly provided in Article 11 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors or the Reorganized Debtors may have or that the Reorganized Debtors may choose to assert on behalf of their respective Estates under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (i) any and all Causes of Action or Claims against any

person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or claim for setoff that seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors or representatives or (ii) the turnover of any property of the Debtors' Estates.

(b) Except as set forth in Article 11 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtors had immediately prior to the Petition Date or the Effective Date against or with respect to any Claim left Unimpaired by the Plan. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such rights and Causes of Action as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

(c) Except as set forth in Article 11 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to release any post-Effective Date obligations of any party under the Plan, or any document, instrument or agreement (including those set forth in a Plan Supplement) executed in connection with implementation of the Plan.

84. Retention of Jurisdiction. In accordance with (and as limited by) Article 14 of the Plan and Section 1142 of the Bankruptcy Code, and except as provided in the Plan and this Confirmation Order, this Court shall have exclusive jurisdiction of all matters arising out of and related to the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine all matters relating to the assumption or rejection of executory contracts or unexpired leases and the allowance of Cure amounts and Claims resulting therefrom;

(b) To hear and determine any motion, adversary proceeding, application, contested matter or other litigated matter pending on or commenced after the Confirmation Date;

(c) To hear and determine all matters relating to the allowance, disallowance, liquidation, classification, priority or estimation of any Claim;

(d) To hear and determine matters relating to the DIP Facilities and the DIP Order;

(e) To ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(f) To hear and determine all applications for compensation and reimbursement of Professional Fee Claims;

(g) To hear and determine any application to modify the Plan in accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the Bankruptcy Court, including this Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(h) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, this Confirmation Order, any transactions or payments contemplated hereby or any agreement, instrument or other document governing or relating to any of the foregoing;

(i) To issue injunctions, enter and implement other orders and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, this Confirmation Order or any other order of this Court;

(j) To issue such orders as may be necessary to construe, enforce, implement, execute and consummate the Plan;

(k) To enter, implement or enforce such orders as may be appropriate in the event this Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(l) To hear and determine matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code (including the expedited determination of tax under Section 505(b) of the Bankruptcy Code);

(m) To hear and determine any other matters related to the Plan and not inconsistent with the Bankruptcy Code;

(n) To determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Approval Order, this Confirmation Order, any of the Plan Documents or any other contract, instrument, release or other agreement or document related to the Plan, the Disclosure Statement or the Plan Supplements;

(o) To recover all assets of the Debtors and property of the Debtors' Estates, which shall be for the benefit of the Reorganized Debtors, wherever located;

(p) To hear and determine all disputes involving the existence, nature or scope of the Debtors' discharge;

(q) To hear and determine any rights, Claims or Causes of Action held by or accruing to the Debtors or the Reorganized Debtors pursuant to the Bankruptcy Code or pursuant to any federal or state statute or legal theory;

(r) To enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases with respect to any Person;

(s) To hear and resolve any disputes relating to the Rights Offerings (and the conduct thereof) and the issuances of Rights;

(t) To hear and resolve any disputes relating to the Backstop Rights Purchase Agreement;

(u) To hear and resolve any disputes relating to the UMWA Settlement, the UMWA Settlement Order, the Non-Union Retiree Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order; *provided, however*, that nothing in the Plan or this Confirmation Order shall alter the alternative dispute resolution provisions of the New CBAs or the MOU;

(v) To hear any other matter not inconsistent with the Bankruptcy Code; and

(w) To enter a final decree closing the Chapter 11 Cases.

Notwithstanding the foregoing, nothing in the Plan or this Confirmation Order divests any tribunal of any jurisdiction it may have under applicable Environmental Law to adjudicate any defense asserted under the Plan or this Confirmation Order or grants the Bankruptcy Court any jurisdiction over the Non-Union Retiree VEBA or the Patriot Retirees VEBA.

85. Enforceability of Plan Documents. Pursuant to Sections 1123(a) and 1142(a) of the Bankruptcy Code and the provisions of this Confirmation Order, the Plan and all Plan-related

documents shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

86. Ownership and Control. The consummation of the Plan shall not, unless the Debtors expressly agree in writing, constitute a change of ownership or change in control, as such terms are used in any statute, regulation, contract or agreement (including, but not limited to, any agreements assumed by the Debtors pursuant to the Plan or otherwise and any agreements related to employment, severance or termination agreements or insurance agreements) in effect on the Effective Date and to which any of the Debtors is a party.

87. Exemption from Transfer Taxes and Recording Fees. Pursuant to Section 1146(a) of the Bankruptcy Code, none of the issuance, Transfer or exchange of notes or equity securities under the Plan, the creation, the granting, the filing or recording of any mortgage, deed of trust or other security interest, the making, assignment, filing or recording of any lease or sublease, the transfer of title to or ownership of any of the Debtors' interests in any property or the making or delivery of any deed, bill of sale or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the Exit Credit Facilities, the New Common Stock, Rights Offering Notes, Rights Offering Warrants or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan, shall be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment in the United States. All sale transactions consummated by the Debtors and approved by the Court including, without limitation, the transfers effectuated under the Plan, the sale by the Debtors of owned property or assets pursuant to Section 363(b) of the

Bankruptcy Code, and the assumption, assignment and sale by the Debtors of unexpired leases of non-residential real property pursuant to Section 365(a) of the Bankruptcy Code, are deemed to have been made under, in furtherance of, or in connection with the Plan and, therefore, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee or other similar tax or governmental assessment in the United States. The appropriate federal, state and/or local governmental officials or agents are hereby directed to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

88. Effectiveness of All Actions. All actions authorized to be taken pursuant to the Plan shall be effective on, prior to or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Court, or further action by the respective officers, directors, members or stockholders of Reorganized Patriot Coal or the other Reorganized Debtors and with the effect that such actions had been taken by unanimous action of such officers, directors, members or stockholders.

89. Approval of Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the schedules to the Plan, the Plan Supplements and the Disclosure Statement and any documents, instruments or agreements, and any amendments or modifications thereto.

90. Payment of Professionals. Upon the Confirmation Date, any requirement that Professionals comply with Sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors and Reorganized Debtors may employ and pay all Professionals and may pay the reasonable and documented fees and expenses of each of the DIP Agents' professionals in accordance with the DIP Documents and the DIP Order in the ordinary course of business (including for the month in which the Confirmation Date occurred) without any further notice to, action by or order or approval of the Bankruptcy Court or any other party.

91. Dissolution of Creditors' Committee. Upon the Effective Date, the Creditors' Committee shall dissolve automatically, and their members shall be released and discharged from all rights, duties, responsibilities and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code.

92. Disclosure: Agreements and Other Documents. The Debtors have disclosed all material facts regarding, to the extent applicable, (a) the New Certificate of Incorporation and similar constituent documents, (b) the selection of directors and officers for the Reorganized Debtors, (c) the Restructuring Transactions described in Section 5.6 of the Plan and the Plan Supplements, (d) the distribution of Cash, (e) the New Common Stock, (f) the Rights Offering Notes, (g) the Rights Offering Warrants, (h) the Exit Credit Facilities, (i) the other matters provided for under the Plan involving corporate action to be taken by or required of the Reorganized Debtors, and (j) all contracts, leases, instruments, releases, indentures and other agreements related to any of the foregoing.

93. AIG. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the Debtors' assumption of any Insurance Plans pursuant to the *Stipulation and Order*

Pursuant to Sections 105(a), 363(b) and 365(a) of the Bankruptcy Code Authorizing and Approving (i) the Debtors' Assumption of Certain Insurance Programs, and (ii) the Debtors' Entry into Insurance Programs entered on December 10, 2012 [ECF No. 1694] (the "**AIG Assumption Order**") shall be governed by the AIG Assumption Order.

94. Peabody Settlement. Nothing herein shall or shall be deemed to limit or impair any relief granted to, or rights of, Peabody pursuant to the Peabody Settlement or the Peabody Settlement Order.

95. Big Rivers. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the assumption of contract CSA 053 between Patriot Coal Sales LLC and Big Rivers Electric Corporation and its related guaranty GUAR 001, each set forth on Schedule 9.2(a) to the Plan (together, the "**Big Rivers Contract**"), will have no effect upon the ability of any party to the Big Rivers Contract to declare a default under the Big Rivers Contract based upon a failure to perform under the Big Rivers Contract that (i) occurs prior to the Effective Date, (ii) continues to occur after the Effective Date and (iii) results in the occurrence of an event of default under the terms of the Big Rivers Contract after the Effective Date. Any time periods for performance under the Big Rivers Contract shall not be affected by the Plan or this Confirmation Order.

96. KU. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, any contracts, instruments, releases or documents entered into by (i) the Debtors and (ii) Kentucky Utilities Company ("**KU**") or Louisville Gas & Electric Company after the Petition Date in the ordinary course of the Debtors' businesses, including, but not limited to, those certain coal supply agreements and corresponding guarantees and the Settlement and Release Agreement to which certain of the Debtors and KU are parties, shall remain in full force and

effect and the parties thereto shall remain obligated to perform thereunder to the extent required therein, in each case after the occurrence of the Effective Date.

97. Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, all present and former holders of Claims or Interests and their respective heirs, executors, administrators, successors and assigns.

98. Governing Law. Except to the extent that the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan or a schedule or Plan Document provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Missouri, without giving effect to the principles of conflict of laws thereof.

99. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Reorganized Debtors shall file and serve notice of entry of this Confirmation Order and Effective Date in substantially the form annexed hereto as Appendix B (the "**Notice of Confirmation**") on all holders of Claims and Interests, the United States Trustee for the Eastern District of Missouri, the attorneys for the Creditors' Committee and other parties in interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within 10 Business Days after the Effective Date. The Notice of Confirmation shall also be published in *The Wall Street Journal, National Edition*, and posted on the Debtors' case information website (located at http://www.patriotcaseinfo.com). Such notice is adequate under the particular circumstances and is approved and no other or further notice is necessary. Such Notice of Confirmation shall also serve as the notice setting forth the Other Administrative Claim Bar Date required by Section 7.2 of the Plan and as the notice of the Effective Date.

100. Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

101. References to Plan Provisions. The failure to include or specifically describe or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be approved and confirmed in its entirety.

102. Findings of Fact. The determinations, findings, judgments, decrees and orders set forth and incorporated herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Each finding of fact set forth or incorporated herein, to the extent it is or may be deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

103. Conflicts Between Confirmation Order and Plan. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; *provided, however*, that if there is determined to be any inconsistency between any provision of the Plan and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern over the provisions of the Plan and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

104. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof. Notwithstanding Bankruptcy Rule

3020(e) or any other Bankruptcy Rule, this Order shall be immediately effective and enforceable upon its entry.

Dated: _____, 2013
St. Louis, Missouri

The Honorable Kathy A. Surratt-States
CHIEF UNITED STATES BANKRUPTCY JUDGE

Order prepared by:
Marshall S. Huebner
Brian M. Resnick
Michelle M. McGreal
DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017

APPENDIX A

The Debtors' Joint Plan of Reorganization under
Chapter 11 of the Bankruptcy Code, dated [__], 2013

APPENDIX B

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)**

NOTICE OF (I) ENTRY OF ORDER CONFIRMING DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE; (II) OCCURRENCE OF EFFECTIVE DATE AND (III) BAR DATES FOR FILING CERTAIN CLAIMS

1. Confirmation of the Plan. On December [•], 2013, the United States Bankruptcy Court for the Eastern District of Missouri entered an order (the "**Confirmation Order**") in the Chapter 11 Cases of the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") confirming the Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (as confirmed, the "**Plan**"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan or the Confirmation Order, as applicable. The Plan and the Confirmation Order are available on the Debtors' case information website (located at http://www.patriotcaseinfo.com/) or by written request to the Debtors' Claims Agent, GCG, Inc., P.O Box 9898, Dublin, OH 43017, Attn: Patriot Team.

2. Effective Date. On [•], 2013, the Effective Date of the Plan occurred.

3. Discharge and Injunction. Except as otherwise specifically provided in the Plan, the Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, the rights afforded in the Plan and the payments and distributions to be made under the Plan shall discharge all existing debts and Claims, and shall terminate all Interests of any kind, nature or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by Section 1141 of the Bankruptcy Code. Except as otherwise specifically provided in the Plan, the Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, upon the Effective Date, all existing Claims against the Debtors and Interests in the Debtors were, and were deemed to be, discharged and terminated, and all holders of Claims and Interests (and all representatives, trustees or agents on behalf of each holder) are precluded and enjoined from asserting against the Reorganized Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim or Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a Proof of Claim and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date. As set forth therein, the Confirmation Order shall be a judicial determination of the discharge of all Claims against, liabilities of and Interests in the Debtors, subject to the occurrence of the

[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.

Effective Date. The Confirmation Order is a judicial determination of the discharge of all Claims or Causes of Action against, liabilities of and Interests in the Debtors.

On the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise specifically provided in the Plan, the Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, each holder (as well as any representatives, trustees or agents on behalf of each holder) of a Claim or Interest and any Affiliate of such holder was deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by Section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such persons were forever precluded and enjoined, pursuant to Section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against, or terminated Interest in, the Debtors.

4. Exculpation. Pursuant to the Plan and Confirmation Order, and except as otherwise specifically provided in the Plan, the Confirmation Order, the UMWA Settlement, the UMWA Settlement Order, the Arch Settlement, the Arch Settlement Order, the Peabody Settlement or the Peabody Settlement Order, to the maximum extent permitted by applicable law, none of the Exculpated Parties shall have or incur any liability to any holder of a Claim, Cause of Action or Interest for any act or omission in connection with, related to or arising out of, the Chapter 11 Cases, the negotiation of any settlement or, agreement, contract, instrument, release or document created or entered into in connection with the Plan or in the Chapter 11 Cases (including the Plan Supplements, the Rights Offerings, the Backstop Rights Purchase Agreement, the Rights Offerings Procedures, the DIP Facilities, the UMWA Settlement, the Non-Union Retiree Settlement Order (including the termination of life insurance benefits in accordance with paragraph 10 thereof), the Arch Settlement, the Peabody Settlement and, in each case, any documents related thereto), the Exit Credit Facilities (and, in each case, any documents related thereto), the pursuit of confirmation of the Plan, the consummation of the Plan, the preparation and distribution of the Disclosure Statement, the offer, issuance and distribution of any securities issued or to be issued under or in connection with the Plan, including pursuant to the Rights Offerings and the Backstop Rights Purchase Agreement, the Backstop Fees, the Backstop Expense Reimbursement, any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors or the administration of the Plan or the property to be distributed under the Plan, except for any act or omission that is determined in a Final Order to have constituted willful misconduct (including, without limitation, actual fraud) or gross negligence. Each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.

5. Bar Dates.

a. Other Administrative Claim Bar Date. Pursuant to Section 7.2 of the Plan, all requests for payment of Other Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims, which are subject to the provisions of Section 7.1 of the Plan) must be filed with the Claims Agent and served on counsel for the Debtors and the Reorganized Debtors by the Other Administrative Claim Bar Date. The Other Administrative Claim Bar Date is the date that is 30 calendar days after the Effective Date. Accordingly, any requests for payment of Other Administrative Claims pursuant to Section 7.2 of the Plan must be filed with the Claims Agent, GCG, Inc., P.O Box 9898, Dublin, OH 43017, Attn: Patriot Coal Corporation, and served on counsel for the Debtors, **so as to actually be received on or before 4:00 p.m. (prevailing Central Time) on [•], 2014**. Any requests for payment of Other Administrative Claims pursuant to Section 7.2 of the Plan that are not properly filed and served by the Other Administrative Claim Bar Date shall not appear on the register of Claims maintained by the Claims Agent and shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors or any action by the Bankruptcy Court. Any requests for payment of Other Administrative Claims pursuant to Section 7.2 of the Plan should include, at a minimum, (i) the name of the Debtor(s) that are purported to be liable for the Other Administrative Claim, (ii) the name of the holder of the Other Administrative Claim, (iii) the amount of the Other Administrative Claim, (iv) the basis of the Other Administrative Claim and (v) supporting documentation for the Other Administrative Claim.

Notwithstanding the foregoing, requests for payment of Other Administrative Claims need **NOT** be filed with respect to the following types of Other Administrative Claims:

- Those that are for goods or services provided to a Debtor in the ordinary course of such Debtor's business
- Those that have previously been Allowed by Final Order of the Bankruptcy Court
- Those that are for Cure amounts
- Those that are on account of post-petition taxes (including any related penalties or interest) owed by the Debtors or the Reorganized Debtors to any governmental unit (as defined in Section 101(27) of the Bankruptcy Code)
- Those that are held by Peabody and preserved under the terms of the Peabody Settlement
- Those that the (a) Debtors or (b) Reorganized Debtors have otherwise agreed in writing do not require such a filing

b. Deadline for Submitting Final Fee Applications. Pursuant to Section 7.1 of the Plan, all final requests for payment of Professional Fee Claims must be filed with the Bankruptcy Court and served in accordance with the Case Management Order by the date that is 60 calendar days after entry of the Confirmation Order. Accordingly, all Professional Fee Claims must be filed and served **so as to actually be received on or before December •], 2014**.

c. Rejection Bar Date. Pursuant to the Confirmation Order, any Rejection Claims must be filed by the date that is 30 days after the entry of the Confirmation Order (the "**Confirmation Bar Date**"). Accordingly, if you are a counterparty to an executory contract or unexpired lease that has been rejected pursuant to Article 9 of the Plan (whether pursuant to Section 9.2, by being listed on Schedule 9.2(b) or pursuant to Section 9.4 of the Plan), any Rejection Claims on account of such executory contracts or unexpired leases must be filed with the Claims Agent, GCG, Inc., P.O Box 9898, Dublin, OH 43017, Attn: Patriot Team, **so as to actually be received on or before [•], 2014**. Any Rejection Claim on account of an executory contract or unexpired lease listed on Schedule 9.2(b) or pursuant to Section 9.4 of the Plan for which a Proof of Claim is not properly filed by the Confirmation Bar Date shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors or their respective Estates or properties. The Debtors or the Reorganized Debtors may contest any Rejection Claim in accordance with Section 8.1 of the Plan.

Dated: **[•]**, 2013
New York, New York

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and Debtors in Possession
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-and-

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Exhibit B

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)**

DEBTORS' MEMORANDUM OF LAW IN SUPPORT OF CONFIRMATION OF THE DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

[1] The Debtors are the entities listed on Schedule A attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

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PRELIMINARY STATEMENT

The plan of reorganization filed by Patriot Coal Corporation ("**Patriot Coal**") and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the "**Debtors**") under chapter 11 of the Bankruptcy Code (as amended, the "**Plan**")[2] provides for a restructuring and reorganization of the Debtors that will enable the Debtors to emerge from chapter 11 as a competitive, well-capitalized company. The Plan includes the elimination of substantial prepetition debt and will permit the Debtors to compete effectively in a challenging marketplace. The Debtors' restructuring pursuant to the Plan will further stabilize and solidify the Debtors' relationships with their key vendors, counterparties and employees, all of whom are critical to the Debtors' continuing viability and success.

On July 9, 2012 (the "**Petition Date**"), each Debtor other than Brody Mining, LLC and Patriot Ventures LLC (collectively, the "**Initial Debtors**") 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 the Initial Debtors' chapter 11 cases to this Court (the "**Transfer Order**") [ECF No. 1789]. Subsequently, Brody Mining, LLC and Patriot Ventures LLC (together, the "**New Debtors**") each commenced its chapter 11 case by filing a petition for voluntary relief with this Court on September 23, 2013. Since the Petition Date, the Debtors and their advisors have been hard at work restructuring the Debtors into a more efficient company with improved operations, a reduced cost structure and a sustainable capital structure.

[2] Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Plan.

Rather than simply functioning as a balance sheet restructuring like many other bankruptcies, the Debtors' reorganization has involved a fundamental transformation of their businesses. The Debtors have achieved critical goals during the Chapter 11 Cases that will result in substantial annual savings, including (i) a restructuring, ultimately consensual, of their legacy labor liabilities in respect of UMWA-represented employees and retirees, (ii) a settlement with the Non-Union Retiree Committee regarding the modification and termination of certain non-union retiree benefits, (iii) terminating the Debtors' supplemental 401(k) program, (iv) the rejection of nearly 300 executory contracts that were not beneficial to the Debtors' estates and (v) commencing and prosecuting multiple adversary proceedings related to certain royalty agreemnts and negotiating and entering into settlements to resolve certain such proceedings, resulting in cost savings to the Debtors of tens of millions of dollars. Significantly, the Debtors reached settlements with (a) Peabody, the UMWA, the UMWA Employees (as defined in the Peabody Settlement) and the UMWA Retirees (as defined in the Peabody Settlement) and (b) Arch, which settlements together provide the Debtors with over $150 million of incremental liquidity and value. The Peabody Settlement also provides the Patriot Retirees VEBA with $310 million of funding over the next four years. These settlements and the Rights Offerings, as described further in the Plan and Disclosure Statement, will facilitate the Debtors' satisfaction of certain conditions required by the Debtors' settlement of the Section 1113/1114 Motion with the UMWA that was approved by the Bankruptcy Court on August 22, 2013, and which is expected to provide the Debtors with labor stability and critically needed savings of approximately $130 million annually over the next four years.

Following the effectiveness of the Plan, the Debtors will have in place substantial new sources of financing and credit support to replace or refinance existing obligations,

including Exit Credit Facilities, which consist of (i) an exit senior secured term loan facility in an aggregate principal amount of $250,000,000; (ii) an exit senior secured asset-based revolving credit facility in an aggregate principal amount of $95,000,000 to $125,000,000; and (iii) a letter of credit facility in an aggregate amount of approximately $201,000,000. Additionally, upon the Effective Date, the Debtors will receive $250 million of new capital pursuant to the Rights Offerings. Moreover, pursuant to the Peabody Settlement, Peabody will provide the Reorganized Debtors with over $140 million of credit support.

Prompt confirmation and consummation of the Plan and the Debtors' emergence from chapter 11 will permit the Debtors to maximize creditor recoveries and is in all stakeholders' best interests. The Plan is the culmination of the Debtors' intensive reorganization and rehabilitation efforts and is the product of extensive good faith, arm's-length negotiations between the Debtors and a great many parties, including the Creditors' Committee, the UMWA, Arch, Peabody, the Backstop Parties and other parties in interest, and has the support of all of these parties. Moreover, of the 245 Classes entitled to vote on the Plan,[3] 239 Classes have voted to or have been deemed to accept the Plan pursuant to the Approval Order. Overall, 1,280 ballots were cast, and 96.17% of those ballots represented votes to accept the Plan, representing over $411 million of voting Claims. Of the six Classes that rejected the Plan, two of the Classes rejected as a result of votes cast by the same one Creditor that is now rendered unimpaired by the Plan. Notably, the Debtors' largest category of voting Creditors, holders of $250 million of

[3] Although the Plan classifies 303 Classes of Claims entitled to vote on the Plan, 58 such Classes are vacant of any Allowed Claim, Allowed Interest or temporarily Allowed Claim or Interest, and therefore deemed eliminated from the Plan for purposes of (i) voting to accept or reject the Plan and (ii) determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

Senior Notes Claims, voted to accept the Plan by an overwhelming 97.5% in number and 99.9% in amount.

The Debtors received only one limited objection to confirmation of the Plan,[4] an astonishing result considering that there are more than 50,000 parties in interest and more than 4,300 claims have been filed or scheduled in these Chapter 11 Cases. The Debtors have expended extensive efforts to resolve all other concerns that have been raised by various parties in interest, which has led to a virtually uncontested confirmation hearing.

As demonstrated in this Memorandum, the Plan complies with the requirements for a plan of reorganization under the Bankruptcy Code and should be confirmed.

FACTS

In addition to the facts set forth below, many of the pertinent facts related to the Debtors' reorganization are set forth in (i) the *Disclosure Statement for Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**Disclosure Statement**"), approved by this Court on November 7, 2013 [ECF No. 4968]; (ii) the *Declaration of John E. Lushefski in Support of Confirmation of the Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**Lushefski Declaration**") and the *Declaration of Paul P. Huffard in Support of Confirmation of the Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the "**Huffard Declaration**"), each dated December 15, 2013 and filed contemporaneously herewith (together, the "**Confirmation Declarations**") and

[4] The Debtors have also received two Treatment Objections. The resolution of such Treatment Objections will not impact whether the Plan meets the requirements of section 1129 of the Bankruptcy Code, and such Treatment Objections will be resolved post-confirmation in accordance with section 9.5 of the Plan. The request made in *Shonk Land Company, LLC's Proposed Modifications to the Debtors' Plan of Reorganization* filed by Shonk Land Company, LLC [ECF No. 5109] has been granted by the Debtors, and, as such, is no longer outstanding.

(iii) the *Declaration of Craig E. Johnson of GCG, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, dated December 13, 2013 [ECF No. 5136] (the "**Vote Certification**").

Information about various notifications and publications made in connection with these Chapter 11 Cases can be found in the affidavit of mailing evidencing the timely service of the Plan, the Disclosure Statement and related solicitation materials and notices of non-voting status, which have been filed with the Bankruptcy Court (the "**Notice Affidavit**")[5] and the affidavits evidencing the timely publication of the Confirmation Hearing Notice published on November 14, 2013 in *The Wall Street Journal, National Edition, St. Louis Post-Dispatch*, a St. Louis, Missouri newspaper, *Charleston Gazette* and *Charleston Daily Mail*, each a Charleston, West Virginia newspaper, *Gleaner*, a Henderson County, Kentucky newspaper, *Evansville Courier and Press*, a Union County, Kentucky newspaper, *The Dominion Post*, a Morgantown, West Virginia newspaper, *The Register Herald*, a Beckley, West Virginia newspaper, *Times West Virginian*, a Fairmont, West Virginia newspaper and *The Southern Illinoisan*, a Carbondale, Illinois newspaper (collectively, the "**Publication Affidavits**").[6]

All of the facts contained in the Disclosure Statement, the Confirmation Declarations, the Vote Certification, the Notice Affidavit and the Publication Affidavits are incorporated herein by reference.

[5] *See* Affidavit of Service of Patrick Leathem, dated November 25, 2013 [ECF No. 5064].

[6] Affidavit of Publication of Confirmation Hearing Notice [ECF No. 5117].

ARGUMENT

I. THE BURDEN OF PROOF UNDER SECTION 1129 OF THE BANKRUPTCY CODE IS A PREPONDERANCE OF THE EVIDENCE

To confirm the Plan, the Debtors must demonstrate that the Plan satisfies the provisions of section 1129 of the Bankruptcy Code by a preponderance of the evidence. As set forth by the United States Court of Appeals for the Fifth Circuit in *Heartland Federal Savings & Loan Ass'n v. Briscoe Enterprises., Ltd. II (In re Briscoe Enterprises., Ltd. II)*, 994 F.2d 1160, 1165 (5th Cir. 1993):

> The combination of legislative silence, Supreme Court holdings, and the structure of the [Bankruptcy] Code leads this Court to conclude that preponderance of the evidence is the debtor's appropriate standard of proof both under § 1129(a) and in a cramdown.

See also In re Kent Terminal Corp., 166 B.R. 555, 561 (Bankr. S.D.N.Y. 1994) ("the final burden of proof at . . . the . . . confirmation hearings remains a preponderance of the evidence"); 7 Collier on Bankruptcy ¶ 1129.05[1][d] (16th ed. 2012). Through evidence submitted by the Debtors (including, without limitation, the Confirmation Declarations, the Vote Certification, the Notice Affidavit and the Publication Affidavits), the Debtors have demonstrated, by a preponderance of the evidence, that all of the subsections of section 1129 of the Bankruptcy Code have been satisfied with respect to the Plan.

II. THE PLAN MEETS ALL REQUIREMENTS OF SECTION 1129

1. The Plan Complies With All Applicable Provisions Of The Bankruptcy Code

Pursuant to section 1129(a)(1) of the Bankruptcy Code, a plan must "compl[y] with the applicable provisions of [the Bankruptcy Code]." 11 U.S.C. § 1129(a)(1); *see also In re Toy & Sports Warehouse, Inc.*, 37 B.R. 141, 149 (Bankr. S.D.N.Y. 1984) ("In order for a plan of reorganization to pass muster for confirmation purposes, it must comply with all the

requirements of Chapter 11 as stated in Code § 1129(a)(1)."). The legislative history of section 1129(a)(1) explains that this provision is intended to encompass the requirements of sections 1122 and 1123 governing the classification of claims and the contents of a plan, respectively. H.R. Rep. No. 95-595, at 412 (1977); S. Rep. No. 95-989, at 126 (1978); *In re Johns-Manville Corp.*, 68 B.R. 618, 629 (Bankr. S.D.N.Y. 1986), *aff'd in part, rev'd in part on other grounds*, 78 B.R. 407 (S.D.N.Y. 1987), *aff'd, Kane v. Johns-Manville Corp.*, 843 F.2d 636 (2d Cir. 1988). As demonstrated below, the Plan complies fully with the requirements of sections 1122 and 1123, as well as other applicable provisions of the Bankruptcy Code.

A. The Plan Complies with Section 1122 of the Bankruptcy Code

Section 1122 of the Bankruptcy Code provides as follows:

> (a) Except as provided in subsection (b) of this section, a plan may place a claim or interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.
>
> (b) A plan may designate a separate class of claims consisting only of every unsecured claim that is less than or reduced to an amount that the court approves as reasonable and necessary for administrative convenience.

11 U.S.C. § 1122. Under this section, a plan may provide for multiple classes of claims or interests so long as each claim or interest within a class is substantially similar to other claims or interests in that class. "[C]lassification is constrained by two straight-forward rules: [d]issimilar claims may not be classified together; similar claims may be classified separately only for a legitimate reason." *In re Chateaugay Corp.*, 89 F.3d 942, 949 (2d Cir. 1996). Nevertheless, the requirement of substantial similarity does not mean that claims or interests within a particular class must be identical. *Hanson v. First Bank of South Dakota, N.A.*, 828 F.2d 1310, 1313 (8th Cir. 1987). The focus is on the nature of the claims or interests being classified as they relate to

the debtor's assets. *J. P. Morgan & Co. v. Missouri Pac. R. Co.*, 85 F.2d 351 (8th Cir. 1936), *cert. denied*, 299 U.S. 604 (1936). As noted in the case law, "separate classification of substantially similar unsecured claims is permissible only when there is a reasonable basis for doing so or when the decision to separately classify does not offend one's sensibility of due process and fair play." *In re Adelphia Comm'ns Corp.*, 368 B.R. 140, 246–47 (Bankr. S.D.N.Y. 2007).

1. The Plan Complies with Section 1122(a)

The Plan provides for the separate classification of Claims and Interests into Classes based upon differences in the legal nature and/or priority of such Claims and Interests. The classification and treatment of Claims and Interests has been arranged in the following groups:

- Classes 1A-101A (Other Priority Claims) provide for the separate classification of Claims entitled to priority under section 507(a) of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims.
- Classes 1B-101B (Other Secured Claims) provide for the separate classification of any Secured Claim other than the DIP Facility Claims.
- Class 1C (Senior Notes Parent Claims) provides for separate classification of Claims asserted against Patriot Coal by a holder of, and on account of, a Senior Note.
- Classes 2C-100C (Senior Notes Guarantee Claims) provide for separate classification of Claims asserted against a Subsidiary Debtor by a holder of, and on account of, a Senior Note.
- Class 1D (Convertible Notes Claims) provides for separate classification of any Claims asserted against Patriot Coal by a holder of, and on account of, a Convertible Note.
- Classes 1E; 2D-100D (General Unsecured Claims) provide for separate classification of any prepetition Claim against any of the Debtors that is not a DIP Facility Claim, Other Administrative Claim, Priority Tax Claim, Other Priority Claim, Other Secured Claim, Senior Notes Claim, Convertible Notes Claim, Convenience Class Claim, Section 510(b) Claim or Intercompany Claim, including any unsecured claims under section 506(a)(1) of the Bankruptcy Code.

- Classes 1F; 2E-101E (Convenience Class Claims) provide for separate classification of (i) any Claim against any of the Debtors that would otherwise be a General Unsecured Claim and that is greater than $0 and less than or equal to $500,000 in Allowed amount or (ii) any Claim against any of the Debtors that would otherwise be a General Unsecured Claim in an amount greater than $500,000 but which is reduced to $500,000 by an irrevocable written election of the Holder of such Claim made on a properly executed and delivered Ballot.

- Classes 1G; 2F-101F (Section 510(b) Claims) provide for separate classification of Section 510(b) Claims.

- Class 1H (Interests in Patriot Coal) provides for separate classification of Interests in Patriot Coal.

- Classes 2G-101G (Interests in Subsidiary Debtors) provide for separate classification of Interests in Subsidiary Debtors.

Each of the Claims or Interests in each Class is substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate between or among holders of Claims or Interests. The Debtors' classification scheme has a rational basis because it is based upon the respective legal rights of each holder of a Claim or Interest. Accordingly, the classification of Claims and Interests in the Plan complies with section 1122(a) of the Bankruptcy Code.

2. The Plan Complies with Section 1122(b)

As stated above, section 1122(b) of the Bankruptcy Code provides for the separate classification of claims based upon administrative convenience. 11 U.S.C. § 1122(b). Consistent with section 1122(b), for administrative convenience, (i) any Claims against any of the Debtors that would otherwise be General Unsecured Claims and that are greater than $0 and less than or equal to $500,000 in Allowed amount or (ii) any Claims against any of the Debtors that would otherwise be General Unsecured Claims in an amount greater than $500,000 but are reduced to $500,000 by an irrevocable written election of the Holder of such Claim made on a properly

executed and delivered Ballot have been classified in Classes 1F; 2E-101E (Convenience Class Claims).

Accordingly, the classification of Claims and Interests in the Plan complies with section 1122 of the Bankruptcy Code.

B. The Plan Complies with Section 1123 of the Bankruptcy Code

Section 1123(a) of the Bankruptcy Code sets forth seven requirements with which every chapter 11 plan must comply. *See* 11 U.S.C. § 1123(a). The Plan fully complies with each such requirement.

- Section 1123(a)(1) of the Bankruptcy Code: Article 2 of the Plan provides for the treatment of Administrative Claims and Priority Tax Claims and Article 3 of the Plan designates Classes of Claims and Interests as required by section 1123(a)(1).

- Sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code: Article 3 of the Plan specifies whether each Class of Claims and Interests is Impaired under the Plan and the treatment of each such Class, as required by sections 1123(a)(2) and 1123(a)(3), respectively.

- Section 1123(a)(4) of the Bankruptcy Code: As required by section 1123(a)(4), the Plan provides that each Claim in a Class receives the same treatment as all other Claims in that Class, unless the holder of a Claim or Interest has agreed to a less favorable treatment.

- Section 1123(a)(5) of the Bankruptcy Code: Section 1123(a)(5) of the Bankruptcy Code requires that the Plan provide "adequate means" for its implementation. Means for implementation of a plan may include retention by the debtor of all or part of its property; the transfer of property of the estate to one or more entities; cancellation or modification of any indenture; curing or waiving of any default; extension of a maturity date or change in an interest rate or other term of outstanding securities; amendment of the debtor's charter; or issuance of securities for cash, for property, for existing securities, in exchange for claims or interests or for any other appropriate purpose. Articles 5, 6, 7, 10, 11 and 16 and various other provisions of the Plan set forth "adequate means" for implementation of the Plan as required by section 1123(a)(5). Those provisions relate to, among other things: (i) the continued corporate existence of certain Reorganized Debtors after the Effective Date; (ii) the Restructuring Transactions; (iii) the authorization of New Common Stock; (iv) the cancellation of existing securities and related agreements; (v) the implementation of the UMWA Settlement, the Arch Settlement and the Peabody Settlement; (vi) the implementation of the Rights Offerings; (vii) the implementation of distributions under the Plan; (viii) entry into the Exit Credit Facilities; (ix) exempting the Debtors and the Reorganized Debtors from certain transfer taxes and recording fees;

(x) the execution, delivery, filing or recording of all contracts, instruments, releases, indentures and other agreements or documents related to the foregoing and (xi) the filing of Administrative Claims.

- Sections 1123(a)(6) and 1123(a)(7) of the Bankruptcy Code: Section 10.2 of the Plan provides for the inclusion of a provision in the certificates of incorporation of the Debtors prohibiting the issuance of nonvoting equity securities to ensure compliance with section 1123(a)(6). The organizational documents of Reorganized Patriot Coal provide for the selection of officers and directors of the Reorganized Debtors in a manner consistent with the interests of creditors, equity security holders, and public policy in accordance with section 1123(a)(7).

Based upon the foregoing, the Plan complies with the requirements of sections 1122 and 1123 of the Bankruptcy Code and thus satisfies the requirements of section 1129(a)(1) of the Bankruptcy Code.

2. The Debtors Have Complied With All Applicable Provisions Of The Bankruptcy Code

Section 1129(a)(2) of the Bankruptcy Code requires that the plan proponent "compl[y] with the applicable provisions of [the Bankruptcy Code]." 11 U.S.C. § 1129(a)(2). The legislative history of section 1129(a)(2) reflects that this provision is intended to encompass the disclosure and solicitation requirements under sections 1125 and 1126 of the Bankruptcy Code. *See In re Johns-Manville Corp.*, 68 B.R. at 630; *In re Toy & Sports Warehouse, Inc.*, 37 B.R. at 149; *In re Texaco, Inc.*, 84 B.R. 893, 907 (Bankr. S.D.N.Y. 1988), appeal dismissed, 92 B.R. 38 (S.D.N.Y. 1988) ("The principal purpose of section 1129(a)(2) is to assure that the proponents have complied with the requirements of section 1125 in the solicitation of acceptances to the plan."); H.R. Rep. No. 95-595, at 412 (1977); S. Rep. No. 95-989, at 126 (1978) ("Paragraph (2) [of section 1129(a)] requires that the proponent of the plan comply with the applicable provisions of chapter 11, such as section 1125 regarding disclosure."). The Debtors have complied with the applicable provisions of the Bankruptcy Code, including the

provisions of sections 1125 and 1126, regarding disclosure, solicitation of votes and acceptance of a Plan.

A. The Debtors Have Complied with Section 1125 of the Bankruptcy Code

Section 1125 of the Bankruptcy Code provides in pertinent part:

> (b) An acceptance or rejection of a plan may not be solicited after the commencement of the case under [the Bankruptcy Code] from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. . . .
>
> (c) The same disclosure statement shall be transmitted to each holder of a claim or interest of a particular class, but there may be transmitted different disclosure statements, differing in amount, detail, or kind of information, as between classes.

11 U.S.C. § 1125(b), (c).

By the *Order (i) Approving Disclosure Statement; (ii) Approving Solicitation and Notice Materials; (iii) Approving Forms of Ballots; (iv) Establishing Solicitation and Voting Procedures; (v) Establishing Procedures for Allowing and Estimating Certain Claims for Voting Purposes; (vi) Scheduling a Confirmation Hearing and (vii) Establishing Notice and Objection Procedures*, dated November 7, 2013 [ECF No. 4968] (the "**Approval Order**"), after notice and a hearing, the Court approved the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code as containing "adequate information" of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Debtors' Creditors to make an informed judgment whether to accept or reject the Plan. The Approval Order also approved (a) all materials to be transmitted to those holders of Claims and Interests entitled to vote on the Plan,

(b) the timing and method of delivery of the solicitation materials and (c) the rules for tabulating votes to accept or reject the Plan.

As set forth in the Notice Affidavit, the Disclosure Statement, together with the additional solicitation materials approved by the Court in the Approval Order, were transmitted in Solicitation Packages to each Creditor that was entitled to vote to accept or reject the Plan, as well as to other parties in interest in this case, in compliance with section 1125 of the Bankruptcy Code and the Approval Order. In addition, Creditors that were not entitled to vote to accept or reject the Plan and Interest holders (who are deemed to reject the Plan) were provided with certain non-voting materials approved by the Court in the Approval Order. The Debtors did not solicit the acceptance or rejection of the Plan by any Creditor prior to the transmission of the Disclosure Statement. In addition, as reflected in the Publication Affidavits and as required by the Approval Order, the Debtors caused the Confirmation Hearing Notice to be published in *The Wall Street Journal, National Edition, St. Louis Post-Dispatch*, a St. Louis, Missouri newspaper, *Charleston Gazette* and *Charleston Daily Mail*, each a Charleston, West Virginia newspaper, *Gleaner*, a Henderson County, Kentucky newspaper, *Evansville Courier and Press*, a Union County, Kentucky newspaper, *The Dominion Post*, a Morgantown, West Virginia newspaper, *The Register Herald*, a Beckley, West Virginia newspaper, *Times West Virginian*, a Fairmont, West Virginia newspaper and *The Southern Illinoisan*, a Carbondale, Illinois newspaper, and posted on the Debtors' case information website (located at *http://www.patriotcaseinfo.com*).

B. Compliance with Section 1126

Section 1126 of the Bankruptcy Code specifies the requirements for acceptance of a plan of reorganization. Under section 1126, only holders of allowed claims and allowed equity interests in impaired classes of claims or equity interests that will receive or retain property

under a plan on account of such claims or equity interests may vote to accept or reject such plan. As set forth in section 1126:

> (a) The holder of a claim or interest allowed under section 502 of [the Bankruptcy Code] . . . may accept or reject a plan.
>
> * * *
>
> (f) Notwithstanding any other provision of this section, a class that is not impaired under a plan, and each holder of a claim or interest of such class, are conclusively presumed to have accepted the plan, and solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required.
>
> (g) Notwithstanding any other provision of this section, a class is deemed not to have accepted a plan if such plan provides that the claims or interests of such class do not entitle the holders of such claims or interests to receive or retain any property under the plan on account of such claims or interests.

11 U.S.C. § 1126(a), (f), (g).

As set forth in the Disclosure Statement and in the Vote Certification, in accordance with section 1126 of the Bankruptcy Code, the Debtors solicited acceptances or rejections of the Plan from the holders of Claims in the Classes of Impaired Claims that are to receive a distribution under the Plan. Claims in Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) are designated as Unimpaired under the Plan. As a result, pursuant to section 1126(f), holders of Claims in those Classes are conclusively presumed to have accepted the Plan. Claims in Class 1C (Senior Notes Parent Claims), Classes 2C-100C (Senior Notes Guarantee Claims), Class 1D (Convertible Notes Claims), Classes 1E and 2D-101D (General Unsecured Claims), and Classes 1F and 2E-101E (Convenience Class Claims) are Impaired and holders of Allowed Claims in those Classes will receive distributions under the Plan. As a result, pursuant to section 1126(a), holders of Claims in those Classes were entitled to

vote to accept or reject the Plan. Claims in Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal) will not receive any distributions under the Plan. As a result, pursuant to section 1126(g), holders of Claims and Interests in those Classes are deemed to have rejected the Plan.

Sections 1126(c) and 1126(d) of the Bankruptcy Code specify the requirements for acceptance of a plan by Classes of Claims and Interests, respectively, that are entitled to vote on a plan:

> (c) A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected the plan.
>
> (d) A class of interests has accepted the plan if such plan has been accepted by holders of such interests, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(c), (d). As set forth above, Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal) (the "**Deemed to Reject Classes**") will receive no distribution under, and thus are deemed to have rejected, the Plan, and the Classes listed on Schedule II hereto (the "**Voting to Reject Classes**" and, together with the Deemed to Reject Classes, the "**Rejecting Classes**") have voted to reject the Plan. Nevertheless, as set forth below, pursuant to section 1129(b) of the Bankruptcy Code, the Plan may be confirmed over the deemed rejections of the Deemed to Reject Classes and the rejections of the Voting to Reject Classes

because the Plan does not discriminate unfairly and is fair and equitable with respect to each such Class. *See* 11 U.S.C. § 1129(b).

Based upon the foregoing, the requirements of section 1129(a)(2) have been satisfied.

3. The Plan Has Been Proposed In Good Faith And Not By Any Means Forbidden By Law

A. The Plan Was Proposed in Good Faith

Section 1129(a)(3) of the Bankruptcy Code requires that a plan be "proposed in good faith and not by any means forbidden by law." 11 U.S.C. § 1129(a)(3). The good faith standard has been defined as "requiring a showing that the plan was proposed with 'honesty and good intentions' and with 'a basis for expecting that a reorganization can be effected.'" *Koelbl v. Glessing (In re Koelbl)*, 751 F.2d 137, 139 (2d Cir. 1984) (quoting *Manati Sugar Co. v. Mock*, 75 F.2d 284, 285 (2d Cir. 1935)); *see also In re Johns-Manville Corp.*, 68 B.R. at 631–32. In the context of a chapter 11 plan, courts have held that "a plan is proposed in good faith if there is a likelihood that the plan will achieve a result consistent with the standards prescribed under the [Bankruptcy] Code." *Hanson v. First Bank of South Dakota, N.A.*, 828 F.2d 1310, 1315 (8th Cir. 1987) (quoting *In re Toy & Sports Warehouse, Inc.*, 37 B.R. 141, 149 (Bankr. S.D.N.Y. 1984)). The determination of whether a plan will likely achieve a result consistent with the objectives and purpose of the Bankruptcy Code is made in "light of the particular facts and circumstances . . ." *In re Apex Oil Co.*, 118 B.R. 683, 703 (Bankr. E.D. Mo. 1990) (citation omitted).

The primary goal of chapter 11 is to promote the rehabilitation of the debtor. Congress has recognized that the continuation of the operation of a debtor's business as a viable entity benefits the national economy through the preservation of jobs and continued production

of goods and services. The Supreme Court similarly has recognized that "[t]he fundamental purpose of reorganization is to prevent a debtor from going into liquidation, with an attendant loss of jobs and possible misuse of economic resources." *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 528 (1984); *see also In re Union Fin. Servs. Group, Inc.*, 303 B.R. 390, 423 (E.D. Mo. 2003) (quoting *Bildisco & Bildisco*). In addition, courts have stressed the importance of payment of creditors in chapter 11 cases. *See In re McClelland*, 418 B.R. 61, 67 (Bankr. S.D.N.Y. 2009) (citing *In re Ngan Gung Restaurant*, 254 B.R. 566, 571 (Bankr. S.D.N.Y. 2000)); *In re Balco Equities Ltd.*, 323 B.R. 85, 98 (Bankr. S.D.N.Y. 2005) (same).

The Plan proposed by the Debtors accomplishes these rehabilitative goals by restructuring the Debtors' obligations and providing the means through which the Debtors may continue to operate as a viable enterprise. The Plan is also in the best interests of Creditors, allowing them to realize the highest possible recoveries under the circumstances, including an (i) estimated recovery to Certified Eligible Holders of Senior Notes Claims of up to 11.71%, (ii) recovery of 10% to Holders of Senior Notes Claims receiving Senior Notes Cash Consideration, (iii) estimated recovery of up to 1.93% for Certified Eligible Holders of Convertible Notes Claims, (iv) estimated recoveries of up to 1.93%, 3.87% and 5.80% for Certified Eligible Holders of General Unsecured Claims against Class Group 1 Debtors, Group 2 Debtors and Group 3 Debtors, respectively, and (v) estimated recoveries of 0.57%, 1.15% and 1.72% for Holders of General Unsecured Claims receiving Convenience Class Consideration and Convenience Class Claims (and in the case of Group 1 Debtors, Convertible Notes Claims) against Group 1 Debtors, Group 2 Debtors and Group 3 Debtors, respectively, whereas the distributable value to those claims would be zero if the Debtors were to be liquidated. *See* Disclosure Statement, Appendix B; *see also* Huffard Decl. ¶ 15. The Plan is the result of

extensive good faith, arm's-length negotiations among the Debtors, Creditors' Committee, the UMWA, Peabody and Arch and other parties in interest. The Plan has been overwhelmingly supported by holders of claims in the 154 Voting to Accept Classes, representing 96.17% of the number of ballots cast and 94.12% in amount of voting claims, while only six Classes voted to reject the Plan, casting ballots that represented only 3.83% of the number of ballots cast and 5.88% in amount of voting claims.

The support of the Plan by such overwhelming margins underscores the fact that the Plan is fundamentally fair to Creditors and the Estates. Moreover, it is indisputable that the Plan promotes the rehabilitative objectives and purposes of the Bankruptcy Code by providing for the Debtors' emergence from Chapter 11 as a viable, going concern business.

B. The Plan's Exculpation, Releases and Injunction Are Well Within the Parameters of the Bankruptcy Code and Applicable Law

The exculpation provision (Section 11.6 of the Plan), the Debtor releases (Section 11.7 of the Plan), the third-party releases by the holders of certain Claims and Interests (Section 11.8 of the Plan) and the injunction related to the exculpation and release provisions (Section 11.9 of the Plan) are fair and equitable, conform to applicable law and are similar to those included in other approved plans of reorganization.

(i) The Exculpation Provision Is Reasonable and Customary, Appropriately Tailored and an Integral Part of the Plan

The exculpation provision set forth in Section 11.6 of the Plan provides that none of the Exculpated Parties shall have or incur any liability to "any holder of a Claim, Cause of Action or Interest" for acts or omissions "in connection with, related to or arising out of, the Chapter 11 Cases, the negotiation of any settlement or, agreement, contract, instrument, release or document created or entered into in connection with the Plan or in the Chapter 11 Cases . . .

the pursuit of confirmation of the Plan, the consummation of the Plan, the preparation and distribution of the Disclosure Statement, the offer, issuance and distribution of any securities issued or to be issued under or in connection with the Plan . . . [or] any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors or the administration of the Plan or the property to be distributed under the Plan." Crucially, the exculpation provision excludes from its scope "any act or omission that is determined in a Final Order to have constituted willful misconduct (including, without limitation, actual fraud) or gross negligence."

Exculpation provisions similar to the exculpation provision in the Plan are customarily upheld by bankruptcy courts, particularly where such provisions contain carve-outs for behavior amounting to gross negligence or willful misconduct. *See, e.g.*, *In re Loehmann's Holdings Inc.*, Case No. 10-16077 (REG) (Bankr. S.D.N.Y. Feb. 9, 2011) [ECF No. 398] (upholding similar exculpation provision as "appropriately tailored" to protect released parties from "inappropriate litigation."); *In re Oneida, Ltd.*, 351 B.R. 79, 94 n.22 (Bankr. S.D.N.Y. 2006) (same); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. July 15, 2004) [ECF No. 19758], *appeal dismissed*, 326 B.R. 497 (S.D.N.Y. 2005) (exculpation provision that did not "absolve[] parties from gross negligence or willful misconduct" approved).[7]

Furthermore, the exculpation provision was essential in formulating the Plan. It fostered open negotiations and critical compromises among key constituencies, which otherwise would have been dramatically more costly, if not wholly impossible, without assurances that parties would be protected (to a limited degree) from future liability. In approving similar

[7] *See also, e.g.*, *In re Houghton Mifflin Harcourt Publishing Co.*, Case No. 12-12171 (REG) (Bankr. S.D.N.Y. June 21, 2012) [ECF No. 122]; *In re Motors Liquidation Co.*, Case No. 09-50026 (REG) (Bankr. S.D.N.Y. Mar. 29, 2011).

exculpation provisions, courts have found that, "where a debtor's plan requires the settlement of numerous, complex issues, protection of third parties against legal exposure may be a key component of such settlement." *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. July 15, 2004) [ECF No. 19758] (citing *In re Drexel Burnham Lambert Group, Inc.*, 960 F.2d 285 (2d Cir. 1992)); *see also In re DBSD N. Am. Inc.*, 419 B.R. 179, 218 (Bankr. S.D.N.Y. 2009) (exculpation provisions are permissible "where the provisions are important to a debtor's plan"), *aff'd in part and rev'd in part*, 627 F.3d 496 (2d Cir. 2010), *aff'd in part and rev'd in part*, 634 F.3d 79 (2d Cir. 2010). The exculpation provision set forth in Section 11.6 is appropriate and should be approved.

(ii) The Debtor Releases Represent a Valid Exercise of the Debtors' Business Judgment and Are in the Best Interests of the Debtors' Estates

Section 11.7 of the Plan provides that the Released Parties, on and after the Effective Date and only to the extent permitted by applicable law, shall be "deemed released and discharged" by the Debtors from any and all "Claims, obligations, debts, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever." The Debtor releases expressly exclude claims and liabilities arising out of or relating to any act or omission that constitutes "willful misconduct (including, without limitation, actual fraud) or gross negligence." Subject to certain narrow exceptions, if a Released Party asserts a claim against a Debtor on account of an action arising before the Effective Date, the Debtor releases are automatically and retroactively null and void *ab initio* as to such Released Party.

The Debtor releases are authorized under section 1123(b)(3)(A) of the Bankruptcy Code, which states that a plan may provide for "the settlement or adjustment of any claim or interest belonging to the debtor or to the estate." Releases granted by chapter 11 debtors are

approved upon a showing that the releases are "an appropriate exercise of business judgment, and, possibly, in the best interest of the estate." *In re Motors Liquidation Co.*, 447 B.R. 198, 220 (Bankr. S.D.N.Y. 2011); *see also In re Charter Comm'ns*, 419 B.R. 221, 256 (Bankr. S.D.N.Y. 2009), *aff'd*, 691 F.3d (2d Cir. 2012) ("When reviewing releases in a debtor's plan, courts consider whether such releases are in the best interest of the estate."); *In re Best Prods. Co.*, 177 B.R. 791, 794 n.4 (S.D.N.Y. 1995), *aff'd*, 68 F.3d 26 (2d Cir. 1995) (approval of debtor releases warranted when releases are fair and equitable and in the best interests of the estate).

Moreover, the Debtor releases are in the best interests of the Debtors' estates. Each of the releases was necessary to induce the Released Parties to enter into agreements with the Debtors, including the Peabody Settlement, the Arch Settlement, the MOU, the New CBAs, the DIP Facilities, the Rights Offerings and the Exit Credit Facilities, or to ensure the support of a Released Party for the Plan. As such, the Debtor releases confer a material benefit on the Debtors, their Estates and their Creditors and are important to the overall objectives of the Plan to finally resolve all claims among or against parties-in-interest in the Chapter 11 Cases with respect to the Debtors. Additionally, pursuing claims against any of the Released Parties would be expensive, time-consuming and, the Debtors believe, ultimately, fruitless. As such, the Debtor releases contained in the Plan fall within the bounds of the Debtors' business judgment. The Debtor releases in Section 11.7 are reasonable, appropriate and should be approved.

(iii) The Third-Party Releases Are Consistent with Established Law

The releases set forth in Section 11.8 of the Plan apply only to holders of Claims and Interests who, with full and proper notice, are deemed to have accepted the Plan or affirmatively consent to such releases by (a) voting to accept or reject the Plan and (b) electing not to opt out of the releases (as permitted on the Ballots). Holders who are deemed to have

accepted and holders of certain Claims and Interests who consent to the releases provided in Section 11.8 shall be deemed to have released the Debtors, the Reorganized Debtors and the Released Parties from all Causes of Action based on or relating to, *inter alia*, the Chapter 11 Cases. Like the exculpation (set forth in Section 11.6 of the Plan) and the Debtor releases (set forth in Section 11.7 of the Plan), the releases by the holders of certain Claims and Interests set forth in Section 11.8 exclude claims or liabilities based on willful misconduct or gross negligence.

The third-party releases in Section 11.8 are reasonable, appropriate and should be approved.

(iv) The Injunction is Necessary to Preserve and Enforce the Exculpation and Release Provisions

The injunction provided in Section 11.9 of the Plan enjoins all entities from pursuing or commencing any action against the Released Parties or the Exculpated Parties based on claims or causes of action that were subject to the Plan's exculpation or release provisions. The injunction serves the important purpose of effectuating the release and exculpation provisions by shielding parties from litigation based on claims that were released or discharged under the Plan and, consequently, cannot be pursued. Furthermore, the injunction deters litigants from initiating costly lawsuits that seek to unravel the terms of the Plan and the agreements that led to the Plan's consummation.

Courts have approved similar injunctions where they were found to be "an integral part of, and essential to, the Plan, are necessary to preserve and enforce the Debtor Releases, the third-party releases and the exculpation provisions . . . and are narrowly tailored to achieve that purpose." *In re Loehmann's Holdings Inc.*, Case No. 10-16077 (REG) (Bankr.

S.D.N.Y. Feb. 9, 2011) [ECF No. 398]. *See also In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 10-24549 (RDD) (Bankr. S.D.N.Y. Feb. 28, 2012) [ECF No. 3477]. Likewise, the injunction set forth in Section 11.9 is an integral part of the plan, necessary to preserve the Plan's exculpation and release provisions and narrowly tailored in scope. The Plan's injunction simply insulates the Released Parties from litigation on account of Claims resolved through the Plan. The injunction is *not* a blanket injunction precluding all potential claimants from bringing actions against third parties. Accordingly, the injunction should be approved.

4. The Plan Provides That Payments Made By The Debtors For Services Or Costs And Expenses Are Subject To Court Approval

Section 1129(a)(4) of the Bankruptcy Code requires that certain professional fees and expenses paid by the plan proponent, by the debtor, or by a person receiving distributions of property under the plan be subject to approval by the Court as reasonable. Specifically, section 1129(a)(4) requires that:

> Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to approval of, the court as reasonable.

11 U.S.C. § 1129(a)(4). Section 1129(a)(4) has been construed to require that all payments of professional fees that are made from estate assets be subject to review and approval as to their reasonableness by the Court. *See In re Drexel Burnham Lambert Group, Inc.*, 138 B.R. 723, 760 (Bankr. S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 68 B.R. 618, 632 (Bankr. S.D.N.Y. 1986), *aff'd in part, rev'd in part on other grounds*, 78 B.R. 407 (S.D.N.Y. 1987), *aff'd*, 843 F.2d 636 (2d Cir. 1988); 7 Collier on Bankruptcy ¶ 1129.02[4] (16th ed. 2012).

Pursuant to the interim application procedures established under section 331 of the Bankruptcy Code, the Court authorized and approved the payment of certain fees and expenses of professionals retained in this case. All Professional Fee Claims remain subject to final review for reasonableness by the Court under section 330 of the Bankruptcy Code. 11 U.S.C. § 330. In addition, pursuant to sections 503(b)(3) and (4), the Court must review any application for substantial contribution to ensure compliance with the statutory requirements and that the fees requested are reasonable. Further, all payments to be made by the Debtors in connection with the Effective Date or which relate to the success of the reorganization or which otherwise are required to be disclosed, including any amounts the Debtors have agreed to pay to officers and directors, have been disclosed previously.

The foregoing procedures for the Court's review and ultimate determination of the fees and expenses to be paid by the Debtors satisfy the objectives of section 1129(a)(4). *See In re Elsinore Shore Assocs.*, 91 B.R. 238, 268 (Bankr. D.N.J. 1988) (requirements of section 1129(a)(4) satisfied where plan provided for payment of only "allowed" administrative expenses); *In re Future Energy Corp.*, 83 B.R. 470, 488 (Bankr. S.D. Ohio 1988) ("Court approval of payments for services and expenses is governed by various Code provisions—e.g., §§ 328, 329, 330, 331, and 503(b)—and need not be explicitly provided for in a Chapter 11 plan."); 7 Collier on Bankruptcy ¶ 1129.02[4] (16th ed. 2012).

Based upon the foregoing, the Plan complies with the requirements of section 1129(a)(4).

5. The Debtors Have Disclosed Information Regarding Directors, Officers And Insiders

Section 1123(a)(7) of the Bankruptcy Code requires that a plan of reorganization "contain only provisions that are consistent with the interests of creditors and equity security

holders and with public policy with respect to the manner of selection of any officer, director, or trustee under the plan." 11 U.S.C. § 1123(a)(7). This provision is supplemented by section 1129(a)(5) of the Bankruptcy Code, which directs a court to examine the methods by which the management of the reorganized corporation is to be chosen to provide adequate representation of those whose investments are involved in the reorganization — *i.e.*, Creditors. *See* 7 Collier on Bankruptcy ¶ 1123.01[7] (16th ed. 2012).

Pursuant to Section 10.3(a) and (b) of the Plan, on December 5, 2013, the Debtors filed a Plan Supplement [ECF No. 5096] announcing that five individuals had been selected to serve as the initial members of the Board of Directors of Reorganized Patriot Coal (the "**New Board Members**") beginning on the Effective Date.[8] The New Board Members will be:

- Timothy J. Bernlohr
- Charles H. Cremens
- Eugene I. Davis
- Bennett K. Hatfield
- Daniel D. Smith

Each officer of Reorganized Patriot Coal shall serve from and after the Effective Date in accordance with applicable non-bankruptcy law and the terms of such Reorganized Patriot Coal's constituent documents.

The employment of officers and directors by the Reorganized Debtors, as described above, is consistent with the interests of Creditors and is essential to the ongoing viability of the Debtors' businesses. The New Board Members were selected based upon their substantial experience, excellent reputations and distinguished credentials. *See Apex Oil*, 118 B.R. at 704–05 (if the debtors as well as the creditors' committee believe control of the business

[8] Subject to the Restructuring Transactions and the New Board, the directors of the Subsidiary Debtors immediately prior to the Effective Date will continue to serve in their current capacities after the Effective Date.

by certain individuals is beneficial, section 1129(a)(5) requirements are satisfied); *In re Toy & Sports Warehouse, Inc.*, 37 B.R. at 149–50 (the continuation of employment of the debtor's president and founder, who had many years of experience in the debtor's business, satisfied section 1129(a)(5)).

Based upon the foregoing, the Plan complies with both sections 1123(a)(7) and 1129(a)(5) by such information as is presently available with regard to the individuals proposed to serve on and after the Effective Date as officers and directors of the Reorganized Debtors.

6. The Plan Does Not Provide For Any Rate Change Subject To Regulatory Approval

Section 1129(a)(6) of the Bankruptcy Code is applicable only to debtors whose rates are subject to governmental regulatory authority and requires that "[a]ny governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval." 11 U.S.C. § 1129(a)(6). In these Chapter 11 Cases, section 1129(a)(6) of the Bankruptcy Code is not applicable because the Plan is not premised on any rate changes or the establishment of rates over which any regulatory commission has jurisdiction or will have jurisdiction after Confirmation.

7. The Plan Is In The Best Interests Of All Creditors Of The Debtors

Section 1129(a)(7)(A) of the Bankruptcy Code provides in relevant part that for each impaired class of claims or interests:

> (A) each holder of a claim or interest of such class —
>
> (i) has accepted the plan; or
>
> (ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the

> amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date ….

11 U.S.C. § 1129(a)(7)(A). This section is often referred to as the "best interests" test. *See In re Leslie Fay*, 207 B.R. at 787. The best interests test focuses on individual dissenting creditors rather than classes of claims. *See id.*; *see also Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 North LaSalle St. P'ship*, 526 U.S. 434, 441 n.13 (1999). Under the best interests test, the court "must find that each [nonaccepting] creditor will receive or retain value that is not less than the amount he would receive if the debtor were liquidated." *In re Leslie Fay*, 207 B.R. at 787. As section 1129(a)(7) makes clear, the liquidation analysis applies only to non-accepting impaired claims or equity interests. A court, in considering whether a plan satisfies the "best interests" test, is not required to consider any alternative to the plan other than the dividend projected in a liquidation of all of the debtor's assets under chapter 7 of the Bankruptcy Code. *See In re Crowthers McCall Pattern, Inc.*, 120 B.R. 279, 297 (Bankr. S.D.N.Y. 1990).

In this case, the best interests test is inapplicable to Classes 1A-101A and Classes 1B-101B (the "**Deemed to Accept Classes**") because each such class is Unimpaired and, pursuant to section 1126(f) of the Bankruptcy Code, is deemed to have accepted the Plan. The Classes listed as "Empty Voting Classes" on Schedule I hereto (the "**Empty Voting Classes**") were entitled to vote but, because no votes were received from the Empty Voting Classes, are deemed to have voted to accept the Plan per the Approval Order. The Classes listed as Voting to Accept Classes on Schedule I hereto (the "**Voting to Accept Classes**" and, together with the Deemed to Accept Classes and the Empty Voting Classes, the "**Accepting Classes**") have voted to accept the Plan.

As described in the Liquidation Analysis attached as Appendix B to the Disclosure Statement, the values that may be realized by the holders of the Rejecting Classes upon disposition of the Debtors' assets pursuant to a hypothetical chapter 7 liquidation are significantly less than the value of the recoveries to such Classes provided for under the Plan. As described in detail in the Liquidation Analysis, holders of Convertible Notes Claims, Senior Notes Claims and General Unsecured Claims against the Debtors would recover nothing in a chapter 7 liquidation, whereas (i) Certified Eligible Holders of Senior Notes Claims will receive an estimated recovery of up to 11.71%, (ii) holders of Senior Notes Claims receiving Senior Notes Cash Consideration will receive a recovery of 10%, (iii) Certified Eligible Holders of Convertible Notes Claims will receive an estimated recovery of up to 1.93%, (iv) Certified Eligible Holders of General Unsecured Claims against Class Group 1 Debtors, Group 2 Debtors and Group 3 Debtors will receive estimated recoveries of up to 1.93%, 3.87% and 5.80%, respectively, and (v) holders of General Unsecured Claims receiving Convenience Class Consideration and Convenience Class Claims (and in the case of Group 1 Debtors, Convertible Notes Claims) against Group 1 Debtors, Group 2 Debtors and Group 3 Debtors will receive estimated recoveries of 0.57%, 1.15% and 1.72%, respectively.

Finally, while the holders of Claims in Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal)are expected to receive no recovery under the Plan, such recovery is not less than the projected recovery in a chapter 7 liquidation of the Debtors (which would also be zero).

Based upon the foregoing analysis, the Plan satisfies the requirements of section 1129(a)(7).

8. The Plan Has Been Accepted By The Accepting Classes, And The Requirements Of Section 1129(a)(8) Have Been Satisfied As To Such Classes

Section 1129(a)(8) of the Bankruptcy Code requires that each class of impaired claims or interests accepts the plan, as follows:

> With respect to each class of claims or interests –
>
> (A) such class has accepted the plan; or
>
> (B) such class is not impaired under the plan.

11 U.S.C. § 1129(a)(8). Claims in Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) are Unimpaired under the Plan and are conclusively presumed, pursuant to section 1126(f), to have accepted the Plan. The Empty Voting Classes are Impaired and were entitled to vote on the plan but, because no votes were received from the Empty Voting Classes, they are deemed to have voted to accept the Plan per the Approval Order. The Voting to Accept Classes, which are Impaired, have affirmatively voted to accept the Plan. A summary of the tabulation of the voting is set forth in Schedules I and II attached hereto.

The Voting to Reject Classes have rejected the Plan and the Deemed to Reject Classes are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Nonetheless, as set forth below, as to such Classes, the Plan may be confirmed under the "cram down" provisions of section 1129(b) of the Bankruptcy Code.

9. The Plan Provides For Payment In Full Of All Allowed Administrative Claims, Priority Tax Claims And Other Priority Claims

Section 1129(a)(9) of the Bankruptcy Code requires that persons holding claims entitled to priority under section 507(a) receive specified cash payments under the plan. Unless the holder of a particular claim agrees to a different treatment with respect to such claim, section 1129(a)(9) requires the plan to provide as follows:

> (A) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of [the Bankruptcy Code], on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;
>
> (B) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of [the Bankruptcy Code], each holder of a claim of such class will receive—
>
> (i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or
>
> (ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and
>
> (C) with respect to a claim of a kind specified in section 507(a)(8) of [the Bankruptcy Code], the holder of such claim will receive on account of such claim deferred cash payments over a period of five years from the date of the order for relief so long as the amount so paid has a value, as of the effective date of the plan, equal to the allowed amount of such claim.

11 U.S.C. § 1129(a)(9).

An Other Administrative Claim Bar Date has been set for all Administrative Claims other than Professional Fee Claims (which will be paid pursuant to Section 7.1 of the Plan). The Plan provides that (i) other than Contingent DIP Obligations, and except to the extent that a holder of a DIP Facility Claim agrees in its sole discretion to less favorable treatment, on or before the Effective Date, each DIP Agent, for the benefit of the applicable DIP Lenders, L/C Issuers and itself, shall be paid in Cash 100% of the then-outstanding amount, if any, of the DIP Facility Claims relating to the applicable DIP Facility (or, in the case of any Outstanding L/C, Paid in Full), (ii) all Allowed Other Administrative Claims under section 503(b) of the Bankruptcy Code will be paid in full, in Cash, on or as soon as practicable after the Effective

Date or the date of Allowance or upon such other terms as may be agreed upon by the holder and the applicable Reorganized Debtor or as otherwise ordered by the Bankruptcy Court and (iii) all Allowed Other Priority Claims under section 507(a) (excluding Priority Tax Claims under section 507(a)(8), as described below) will be paid in full, in Cash, as soon as practicable after the later of the (x) Effective Date, (y) 20 calendar days after the date such Claim becomes Allowed and (z) the date for payment provided by any applicable agreement between the Reorganized Debtors and the holder of such Claim. *See* Plan, §§ 2.1(b), 3.2(a). Thus, the requirements of section 1129(a)(9)(A) and (B) are satisfied.

Lastly, the Plan satisfies the requirements of section 1129(a)(9)(C) regarding the treatment of Priority Tax Claims under section 507(a)(8). Section 1129(a)(9)(C) permits deferred payments over a period of five years from the date of the order for relief so long as the amount so paid has a value, as of the effective date of the plan, equal to the allowed amount of the priority tax claim. *See* 11 U.S.C. § 1129(a)(9)(C). Pursuant to Section 2.3 of the Plan, the Reorganized Debtors will pay holders of Allowed Priority Tax Claims, unless such holder agrees to a different treatment, either (i) payment in full in Cash made on or as soon as reasonably practicable after the later of the Effective Date or 20 calendar days after the date such Claim is Allowed, (ii) regular installment payments in accordance with section 1129(a)(9)(C) or (iii) such other amounts and in such other manner as may be determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.

Based upon the foregoing, the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

10. At Least One Class Of Impaired Claims Has Accepted The Plan

> Section 1129(a)(10) of the Bankruptcy Code provides that:
>
> > If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider.

11 U.S.C. § 1129(a)(10); *see In re Martin*, 66 B.R. 921, 924 (Bankr. D. Mont. 1986) (where three classes of impaired creditors accepted the plan, exclusive of insiders, the requirement of section 1129(a)(10) was satisfied).

The Plan satisfies this requirement with respect to each of the Debtors because there is an Impaired Class of Claims against each Debtor that has accepted the Plan.

11. The Plan Is Feasible

Section 1129(a)(11) of the Bankruptcy Code requires that, as a condition precedent to confirmation, a court determine that a plan is feasible. Specifically, a court must determine that:

> Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

11 U.S.C. § 1129(a)(11). As described below, the Plan is feasible within the meaning of this provision.

The feasibility test set forth in section 1129(a)(11) requires a court to determine whether a plan is workable and has a reasonable likelihood of success. *See In re Leslie Fay*, 207 B.R. at 788; *In re Woodmere Investors Ltd. P'ship*, 178 B.R. 346, 361 (Bankr. S.D.N.Y. 1995); *Drexel Burnham*, 138 B.R. at 762; *In re Johns-Manville Corp.*, 68 B.R. at 635.

The feasibility test does not require that success be guaranteed. *See In re Johns-Manville Corp.*, 843 F.2d 636, 649 (2d Cir. 1988) ("[T]he feasibility standard is whether the plan offers a reasonable assurance of success. Success need not be guaranteed."); *see also In re U.S. Truck Co.*, 47 B.R. 952, 944 (E.D. Mich. 1985) ("'Feasibility' does not, nor can it, require the certainty that a reorganized company will succeed."), *aff'd*, 800 F.2d 581 (6th Cir. 1986); *In re One Times Square Assocs. Ltd. P'ship*, 159 B.R. 695, 709 (Bankr. S.D.N.Y. 1993), *aff'd*, 165 B.R. 773 (S.D.N.Y 1994) ("'It is not necessary that the success be guaranteed, but only that the plan present a workable scheme of reorganization and operation from which there may be a reasonable expectation of success.'") (quoting 5 Collier on Bankruptcy ¶ 1129.02[11], at 1129-54 (15th ed. 1992)); *In re Texaco, Inc.*, 84 B.R. 893, 910 (Bankr. S.D.N.Y.) ("All that is required is that there be reasonable assurance of commercial viability."), *appeal dismissed*, 92 B.R. 38 (S.D.N.Y. 1988); *In re Prudential Energy Co.*, 58 B.R. 857, 862 (Bankr. S.D.N.Y. 1986) ("Guaranteed success in the stiff winds of commerce without the protection of the Code is not the standard under § 1129(a)(11).").

The key element of feasibility is whether there exists a reasonable probability that the plan's provisions can be performed. The feasibility test exists to protect against visionary or speculative plans. As noted by the United States Court of Appeals for the Ninth Circuit:

> The purpose of section 1129(a)(11) is to prevent confirmation of visionary schemes which promise creditors and equity security holders more under a proposed plan than the debtor can possibly attain after confirmation.

Pizza of Haw., Inc. v. Shakey's, Inc. (In re Pizza of Haw., Inc.), 761 F.2d 1374, 1382 (9th Cir. 1985) (quoting 5 Collier on Bankruptcy ¶ 1129.02, at 1129-36.11 (15th ed. 1984)). However, just as speculative prospects of success cannot sustain feasibility, speculative

prospects of failure cannot defeat feasibility. The mere prospect of financial uncertainty cannot defeat confirmation on feasibility grounds. *See U.S. Truck*, 47 B.R. at 944.

Applying the foregoing standards of feasibility, courts have identified the following factors as probative:

(1) the adequacy of the capital structure;

(2) the earning power of the business;

(3) economic conditions;

(4) the ability of management;

(5) the probability of the continuation of the same management; and

(6) any other related matters which will determine the prospects of a sufficiently successful operation to enable performance of the provisions of the plan.

See In re Leslie Fay, 207 B.R. 764 at 789 (citing 7 Collier on Bankruptcy ¶ 1129 LH[2], at 1129-82 (15th ed. rev. 1996)); *see also Texaco, Inc.*, 84 B.R. at 910; *Prudential Energy*, 58 B.R. at 862–63. The foregoing list is neither exhaustive nor exclusive. *Drexel Burnham*, 138 B.R. at 763; *cf. In re U.S. Truck Co.*, 800 F.2d 581, 589 (6th Cir. 1986).

For purposes of determining whether the Plan satisfies the feasibility standard, the Debtors have analyzed their ability to fulfill their obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial Projections attached to the Disclosure Statement as Appendix C. The Financial Projections establish that the Debtors will have sufficient Cash to meet all of their obligations under the Plan.

As described in the Lushefski Declaration, the Debtors believe the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. *See* Lushefski Decl. ¶¶ 26–28.

The Debtors' financial advisor agrees with Mr. Lushefski's assessment. As described in the Huffard Declaration, the Debtors' financial advisor, Blackstone Advisory Services L.P. ("**Blackstone**"), has reviewed the Financial Projections and believes the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. *See* Huffard Decl. ¶¶ 11–14. Blackstone believes that based in part on their significantly restructured balance sheet, the Debtors' businesses will be viable. Huffard Decl. ¶ 12. Based on the Financial Projections, Blackstone believes the Debtors can reasonably be expected to have sufficient cash flow to service their debt obligations and to fund operations. *See id.* Notably, the Financial Projections show that as of December 31, 2013, Patriot Coal expects to have $187 million in cash on hand and $513 million of total debt, of which $262.5 million represents the Rights Offering Notes that do not require cash interest payments.

Based upon the foregoing, the Plan has a more than reasonable likelihood of success and satisfies the feasibility standard of section 1129(a)(11).

12. All Statutory Fees Have Been Or Will Be Paid

Section 1129(a)(12) requires the payment of "[a]ll fees payable under section 1930 of title 28 of the United States Code, as determined by the court at the hearing on confirmation of the plan." 11 U.S.C. § 1129(a)(12). Section 507 of the Bankruptcy Code provides that "any fees and charges assessed against the estate under [section 1930 of] chapter 123 of title 28" are afforded priority as administrative expenses. 11 U.S.C. § 507(a)(2). In accordance with sections 507 and 1129(a)(12) of the Bankruptcy Code, the Plan provides that all such fees and charges, to the extent not previously paid, will be paid in cash on the Effective Date or as soon thereafter as is practicable. *See* Plan, §§ 2.2, 15.4. Thus, the Plan satisfies the requirements of section 1129(a)(12).

13. The Plan Adequately And Properly Treats Retiree Benefits

Section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits at levels established pursuant to section 1114 of the Bankruptcy Code. On and after the Effective Date, as set forth in Section 9.4 of the Plan, the payment of retiree benefits (as defined in section 1114 of the Bankruptcy Code) will continue at the levels established pursuant to subsections (e)(1)(B) of section 1114 of the Bankruptcy Code or as otherwise addressed by orders of the Bankruptcy Court, at any time prior to the entry of this Confirmation Order, for the duration of the periods the Debtors have obligated themselves to provide such benefits. Accordingly, the requirements of section 1129(a)(13) of the Bankruptcy Code have been satisfied.

14. The Plan Satisfies The "Cram Down" Requirements for the Deemed to Reject Classes and the Voting to Reject Classes Because It Does Not Discriminate Unfairly And Is Fair And Equitable With Respect To Such Classes

Section 1129(b) of the Bankruptcy Code provides a mechanism for confirmation of a plan in circumstances where the plan is not accepted by all impaired classes of claims and equity interests. This mechanism is known colloquially as "cram down." Section 1129(b) provides in pertinent part:

> Notwithstanding section 510(a) of [the Bankruptcy Code], if all of the applicable requirements of [section 1129(a) of the Bankruptcy Code] other than [the requirement contained in section 1129(a)(8) that a plan must be accepted by all impaired classes] are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

11 U.S.C. § 1129(b)(1). Thus, under section 1129(b), a court may "cram down" a plan over the deemed rejection by impaired classes of claims or equity interests that receive no distributions

under the plan as long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to such classes.

A. The Plan Does Not Discriminate Unfairly

Section 1129(b)(1) does not prohibit discrimination between classes; it prohibits only discrimination that is unfair. *See In re 11,111, Inc.*, 117 B.R. 471, 478 (Bankr. D. Minn. 1990). The weight of judicial authority holds that a plan unfairly discriminates in violation of section 1129(b) of the Bankruptcy Code only if similar classes are treated differently without a reasonable basis for the disparate treatment. *See Liberty Nat'l Enters. v. Ambac La Mesa Ltd. P'ship (In re Ambac La Mesa Ltd. P'ship)*, 115 F.3d 650, 656 (9th Cir. 1997); *In re WorldCom, Inc.*, 2003 Bankr. LEXIS 1401, at *174 (Bankr. S.D.N.Y. 2003); *In re Buttonwood Partners, Ltd.*, 111 B.R. 57, 63 (Bankr. S.D.N.Y. 1990). Accordingly, as between two classes of claims or two classes of equity interests, there is no unfair discrimination if (i) the classes are comprised of dissimilar claims or interests, *see, e.g., In re Johns-Manville Corp.*, 68 B.R. 618, 636 (Bankr. S.D.N.Y. 1986), or (ii) taking into account the particular facts and circumstances of the case, there is a reasonable basis for such disparate treatment, *see, e.g., Buttonwood Partners*, 111 B.R. at 63; *In re Rivera Echevarria*, 129 B.R. 11, 13 (Bankr. D.P.R. 1991).

Under this standard, the Plan does not "discriminate unfairly" as to the Rejecting Classes. The Deemed to Reject Classes consist of Interests (or Claims subordinated to Interests pursuant to section 510(b) of the Bankruptcy Code) dissimilar in their legal nature from secured or unsecured claims. The different treatment of remaining Rejecting Classes is not "unfair" because unsecured creditors are not entitled to any recovery and there is a reasonable, legitimate basis for the discrimination in treatment among these Classes based on the different legal and factual nature of the claims. Moreover, the Unimpaired treatment of Class 2G-101G (Interests in

Subsidiary Debtors), the other classes of Interests, has a reasonable basis. Section 1129(b) does not require the dismemberment of the Debtors' corporate structure. Should it be necessary, the option to retain ownership over the Subsidiary Debtors inures to the benefit of *all* creditors, and it is absolutely reasonable for the ownership interests in the Subsidiary Debtors to be treated differently from the interests of equity holders of Patriot Coal.

B. The Plan Is Fair and Equitable

Section 1129(b)(2) of the Bankruptcy Code defines the phrase "fair and equitable" as follows:

> (A) As to "secured claims": Either (i) each impaired secured creditor retains the liens securing its secured claim and receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) the property is sold free and clear of liens with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds is provided in clause (i) or (iii) of this subparagraph, or (iii) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim.
>
> (B) As to "unsecured claims": Either (i) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan on account of such junior interest.
>
> (C) As to holders of "interests": Either (i) each holder of an interest will receive or retain under the plan property of a value as of the effective date of the plan equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of the interest or (ii) the holder of any interest that is junior to the nonaccepting class will not receive or retain any property under the plan on account of such junior interest.

See 11 U.S.C. § 1129(b)(2). In this case, the "fair and equitable" rule is satisfied as to each holder of a Claim or Interest in the Rejecting Classes.

Even though interests in Classes 2G-101G (Interests in Subsidiary Debtors) may be reinstated in order to preserve the corporate structure of the Debtors, the Plan is still "fair and equitable." Bankruptcy courts have held that the "technical preservation of equity is a means to preserve the corporate structure that does not have any economic substance and that does not enable any junior creditor or interest holder to retain or recover any value under the Plan." *Ion Media Networks, Inc. v. Cyrus Select Opportunities Master Fund, Ltd. (In re Ion Media Networks, Inc.)*, 419 B.R. 585, 601 (Bankr. S.D.N.Y. 2009). Here, as in *Ion Media*, the retention of intercompany interests would "constitute[] a device utilized to allow the Debtors to maintain their organizational structure and avoid the unnecessary cost of having to reconstitute that structure." *Id.* Accordingly, the requirements of section 1129(b)(2)(B) are satisfied as to Classes 2G-101G.

The Voting to Reject Classes are comprised of General Unsecured Claims and Convenience Class Claims against the Debtors. Other than interests in Classes 2G-101G, the reinstatement of which is "fair and equitable" for the reasons described in the previous paragraph, no holder of Claims or Interests junior in priority to holders of General Unsecured Claims or Convenience Class Claims will receive or retain any property on account of their Claims or Interests. Accordingly, the requirements of section 1129(b)(2)(B) are satisfied as to the Voting to Reject Classes.

Class 1H is comprised of Interests in Patriot Coal. As the holders of Claims against the Debtors will not be paid in full pursuant to the Plan, holders of Interests in Patriot Coal will not and appropriately should not receive or retain any property under the Plan on

account of their Interests. Accordingly, the requirements of section 1129(b)(2)(C) of the Bankruptcy Code are satisfied as to Class 1H.

Finally, Classes 1G and 2F-101F are comprised of Section 510(b) Claims subordinated pursuant to section 510(b) of the Bankruptcy Code. No holder of Claims or Interests junior in priority to holders of Section 510(b) Claims (except the holders of certain intercompany Interests, as discussed above) will receive or retain any property on account of their Claims or Interests. Accordingly, the requirements of section 1129(b)(2)(B) are satisfied as to Classes 1G and 2F-101F.

III. DEBTORS' REPLY TO MASSEY LIMITED OBJECTION

The *Limited Objection and Reservation of Rights of Boone East Development Co., Performance Coal Co., and New River Energy Corp. to Confirmation of Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 5114] (the "**Massey Limited Objection**") should be overruled. Prior to objecting to the Plan, Boone East Development Co., Performance Coal Co., and New River Energy Corp. (the "**Massey Entities**") filed a limited objection to the Disclosure Statement, in which they asserted that the Debtors must submit "an amendment to the Plan providing for the assumption or rejection of" the Boone Lease, as well as other agreements and nonresidential real property leases to which Alpha was a party, arguing that "[i]t is black letter law that a Debtor must assume or reject any executory contracts or unexpired leases before a plan of reorganization is confirmed." ECF No. 4898 at ¶¶ 15, 18. As set forth in the Debtors' Fourth Amended Plan filed herewith, the Debtors did exactly that. Pursuant to Schedules 9.2(a) and 9.2(b) to the Plan, the Debtors are seeking to assume the Boone-ERC Lease (as defined in the Massey Limited Objection) and reject, to the extent executory, the other agreements and nonresidential real

property leases to which the Massey Entities are parties and that are subject to the adversary proceeding captioned *Eastern Royalty LLC v. Boone East Development Co.*, Adv. Pro. No. 12-04353-659.

In the Massey Limited Objection, the Massey Entities have switched tacks, and now request that this Court rule, directly contrary to the Court's recent decision, *Findings of Fact and Conclusions of Law*, entered November 14, 2013 (Adv. Pro. 12-04353-659) [ECF No. 31] (the "**Massey Decision**") and the current law of the case, that the Debtors cannot assume the Boone-ERC Lease because the Debtors are not assuming the other agreements and leases that this Court has already expressly ruled are not executory and/or not integrated with the Boone-ERC Lease. This objection was filed "solely in order to preserve the Massey Entities' rights on appeal." Massey Limited Objection at ¶ 3.

The Debtors acknowledge that the Massey Entities "respectfully disagree with the reasoning of and conclusions reached in" the Massey Decision, and that they are currently prosecuting an appeal of the Massey Decision. However, that is no basis for objecting to confirmation. The Debtors are assuming the Boone-ERC Lease and rejecting certain executory agreements that this Court ruled are separate therefrom. The Debtors are of course entitled to proceed in these Chapter 11 Cases in reliance on this Court's Massey Decision. It is well established that "when a court decides upon a rule of law, that decision should continue to govern the same issues in subsequent stages in the same case." *Morris v. Am. Nat'l Can Corp.*, 988 F.2d 50, 52 (8th Cir. 1993), *aff'd in part and rev'd in part on other grounds*, 952 F.2d 200 (8th Cir. 1991) (quoting *Arizona v. California*, 460 U.S. 605, 618 (1983)); *see also Willison v. Race (In re Race)*, 198 B.R. 740, 742 (Bankr. W.D. Mo. 1996) (finding that courts should "follow decisions made in earlier proceedings to insure uniformity of decisions, protect the

expectations of the parties and promote judicial economy." (quoting *Klein v. Arkoma Prod. Co.*, 73 F.3d 779, 784 (8th Cir. 1996))).

The Debtors will comply with the briefing schedule that has been entered in the pending appellate proceeding. The Debtors are, however, free to assume and reject executory contracts and unexpired leases and request confirmation of the Plan in accordance with the Bankruptcy Code and the Massey Decision.

IV. RELIEF UNDER BANKRUPTCY RULE 3020(E) IS APPROPRIATE

According to Bankruptcy Rule 3020(e), "[a]n order confirming a plan is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise." *See also* Fed. R. Bankr. P. 6004(h), 6006(d). It is not uncommon for Bankruptcy Courts in this district and others to waive the stay imposed by Bankruptcy Rule 3020(e) or otherwise make a confirmation order effective immediately when justified by commercial circumstances. *See, e.g.*, *In re ContinentalAFA Dispensing Co.*, Case 08-45921-659 (Bankr. E.D. Mo. Sep. 24, 2009) [ECF No. 512]; *In re Lyondell Chemical Co.*, Case No. 09-10023 (REG) (Bankr. S.D.N.Y. Apr. 23, 2010) [ECF No. 4418] (for good cause shown, stay of confirmation set forth in Bankruptcy Rule 3020(e) was waived). Additionally, in these cases, it is critical for the Debtors to emerge immediately because of the near-term expiration of the Debtors' DIP Facilities on December 31, 2013 and the potential for draws on the L/C's under the DIP Facilities in advance of such date. Accordingly, a waiver of the stay imposed by Bankruptcy Rule 3020(e) is appropriate and necessary.

CONCLUSION

The Plan complies with and satisfies all of the requirements of section 1129 of the Bankruptcy Code and should therefore be confirmed.

Dated: December 15, 2013
New York, New York

Respectfully submitted,

DAVIS POLK & WARDWELL LLP

/s/ Brian M. Resnick

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SCHEDULE A
(Debtor Entities)

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

Schedule I - Accepting Voting Classes

Total Number of Voting to Accept Classes 154

Class 1C - Senior Notes Parent Claims (Debtor Patriot Coal)
Class 1D - Convertible Note Claims (Debtor Patriot Coal Corporation Only)
Class 1F - Patriot Coal Corporation Convenience Class Claims
Classes 2C-100C - Senior Notes Guarantee Claims (vs Subsidiary Debtors)
Class 3D - Apogee Coal Company, LLC General Unsecured Claims
Class 3E - Apogee Coal Company, LLC Convenience Class Claims
Class 4E - Appalachia Mine Services, LLC Convenience Class Claims
Class 8E - Black Stallion Coal Company, LLC Convenience Class Claims
Class 10E - Bluegrass Mine Services, LLC Convenience Class Claims
Class 13E - Catenary Coal Company, LLC Convenience Class Claims
Class 14D - Central States Coal Reserves of Kentucky, LLC General Unsecured Claims
Class 17E - Coal Clean LLC Convenience Class Claims
Class 20E - Colony Bay Coal Company Convenience Class Claims
Class 24E - Coyote Coal Company LLC Convenience Class Claims
Class 26E - Dakota LLC Convenience Class Claims
Class 29E - Dodge Hill Holding JV, LLC Convenience Class Claims
Class 30D - Dodge Hill Mining Company, LLC General Unsecured Claims
Class 30E - Dodge Hill Mining Company, LLC Convenience Class Claims
Class 33D - Eastern Associated Coal, LLC General Unsecured Claims
Class 33E - Eastern Associated Coal, LLC Convenience Class Claims
Class 34E - Eastern Coal Company, LLC Convenience Class Claims
Class 37E - Gateway Eagle Coal Company, LLC Convenience Class Claims
Class 38E - Grand Eagle Mining, LLC Convenience Class Claims
Class 39E - Heritage Coal Company LLC Convenience Class Claims
Class 40D - Highland Mining Company, LLC General Unsecured Claims
Class 40E - Highland Mining Company, LLC Convenience Class Claims
Class 41E - Hillside Mining Company Convenience Class Claims
Class 42D - Hobet Mining, LLC General Unsecured Claims
Class 42E - Hobet Mining, LLC Convenience Class Claims
Class 47E - Jarrell's Branch Coal Company Convenience Class Claims
Class 48E - Jupiter Holdings LLC Convenience Class Claims
Class 49D - Kanawha Eagle Coal, LLC General Unsecured Claims
Class 49E - Kanawha Eagle Coal, LLC Convenience Class Claims
Class 50E - Kanawha River Ventures I, LLC Convenience Class Claims
Class 54E - Little Creek LLC Convenience Class Claims
Class 59E - Midland Trail Energy LLC Convenience Class Claims
Class 63E - Newtown Energy, Inc. Convenience Class Claims
Class 65E - Ohio County Coal Company, LLC Convenience Class Claims
Class 66D - Panther LLC General Unsecured Claims
Class 66E - Panther LLC Convenience Class Claims
Class 68E - Patriot Coal Company, L.P. Convenience Class Claims
Class 70D - Patriot Coal Services LLC General Unsecured Claims
Class 70E - Patriot Coal Services LLC Convenience Class Claims
Class 71D - Patriot Leasing Company LLC General Unsecured Claims
Class 71E - Patriot Leasing Company LLC Convenience Class Claims
Class 77E - Pine Ridge Coal Company, LLC Convenience Class Claims
Class 80E - Remington Holdings LLC Convenience Class Claims
Class 81E - Remington II LLC Convenience Class Claims
Class 82E - Remington LLC Convenience Class Claims
Class 83E - Rivers Edge Mining, Inc. Convenience Class Claims
Class 84D - Robin Land Company, LLC General Unsecured Claims
Class 84E - Robin Land Company, LLC Convenience Class Claims
Class 87E - Speed Mining LLC Convenience Class Claims
Class 96E - Wildcat Energy LLC Convenience Class Claims
Class 97E - Wildcat, LLC Convenience Class Claims
Class 100E - Winifrede Dock Limited Liability Company Convenience Class Claims

Total Number of Empty Voting Classes 85

Class 2D - Affinity Mining Company General Unsecured Claims
Class 4D - Appalachia Mine Services, LLC General Unsecured Claims
Class 6D - Big Eagle, LLC General Unsecured Claims
Class 7E - Big Eagle Rail, LLC Convenience Class Claims
Class 8D - Black Stallion Coal Company, LLC General Unsecured Claims
Class 9D - Black Walnut Coal Company General Unsecured Claims
Class 11E - Brody Mining, LLC Convenience Class Claims
Class 12D - Brook Trout Coal, LLC General Unsecured Claims
Class 13D - Catenary Coal Company, LLC General Unsecured Claims
Class 15D - Charles Coal Company, LLC General Unsecured Claims
Class 16D - Cleaton Coal Company General Unsecured Claims
Class 16E - Cleaton Coal Company Convenience Class Claims
Class 17D - Coal Clean LLC General Unsecured Claims
Class 18D - Coal Properties, LLC General Unsecured Claims
Class 101D - Yankeetown Dock, LLC General Unsecured Claims
Class 20D - Colony Bay Coal Company General Unsecured Claims
Class 21D - Cook Mountain Coal Company, LLC General Unsecured Claims
Class 23D - Coventry Mining Services, LLC General Unsecured Claims
Class 24D - Coyote Coal Company LLC General Unsecured Claims
Class 25D - Cub Branch Coal Company LLC General Unsecured Claims
Class 26D - Dakota LLC General Unsecured Claims
Class 27D - Day LLC General Unsecured Claims
Class 29D - Dodge Hill Holding JV, LLC General Unsecured Claims
Class 31D - Dodge Hill of Kentucky, LLC General Unsecured Claims
Class 32E - EACC Camps, Inc. Convenience Class Claims
Class 34D - Eastern Coal Company, LLC General Unsecured Claims
Class 35D - Eastern Royalty, LLC General Unsecured Claims
Class 35E - Eastern Royalty, LLC Convenience Class Claims
Class 36D - Emerald Processing, L.L.C. General Unsecured Claims
Class 36E - Emerald Processing, L.L.C. Convenience Class Claims
Class 37D - Gateway Eagle Coal Company, LLC General Unsecured Claims
Class 38D - Grand Eagle Mining, LLC General Unsecured Claims
Class 41D - Hillside Mining Company General Unsecured Claims
Class 43D - Indian Hill Company LLC General Unsecured Claims
Class 44D - Infinity Coal Sales, LLC General Unsecured Claims
Class 44E - Infinity Coal Sales, LLC Convenience Class Claims
Class 45D - Interior Holdings, LLC General Unsecured Claims
Class 46D - IO Coal LLC General Unsecured Claims
Class 46E - IO Coal LLC Convenience Class Claims
Class 47D - Jarrell's Branch Coal Company General Unsecured Claims
Class 48D - Jupiter Holdings LLC General Unsecured Claims
Class 50D - Kanawha River Ventures I, LLC General Unsecured Claims
Class 51D - Kanawha River Ventures II, LLC General Unsecured Claims
Class 52D - Kanawha River Ventures III, LLC General Unsecured Claims
Class 52E - Kanawha River Ventures III, LLC Convenience Class Claims
Class 53D - KE Ventures, LLC General Unsecured Claims
Class 54D - Little Creek LLC General Unsecured Claims
Class 55D - Logan Fork Coal Company General Unsecured Claims
Class 58D - Martinka Coal Company, LLC General Unsecured Claims
Class 59D - Midland Trail Energy LLC General Unsecured Claims
Class 60D - Midwest Coal Resources II, LLC General Unsecured Claims
Class 61D - Mountain View Coal Company, LLC General Unsecured Claims
Class 61E - Mountain View Coal Company, LLC Convenience Class Claims
Class 62D - New Trout Coal Holdings II, LLC General Unsecured Claims
Class 63D - Newtown Energy, Inc. General Unsecured Claims
Class 64D - North Page Coal Corp. General Unsecured Claims
Class 65D - Ohio County Coal Company, LLC General Unsecured Claims
Class 68D - Patriot Coal Company, L.P. General Unsecured Claims
Class 69D - Patriot Coal Sales LLC General Unsecured Claims
Class 69E - Patriot Coal Sales LLC Convenience Class Claims

Class 72D - Patriot Midwest Holdings, LLC General Unsecured Claims
Class 72E - Patriot Midwest Holdings, LLC Convenience Class Claims
Class 73D - Patriot Reserve Holdings, LLC General Unsecured Claims
Class 77D - Pine Ridge Coal Company, LLC General Unsecured Claims
Class 78D - Pond Creek Land Resources, LLC General Unsecured Claims
Class 79D - Pond Fork Processing LLC General Unsecured Claims
Class 80D - Remington Holdings LLC General Unsecured Claims
Class 81D - Remington II LLC General Unsecured Claims
Class 82D - Remington LLC General Unsecured Claims
Class 83D - Rivers Edge Mining, Inc. General Unsecured Claims
Class 86D - Snowberry Land Company General Unsecured Claims
Class 87D - Speed Mining LLC General Unsecured Claims
Class 88D - Sterling Smokeless Coal Company, LLC General Unsecured Claims
Class 89D - TC Sales Company, LLC General Unsecured Claims
Class 89E - TC Sales Company, LLC Convenience Class Claims
Class 92D - Trout Coal Holdings, LLC General Unsecured Claims
Class 93D - Union County Coal Co., LLC General Unsecured Claims
Class 94D - Viper LLC General Unsecured Claims
Class 95D - Weatherby Processing LLC General Unsecured Claims
Class 95E - Weatherby Processing LLC Convenience Class Claims
Class 96D - Wildcat Energy LLC General Unsecured Claims
Class 97D - Wildcat, LLC General Unsecured Claims
Class 98D - Will Scarlet Properties LLC General Unsecured Claims
Class 98E - Will Scarlet Properties LLC Convenience Class Claims
Class 100D - Winifrede Dock Limited Liability Company General Unsecured Claims

Schedule II - Rejecting Voting Classes

Total Number of Rejecting Voting Classes 6

Class 1E - Patriot Coal Corporation General Unsecured Claims
Class 39D - Heritage Coal Company LLC General Unsecured Claims
Class 56D - Magnum Coal Company LLC General Unsecured Claims
Class 56E - Magnum Coal Company LLC Convenience Class Claims
Class 58E - Martinka Coal Company, LLC Convenience Class Claims
Class 76E - PCX Enterprises, Inc. Convenience Class Claims

Exhibit C

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)**

DECLARATION OF JOHN E. LUSHEFSKI IN SUPPORT OF CONFIRMATION OF THE DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, John E. Lushefski, hereby declare and state:

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. In this capacity, I am familiar with the Debtors' day-to-day operations and business and financial affairs. Prior to September 21, 2012, I served as a member of the Board of Directors of Patriot Coal.

2. I submit this declaration (this "**Declaration**") in support of confirmation of the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as amended from time to time, the "**Plan**").[1] I am familiar with the terms and conditions of the Plan, the Disclosure Statement relating to the Plan (the "**Disclosure Statement**"), and all other documents related thereto, having participated in the negotiation and development of many features thereof.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my experience, information concerning the operations of the Debtors

[1] Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to those terms in the Plan.

and the coal mining industry as a whole and my review of relevant documents or information provided to me by employees working under my supervision. If called upon to testify, I would testify competently to the facts set forth in this Declaration. Unless otherwise indicated, the financial information contained herein is unaudited and provided on a consolidated basis.

The Debtors' Plan of Reorganization

4. The Debtors filed the initial version of the Plan with the United States Bankruptcy Court for the Eastern District of Missouri (the "**Bankruptcy Court**") on September 6, 2013. The Debtors filed a modified version of the Plan and a Disclosure Statement in respect thereof on October 9, 2013. The Debtors filed modified versions of the Plan and Disclosure Statement on October 26, 2013 and November 4, 2013. The Debtors filed a further modified Plan on December 15, 2013. The Debtors from time to time have filed Plan Supplements with draft forms of certain Plan Documents and certain other documents, agreements, instruments, schedules and exhibits, all as provided in the Plan.

5. The Plan is the product of intense negotiations between the Creditors' Committee, the Debtors, the Backstop Parties and other key creditor groups and, among other things, effectuates settlements with Peabody, the UMWA and Arch.

6. On November 7, 2013, the Bankruptcy Court entered the Order (i) Approving Disclosure Statement; (ii) Approving Solicitation and Notice Materials; (iii) Approving Forms of Ballots; (iv) Establishing Solicitation and Voting Procedures; (v) Establishing Procedures for Allowing and Estimating Certain Claims for Voting Purposes; (vi) Scheduling a Confirmation Hearing and (vii) Establishing Notice and Objection Procedures [ECF No. 4968] (the "**Approval Order**"). The Approval Order approved the Disclosure Statement and approved solicitation procedures for purposes of voting on the Plan.

The Plan Satisfies Section 1129 of the Bankruptcy Code

7. On the basis of my understanding of the Plan, the events that have occurred throughout the Debtors' Chapter 11 Cases, and discussions I have had with counsel to the Debtors regarding various orders entered during these Chapter 11 Cases and the requirements of the Bankruptcy Code, I believe that the Plan fully complies with the applicable provisions of section 1129 of the Bankruptcy Code for confirmation of a plan.

8. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). On the basis of my understanding and discussions with counsel to the Debtors, I believe that the Plan fully complies with section 1129(a)(1) of the Bankruptcy Code as follows:

- Section 1122 of the Bankruptcy Code: Article 3 of the Plan sets forth the classification of Claims and Interests. I have been advised that such classification complies with section 1122(a) of the Bankruptcy Code because each class contains only Claims or Interests that are substantially similar to each other.
- Section 1123(a)(1) of the Bankruptcy Code: Article 3 of the Plan designates classes of Claims, other than Claims of the type described in sections 507(a)(1), 507(a)(2) and 507(a)(8) of the Bankruptcy Code.
- Section 1123(a)(2) of the Bankruptcy Code: Article 3 of the Plan identifies each Class of Claims or Interests that is not Impaired under the Plan.
- Section 1123(a)(3) of the Bankruptcy Code: Article 3 of the Plan sets forth the treatment of Impaired Claims and Interests.
- Section 1123(a)(4) of the Bankruptcy Code: Article 3 of the Plan provides that the treatment of each Claim or Interest in each particular Class is the same as the

treatment of each other Claim or Interest in such Class, unless the holder of a particular Claim agrees to less favorable treatment.

- Section 1123(a)(5) of the Bankruptcy Code: The Plan provides for adequate means of implementation. Specifically, Articles 2, 6, 7, 8, 12 and 16 and various other provisions of the Plan and the various documents and agreements set forth in the Plan Supplements provide adequate and proper means for the implementation of the Plan, including (a) subject to the consummation of the possible mergers contemplated as described in a Plan Supplement, the continued corporate existence of certain Reorganized Debtors after the Effective Date; (b) the restructuring transactions contemplated immediately following the Effective Date; (c) the authorization and issuance of New Common Stock, Rights Offering Notes and Rights Offering Warrants; (d) the execution and closing of the Exit Credit Facilities; (e) the cancellation of existing securities and related agreements; (f) the implementation of distributions under the Plan; (g) exempting the Debtors and the Reorganized Debtors from certain transfer taxes and recording fees; (h) the execution, delivery, filing or recording of all contracts, instruments, releases, indentures and other agreements or documents related to the foregoing; and (i) the filing of Administrative Claims.
- Section 1123(a)(6) of the Bankruptcy Code: Article Ten of the New Certificate of Incorporation of Reorganized Patriot Coal prohibits the issuance of non-voting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code.

- Section 1123(a)(7) of the Bankruptcy Code: The Plan and the organizational documents of Reorganized Patriot Coal provide for the selection of directors and officers in a manner that is consistent with the interests of creditors, equity security holders and public policy.

9. Debtors' Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). On the basis of my understanding and discussions that I have had with counsel to the Debtors, I believe that the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126 of the Bankruptcy Code regarding disclosure and plan solicitation. To the best of my knowledge and belief, and as evidenced by the Approval Order, prior orders of the Bankruptcy Court, and the filings submitted by the Debtors, the Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Approval Order in transmitting the Disclosure Statement, the Plan, and related documents and notices to known holders of Claims and Interests for purposes of soliciting and tabulating votes on the Plan. Counsel for the Debtors have advised me that good, sufficient, and timely notice of the Confirmation Hearing has been provided to all known record holders of Claims and Interests and all other parties in interest to whom notice was required to have been provided.

10. Additionally, it is my further understanding, based upon the *Declaration of Craig E. Johnson of GCG, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 5136] (the "**Vote Certification**") that the Debtors have properly solicited and tabulated votes with respect to the Plan. Accordingly, I believe the Debtors have complied with the requirements of section 1129(a)(2) of the Bankruptcy Code.

11. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Plan is based upon extensive, arm's-length negotiations among the Debtors, Creditors' Committee, the UMWA, Peabody and Arch and other parties in interest and, among other things, effectuates settlements with Peabody Energy Corporation, the United Mine Workers of America and Arch Coal, Inc. The Plan and the Disclosure Statement reflect the culmination of those negotiations and the substantial input of numerous representative groups. Additionally, as evidenced by the overwhelming acceptance of the Plan by the Creditors entitled to vote thereon, the Plan achieves the goal of consensual reorganization embodied in the Bankruptcy Code.

12. Based upon my involvement in various settlement negotiations and on the advice of counsel to the Debtors, I believe that the injunction, exculpation and release provisions and the Debtor releases (Sections 11.6, 11.7, 11.8 and 11.9 of the Plan) embodied in the Plan are fair and equitable and are critical components of a series of consensual and court-approved agreements between and among the Debtors and the various Exculpated Parties and Released Parties. I believe that their inclusion in the Plan was essential to securing the broad support of the various major Creditors and Creditor representatives for the Plan. I know of no meritorious claims of the Debtors against the Released Parties that are being given up because of the exculpation and Debtor release provisions of the Plan.

13. On the basis of my understanding and discussions with counsel to the Debtors, I believe that the Debtors have included in the Disclosure Statement all information relevant and material to an Impaired Creditor's decision to vote to accept or reject the Plan, and therefore that the Debtors have complied with the requirement of section 1129(a)(3) of the Bankruptcy Code that the Plan be proposed in "good faith and not by any means forbidden by law."

14. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). All payments made or to be made by the Debtors to their retained advisors for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incidental to these Chapter 11 Cases, have been approved by, or are subject to the approval of, the Bankruptcy Court.

15. Directors and Officers (11 U.S.C. § 1129(a)(5)). In accordance with the terms of the Plan, on December 5, 2013, the Debtors filed a Plan Supplement that provided, among other things, that five individuals had been selected to serve as members of the New Board beginning on the Effective Date.

16. Based on the information provided to me with respect to the individuals contemplated to serve as directors and officers of Reorganized Patriot Coal, I believe the appointment to, or continuation in, such position of each such individual is consistent with the interests of Creditors, equity security holders and public policy.

17. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Debtors are not changing any rates that require approval by any governmental agency.

18. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Vote Certification reflects the compilation of the votes to accept or reject the Plan cast by each of the Impaired Classes entitled to vote.

19. On the basis of my understanding, as well as discussions that I have had with counsel to the Debtors, I believe that the Debtors complied with section 1129(a)(7) of the Bankruptcy Code. The holders of Claims in Classes 2C-100C (Senior Notes Guarantee Claims), Class 1D (Convertible Notes Claims), Classes 1E and 2D-101D (General Unsecured Claims) and Classes 1F and 2E-101E (Convenience Class Claims) are Impaired by the Plan. The holders of

Claims in the Classes listed as Voting to Accept Classes on Schedule I hereto (the "**Voting to Accept Classes**") are Impaired by the Plan and have voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. The holders of Claims in the Classes listed as "Empty Voting Classes" on Schedule I hereto (the "**Empty Voting Classes**") are Impaired by the Plan and no votes were cast in the Empty Voting Classes. Therefore, in accordance with the Approval Order, the Empty Voting Classes are deemed to have voted to accept the Plan. Although the holders of Claims in the Classes listed on Schedule II hereto (the "**Voting to Reject Classes**") rejected the Plan and the holders of Claims or Interests in Classes 1G and 2F-101F (Section 510(b) Claims) and Class IH (Interests in Patriot Coal) are deemed to have rejected the Plan (together with the Voting to Reject Classes, the "**Rejecting Classes**"), such holders would not receive or retain more if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

20. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). The Vote Certification reflects the compilation of the votes to accept or reject the Plan cast by each of the Impaired Classes entitled to vote.

21. On the basis of my understanding, as well as discussions that I have had with counsel to the Debtors, I believe that the Debtors have complied with section 1129(a)(8) of the Bankruptcy Code. The holders of Claims in Classes 1A-101A (Other Priority Claims) and Classes 1B-101B (Other Secured Claims) are not entitled to vote because these Classes are not Impaired by the Plan. Therefore, the holders of Claims in these Classes are conclusively presumed to have accepted the Plan. The holders of Claims in the Voting to Accept Classes have voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. No votes were cast in the Empty Voting Classes. Therefore, in accordance with the Approval Order, the Empty Voting Classes are deemed to have voted to accept the Plan. The holders of Claims in the

Voting to Reject Classes voted against the Plan and the holders of Claims or Interests in Classes 1G and 2F-101F (Section 510(b) Claims) and Class 1H (Interests in Patriot Coal) are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Rejecting Classes, my understanding is that the Plan is confirmable because it satisfies section 1129(b) of the Bankruptcy Code with respect to such Classes.

22. Treatment of Administrative Claims, Priority Tax Claims and Other Priority Claims (11 U.S.C. § 1129(a)(9)). Based upon my understanding, as well as discussions with counsel to the Debtors, I believe that the Plan complies with section 1129(a)(9) of the Bankruptcy Code.

23. An Other Administrative Claim Bar Date will be set for all Administrative Claims and Professional Fee Claims (which will be paid pursuant to Section 7.1 of the Plan), and certain other types of Claims given specified treatment under the Plan. Section 2.2(a) of the Plan provides that all Allowed Other Administrative Claims under section 503(b) of the Bankruptcy Code will be paid the full unpaid amount of such Allowed Administrative Claims in Cash (i) on or as soon as reasonably practicable after the Effective Date (for Claims Allowed as of the Effective Date), (ii) on or as soon as practicable after the date of Allowance (or upon such other terms as may be agreed upon by such holder and the applicable Reorganized Debtor) or (iii) as otherwise ordered by the Bankruptcy Court. Section 3.2(a) of the Plan provides that all Allowed Other Priority Claims under section 507(a) of the Bankruptcy Code (excluding Priority Tax Claims under section 507(a)(8) of the Bankruptcy Code, as described below) will be paid in full in Cash as soon as reasonably practicable after the latest of (i) the Effective Date, (ii) 20 calendar

days after the date such Claim becomes Allowed and (iii) the date for payment provided by any applicable agreement between the Reorganized Debtors and the holder of such Claim.

24. Based upon discussions with counsel to the Debtors, I understand the Plan satisfies the requirements of section 1129(a)(9)(C) in respect of the treatment of Priority Tax Claims under section 507(a)(8). Section 1129(a)(9)(C) permits deferred payments over a period of five years from the date of the order for relief so long as the amount so paid has a value, as of the effective date of the plan, equal to the allowed amount of the Priority Tax Claim. Pursuant to Section 2.3 of the Plan, holders of Allowed Priority Tax Claims will receive, unless such holder agrees to a different treatment, either (i) payment in full in Cash made on or as soon as reasonably practicable after the later of the Effective Date or the first Distribution Date occurring at least 20 calendar days after the date such Claim is Allowed, (ii) regular installment payments in accordance with 1129(a)(9)(C) of the Bankruptcy Code or (iii) such other amounts and in such other manner as may be determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.

25. Acceptance by Impaired Classes of Claims (11 U.S.C. § 1129(a)(10)). As set forth in the Vote Certification, the Voting to Accept Classes, which each constitute an Impaired Class of Claims entitled to vote on the Plan, have voted to accept the Plan by the requisite majorities in such Classes. In addition, the Empty Voting Classes are deemed to have voted to accept the Plan. Accordingly, on the basis of my understanding and discussions with counsel to the Debtors, I believe the Plan satisfies section 1129(a)(10) of the Bankruptcy Code because at least one Class of Impaired Claims has accepted the Plan.

26. Feasibility (11 U.S.C. § 1129(a)(11)). Based upon discussions with counsel to the Debtors, I am aware that section 1129(a)(11) of the Bankruptcy Code permits a plan to be confirmed if it is feasible, *i.e.*, it is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet obligations under the Plan. Following the effectiveness of the Plan, the Debtors will have in place substantial financing and credit support to replace or refinance existing obligations, fully satisfy the DIP Facilities Claims and Pay In Full any Outstanding L/C thereunder and, on or soon after the Effective Date, the Debtors will receive the proceeds from the Rights Offerings, over $140 million of credit support from Peabody, a cash payment pursuant to the Arch Settlement and proceeds from the sale of the South Guffey Reserve pursuant to the Arch Settlement. The Debtors have also taken actions during their chapter 11 cases that will result in substantial annual cash savings, including the settlement of the Section 1113/1114 Motion with the UMWA and the rejection of over 265 executory contracts that were not beneficial to the Debtors' estates. With these financial improvements accomplished, the Debtors anticipate that they will be able to meet all required obligations under the Plan upon emergence.

27. Moreover, the Financial Projections attached as Appendix C to the Disclosure Statement forecast the Reorganized Debtors' ability to meet their obligations relating to the operations of their businesses on a going-forward basis. I have been briefed on the contents and development of the Financial Projections and believe them to be reasonable.

28. Based upon the foregoing, I believe that the Reorganized Debtors will have the ability to sustain viable operations and that confirmation of the Plan is not likely to be followed

by liquidation or the need for further reorganization, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

29. Payment of Fees (11 U.S.C. § 1129(a)(12)). It is my understanding that the Debtors have paid all chapter 11 statutory and operating fees required to be paid during these Chapter 11 Cases. Pursuant to Section 15.4 of the Plan, all fees payable pursuant to section 1930(a) of title 28 of the United States Code shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first.

30. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Counsel to the Debtors have informed me that section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits in accordance with section 1114 of the Bankruptcy Code. On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the payment of all retiree benefits (as defined in section 1114 of the Bankruptcy Code) will continue at the levels established pursuant to subsections (e)(1)(B) of section 1114 of the Bankruptcy Code (or as otherwise addressed by an applicable order of the Bankruptcy Court), at any time prior to the entry of this Confirmation Order, for the duration of the periods the Debtors have obligated themselves to provide such benefits Accordingly, it is my understanding that, based upon the foregoing, the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

31. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). It is my understanding, based on my discussions with counsel to the Debtors, that a plan may be confirmed notwithstanding the rejection or deemed rejection by a class of claims or equity interests so long as the plan does not discriminate unfairly and is fair and equitable. It is my further understanding, based on such discussions, that (i) a plan does not discriminate unfairly if

there is a reasonable basis for any disparate treatment between the treatment of a dissenting class of creditors and other classes whose legal rights are substantially similar to those of such dissenting class and (ii) the "fair and equitable" requirement, as set forth in section 1129(b)(2) of the Bankruptcy Code, is satisfied if the holders of claims and interests in junior classes are not receiving any property under the plan. Other than the Rejecting Classes, no other Class has rejected the Plan. For the reasons described below, I believe that the Plan does not "unfairly discriminate" and the "fair and equitable" requirements are satisfied with respect to the Rejecting Classes.

32. On the basis of my understanding and discussions that I have had with counsel to the Debtors, I believe the Plan does not "discriminate unfairly" because the Rejecting Classes are of a different legal nature and priority than other Classes. Moreover, to the extent that any Rejecting Class is believed to be of the same legal nature and priority as a Class entitled to receive a recovery under the Plan, it is submitted that any alleged disparate treatment is justified. Pursuant to the Plan, Interests classified in Classes 2G-101G (Interests in Subsidiary Debtors) will be Reinstated for the benefit of the respective Reorganized Debtors. The preservation of the Debtors' corporate structure through retention of ownership over the Subsidiary Debtors inures to the benefit of all creditors. As a result, I believe that there is reasonable basis for any disparate treatment between and among Classes 2G-101G and the Rejecting Classes.

33. It is my opinion that the Plan is fair and equitable, in that other than with respect to the reinstatement of Interests in the Subsidiary Debtors, which serves to preserve the corporate structure for the benefit of all creditors, no holder that is junior to the Claims and Interests classified in the Rejecting Classes will receive or retain under the Plan any property on account

of such junior interest. Accordingly, I believe that the requirements of section 1129(b) of the Bankruptcy Code are met.

34. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The Plan has not been filed for the purpose of avoidance of taxes or the avoidance of the application of section 5 of the Securities Act.

I, the undersigned, declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of December, 2013.

/s/ John E. Lushefski

Name: John E. Lushefski
Title: Senior Vice President and Chief Financial Officer, Patriot Coal Corporation

Schedule I - Accepting Voting Classes

Total Number of Voting to Accept Classes 154

Class 1C - Senior Notes Parent Claims (Debtor Patriot Coal)
Class 1D - Convertible Note Claims (Debtor Patriot Coal Corporation Only)
Class 1F - Patriot Coal Corporation Convenience Class Claims
Classes 2C-100C - Senior Notes Guarantee Claims (vs Subsidiary Debtors)
Class 3D - Apogee Coal Company, LLC General Unsecured Claims
Class 3E - Apogee Coal Company, LLC Convenience Class Claims
Class 4E - Appalachia Mine Services, LLC Convenience Class Claims
Class 8E - Black Stallion Coal Company, LLC Convenience Class Claims
Class 10E - Bluegrass Mine Services, LLC Convenience Class Claims
Class 13E - Catenary Coal Company, LLC Convenience Class Claims
Class 14D - Central States Coal Reserves of Kentucky, LLC General Unsecured Claims
Class 17E - Coal Clean LLC Convenience Class Claims
Class 20E - Colony Bay Coal Company Convenience Class Claims
Class 24E - Coyote Coal Company LLC Convenience Class Claims
Class 26E - Dakota LLC Convenience Class Claims
Class 29E - Dodge Hill Holding JV, LLC Convenience Class Claims
Class 30D - Dodge Hill Mining Company, LLC General Unsecured Claims
Class 30E - Dodge Hill Mining Company, LLC Convenience Class Claims
Class 33D - Eastern Associated Coal, LLC General Unsecured Claims
Class 33E - Eastern Associated Coal, LLC Convenience Class Claims
Class 34E - Eastern Coal Company, LLC Convenience Class Claims
Class 37E - Gateway Eagle Coal Company, LLC Convenience Class Claims
Class 38E - Grand Eagle Mining, LLC Convenience Class Claims
Class 39E - Heritage Coal Company LLC Convenience Class Claims
Class 40D - Highland Mining Company, LLC General Unsecured Claims
Class 40E - Highland Mining Company, LLC Convenience Class Claims
Class 41E - Hillside Mining Company Convenience Class Claims
Class 42D - Hobet Mining, LLC General Unsecured Claims
Class 42E - Hobet Mining, LLC Convenience Class Claims
Class 47E - Jarrell's Branch Coal Company Convenience Class Claims
Class 48E - Jupiter Holdings LLC Convenience Class Claims
Class 49D - Kanawha Eagle Coal, LLC General Unsecured Claims
Class 49E - Kanawha Eagle Coal, LLC Convenience Class Claims
Class 50E - Kanawha River Ventures I, LLC Convenience Class Claims
Class 54E - Little Creek LLC Convenience Class Claims
Class 59E - Midland Trail Energy LLC Convenience Class Claims
Class 63E - Newtown Energy, Inc. Convenience Class Claims
Class 65E - Ohio County Coal Company, LLC Convenience Class Claims
Class 66D - Panther LLC General Unsecured Claims
Class 66E - Panther LLC Convenience Class Claims
Class 68E - Patriot Coal Company, L.P. Convenience Class Claims
Class 70D - Patriot Coal Services LLC General Unsecured Claims
Class 70E - Patriot Coal Services LLC Convenience Class Claims
Class 71D - Patriot Leasing Company LLC General Unsecured Claims
Class 71E - Patriot Leasing Company LLC Convenience Class Claims
Class 77E - Pine Ridge Coal Company, LLC Convenience Class Claims
Class 80E - Remington Holdings LLC Convenience Class Claims
Class 81E - Remington II LLC Convenience Class Claims
Class 82E - Remington LLC Convenience Class Claims
Class 83E - Rivers Edge Mining, Inc. Convenience Class Claims
Class 84D - Robin Land Company, LLC General Unsecured Claims
Class 84E - Robin Land Company, LLC Convenience Class Claims
Class 87E - Speed Mining LLC Convenience Class Claims
Class 96E - Wildcat Energy LLC Convenience Class Claims
Class 97E - Wildcat, LLC Convenience Class Claims
Class 100E - Winifrede Dock Limited Liability Company Convenience Class Claims

Total Number of Empty Voting Classes 85

Class 2D - Affinity Mining Company General Unsecured Claims
Class 4D - Appalachia Mine Services, LLC General Unsecured Claims
Class 6D - Big Eagle, LLC General Unsecured Claims
Class 7E - Big Eagle Rail, LLC Convenience Class Claims
Class 8D - Black Stallion Coal Company, LLC General Unsecured Claims
Class 9D - Black Walnut Coal Company General Unsecured Claims
Class 11E - Brody Mining, LLC Convenience Class Claims
Class 12D - Brook Trout Coal, LLC General Unsecured Claims
Class 13D - Catenary Coal Company, LLC General Unsecured Claims
Class 15D - Charles Coal Company, LLC General Unsecured Claims
Class 16D - Cleaton Coal Company General Unsecured Claims
Class 16E - Cleaton Coal Company Convenience Class Claims
Class 17D - Coal Clean LLC General Unsecured Claims
Class 18D - Coal Properties, LLC General Unsecured Claims
Class 101D - Yankeetown Dock, LLC General Unsecured Claims
Class 20D - Colony Bay Coal Company General Unsecured Claims
Class 21D - Cook Mountain Coal Company, LLC General Unsecured Claims
Class 23D - Coventry Mining Services, LLC General Unsecured Claims
Class 24D - Coyote Coal Company LLC General Unsecured Claims
Class 25D - Cub Branch Coal Company LLC General Unsecured Claims
Class 26D - Dakota LLC General Unsecured Claims
Class 27D - Day LLC General Unsecured Claims
Class 29D - Dodge Hill Holding JV, LLC General Unsecured Claims
Class 31D - Dodge Hill of Kentucky, LLC General Unsecured Claims
Class 32E - EACC Camps, Inc. Convenience Class Claims
Class 34D - Eastern Coal Company, LLC General Unsecured Claims
Class 35D - Eastern Royalty, LLC General Unsecured Claims
Class 35E - Eastern Royalty, LLC Convenience Class Claims
Class 36D - Emerald Processing, L.L.C. General Unsecured Claims
Class 36E - Emerald Processing, L.L.C. Convenience Class Claims
Class 37D - Gateway Eagle Coal Company, LLC General Unsecured Claims
Class 38D - Grand Eagle Mining, LLC General Unsecured Claims
Class 41D - Hillside Mining Company General Unsecured Claims
Class 43D - Indian Hill Company LLC General Unsecured Claims
Class 44D - Infinity Coal Sales, LLC General Unsecured Claims
Class 44E - Infinity Coal Sales, LLC Convenience Class Claims
Class 45D - Interior Holdings, LLC General Unsecured Claims
Class 46D - IO Coal LLC General Unsecured Claims
Class 46E - IO Coal LLC Convenience Class Claims
Class 47D - Jarrell's Branch Coal Company General Unsecured Claims
Class 48D - Jupiter Holdings LLC General Unsecured Claims
Class 50D - Kanawha River Ventures I, LLC General Unsecured Claims
Class 51D - Kanawha River Ventures II, LLC General Unsecured Claims
Class 52D - Kanawha River Ventures III, LLC General Unsecured Claims
Class 52E - Kanawha River Ventures III, LLC Convenience Class Claims
Class 53D - KE Ventures, LLC General Unsecured Claims
Class 54D - Little Creek LLC General Unsecured Claims
Class 55D - Logan Fork Coal Company General Unsecured Claims
Class 58D - Martinka Coal Company, LLC General Unsecured Claims
Class 59D - Midland Trail Energy LLC General Unsecured Claims
Class 60D - Midwest Coal Resources II, LLC General Unsecured Claims
Class 61D - Mountain View Coal Company, LLC General Unsecured Claims
Class 61E - Mountain View Coal Company, LLC Convenience Class Claims
Class 62D - New Trout Coal Holdings II, LLC General Unsecured Claims
Class 63D - Newtown Energy, Inc. General Unsecured Claims
Class 64D - North Page Coal Corp. General Unsecured Claims
Class 65D - Ohio County Coal Company, LLC General Unsecured Claims
Class 68D - Patriot Coal Company, L.P. General Unsecured Claims
Class 69D - Patriot Coal Sales LLC General Unsecured Claims
Class 69E - Patriot Coal Sales LLC Convenience Class Claims

Class 72D - Patriot Midwest Holdings, LLC General Unsecured Claims
Class 72E - Patriot Midwest Holdings, LLC Convenience Class Claims
Class 73D - Patriot Reserve Holdings, LLC General Unsecured Claims
Class 77D - Pine Ridge Coal Company, LLC General Unsecured Claims
Class 78D - Pond Creek Land Resources, LLC General Unsecured Claims
Class 79D - Pond Fork Processing LLC General Unsecured Claims
Class 80D - Remington Holdings LLC General Unsecured Claims
Class 81D - Remington II LLC General Unsecured Claims
Class 82D - Remington LLC General Unsecured Claims
Class 83D - Rivers Edge Mining, Inc. General Unsecured Claims
Class 86D - Snowberry Land Company General Unsecured Claims
Class 87D - Speed Mining LLC General Unsecured Claims
Class 88D - Sterling Smokeless Coal Company, LLC General Unsecured Claims
Class 89D - TC Sales Company, LLC General Unsecured Claims
Class 89E - TC Sales Company, LLC Convenience Class Claims
Class 92D - Trout Coal Holdings, LLC General Unsecured Claims
Class 93D - Union County Coal Co., LLC General Unsecured Claims
Class 94D - Viper LLC General Unsecured Claims
Class 95D - Weatherby Processing LLC General Unsecured Claims
Class 95E - Weatherby Processing LLC Convenience Class Claims
Class 96D - Wildcat Energy LLC General Unsecured Claims
Class 97D - Wildcat, LLC General Unsecured Claims
Class 98D - Will Scarlet Properties LLC General Unsecured Claims
Class 98E - Will Scarlet Properties LLC Convenience Class Claims
Class 100D - Winifrede Dock Limited Liability Company General Unsecured Claims

Schedule II - Rejecting Voting Classes

Total Number of Rejecting Voting Classes 6

Class 1E - Patriot Coal Corporation General Unsecured Claims
Class 39D - Heritage Coal Company LLC General Unsecured Claims
Class 56D - Magnum Coal Company LLC General Unsecured Claims
Class 56E - Magnum Coal Company LLC Convenience Class Claims
Class 58E - Martinka Coal Company, LLC Convenience Class Claims
Class 76E - PCX Enterprises, Inc. Convenience Class Claims

Exhibit D

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)**

DECLARATION OF PAUL P. HUFFARD IN SUPPORT OF CONFIRMATION OF THE DEBTORS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, Paul P. Huffard, hereby declare and state:

I. Background and Overview

1. I am a Senior Managing Director in the Restructuring and Reorganization Group of Blackstone Advisory Services L.P. ("**Blackstone**"), a financial advisory services firm retained as investment banker by Patriot Coal Corporation and those of its subsidiaries that are debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, "**Patriot**" or the "**Debtors**"). Blackstone offers a variety of advisory services to our clients, including an extensive practice in advising large companies pursuing restructurings of their financial obligations either out-of-court or in a chapter 11 environment. I have worked at Blackstone since 1995. Prior to joining Blackstone, I was a Vice President of Hellmold Associates, Inc., an investment banking firm specializing in financial restructurings. Prior to working at Hellmold Associates, I was a member of the corporate finance department of Smith Barney, Harris Upham & Co., Inc. I hold a Bachelor of Arts in Economics from Harvard College and a Master of

Business Administration from the Kellogg Graduate School of Management at Northwestern University.

2. I have considerable experience advising distressed companies, including advising both debtors and creditors in chapter 11 restructurings. I have been named one of the country's leading restructuring financial advisors in my duties as Senior Managing Director at Blackstone.

3. I am the designated project leader from Blackstone with respect to the Debtors and have been performing a wide variety of management and financial advisory services for the Debtors since May 18, 2012. In this capacity, I am familiar with the Debtors' business and financial affairs, and I offer this declaration in support of the confirmation of the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (as amended from time to time, the "**Plan**").[1]

4. Except as otherwise indicated, all facts set forth in this declaration are based upon: (a) my personal knowledge, (b) my corporate finance and restructuring experience, (c) my experience in raising exit financing for chapter 11 debtors, (d) information concerning the operations and finances of the Debtors, (e) my review of relevant documents and (f) information provided to me by Blackstone employees working under my supervision. If called upon to testify, I would testify competently to the facts set forth in this declaration.

II. Blackstone's Role in Advising the Debtors

5. Members of my team and I have been working closely with the Debtors since May 2012 when Patriot selected Blackstone to be its restructuring advisor and investment banker. Members of the Blackstone team and I have worked closely with the Debtors and their management,

[1] Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

analyzing the Debtors' financial position and assisting the Debtors' management in evaluating various restructuring alternatives, and have participated in presentations to the Debtors' board of directors. In my representation of the Debtors, I have, among other things, provided strategic advice and advice on restructuring options.

6. I have participated in negotiations between the Debtors and their creditors and other interested parties, including the negotiation of $802 million of debtor-in-possession financing necessary to continue operating the Debtors' businesses through emergence from Chapter 11, consisting of (a) a new money First Out DIP Facility, consisting of a $125 million asset-based revolving credit loan and a $375 million term loan and (b) a roll up of $302 million of outstanding letter of credit obligations under the Prepetition Credit Agreement.

7. More recently, members of my team and I have participated in discussions between the Debtors and potential sources of emergence financing, including significant holders of the Senior Notes and potential lending sources. Blackstone assisted the Debtors in the process of soliciting and obtaining exit financing proposals, reviewing the proposals, and negotiating the definitive documentation for a senior secured term loan exit facility in an aggregate principal amount of $250,000,000, a senior secured asset-based revolving credit exit facility in an aggregate principal amount of $95,000,000[2] and a letter of credit facility in an aggregate amount not to exceed $201,000,000. Blackstone also assisted the Debtors in structuring the Rights Offerings, which will raise $250,025,000 of capital through the issuance of (i) senior secured second lien notes and (ii) warrants exercisable for New Class A Common Stock and in obtaining the commitment of the Backstop Parties to purchase any Unsubscribed Rights in the Rights Offerings.

[2] Subject to increase up to $125,000,000 pursuant to the terms of an accordion feature.

8. In addition to Blackstone's role in assisting the Debtors in negotiating financing and consummating the transactions contemplated by the Plan, Blackstone also provided numerous other services, including (a) assisting in the development of the business plan, (b) assisting in the development of the Financial Projections, attached to the Disclosure Statement as Appendix C, (c) assisting in formulation of the Plan and the Disclosure Statement, and (d) providing other financial and business assistance, such as (i) negotiating with various creditor groups including the Creditors' Committee, the UMWA, Peabody Energy Corporation and Arch Coal, Inc. and (ii) providing expert witness testimony in connection with the section 1113/1114 court proceedings. As a result of these services, Blackstone has become familiar with the Debtors' capital structure, businesses, operations and affairs and has advised and assisted the Debtors on many of the financial and restructuring issues during these Chapter 11 Cases.

9. Blackstone has regularly discussed and monitored the development of the Plan as a whole, frequently reviewing management's underlying assumptions regarding specific business initiatives and restructuring priorities. Through its work with the Debtors, Blackstone has examined and evaluated almost all aspects of the Plan and is familiar with the material provisions of the Plan and the restructuring embodied therein.

10. Although Blackstone assumed and relied upon the accuracy and completeness of the Financial Projections and other financial information provided to Blackstone by the Debtors when analyzing the feasibility of the Plan, I believe, based on my familiarity with the Financial Projections, that reliance on the Financial Projections and such other information is reasonable and an appropriate basis upon which to base a reorganization plan.

III. The Plan Is Feasible

11. I have reviewed the Financial Projections and believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. Following the effectiveness of the Plan, the Debtors will have in place substantial financing and credit support to replace or refinance existing obligations, fully satisfy the DIP Facilities Claims, and Pay In Full any Outstanding L/C thereunder. In addition, on the Effective Date, the Debtors will receive the proceeds from the Rights Offerings, over $140 million of credit support from Peabody, a cash payment pursuant to the Arch Settlement and proceeds from the sale of the South Guffey Reserve pursuant to the Arch Settlement. The Debtors have also taken actions during their chapter 11 cases that will result in substantial annual cash savings, including the settlement of the Section 1113/1114 Motion with the UMWA and the rejection of over 265 executory contracts that were not beneficial to the Debtors' ongoing business.

12. Based on a significantly deleveraged capital structure and the Financial Projections, including the assumptions underlying the Financial Projections, which I believe are reasonable, I am of the opinion that the Reorganized Debtors will emerge from bankruptcy as a viable business. Based on the Financial Projections, the Debtors can reasonably be expected to have sufficient cash flow to service their debt obligations, including the Exit Credit Facilities, and to fund operations.

13. Based on the forgoing, I believe that, as of the Effective Date, the Reorganized Debtors can, on a consolidated basis, reasonably be expected to (a) be able to meet their debts as such debts mature, and (b) not be left with unreasonably small available capital to operate their businesses as a result of the Plan or any transactions contemplated by the Plan. Accordingly, I

believe that, confirmation of the Plan is not likely to be followed by the liquidation of the Reorganized Debtors or by the need for a further reorganization of the Reorganized Debtors.

IV. The Plan is in the Best Interests of the Debtors' Creditors and Interest Holders

14. I believe that the Plan clearly meets the so-called "best interests test" under section 1129(a)(7) of the Bankruptcy Code. I have reviewed the Liquidation Analysis prepared by Duff & Phelps, LLC, attached as Appendix B to the Disclosure Statement, which represents an estimate of the potential proceeds that would be realized from chapter 7 liquidations of the Debtors and available to satisfy Claims and Interests, based on the assumptions set forth therein. According to the *Declaration of Craig E. Johnson of GCG, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 5136] (the "**Vote Certification**"), holders of Claims in the Classes listed as Voting to Accept Classes on Schedule I hereto (the "**Voting to Accept Classes**") are Impaired by the Plan and have voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. According to the Vote Certification, the holders of Claims in the Classes listed as "Empty Voting Classes" on Schedule I hereto (the "**Empty Voting Classes**") are Impaired by the Plan and no votes were cast in the Empty Voting Classes. Therefore, in accordance with the Approval Order, the Empty Voting Classes are deemed to have voted to accept the Plan. Although the holders of Claims in the Classes listed on Schedule II hereto (the "**Voting to Reject Classes**") rejected the Plan and the holders of Claims or Interests in Classes 1G and 2F-101F (Section 510(b) Claims) and Class IH (Interests in Patriot Coal) are deemed to have rejected the Plan (together with the Voting to Reject Classes, the "**Rejecting Classes**"), the Liquidation Analysis shows that such holders would not receive or retain more if the Debtors were liquidated in a hypothetical chapter 7 case.

15. Accordingly, I believe that (a) the Plan is in the best interests of holders of the Voting to Accept Classes and does not further impair the interests of holders of the Rejecting Classes, (b) the Plan maximizes the overall recovery for the Impaired Classes and (c) the continued operation of the Debtors as a going concern, rather than a forced liquidation, will allow the realization of greater overall value for the respective Impaired Classes.

V. Conclusion

16. In conclusion, I believe that the Debtors have developed a plan to maximize value for creditors and stakeholders. I believe that the Plan is feasible. I further believe that confirmation of the Plan is not likely to be followed by the liquidation or the need for a further financial reorganization of the Debtors or the Reorganized Debtors. Based upon the Financial Projections and the assumptions contained therein, the Reorganized Debtors can reasonably be expected to have adequate capital to meet their ongoing obligations after the Effective Date.

I, the undersigned, declare under penalty of perjury that the foregoing is true and correct. Executed this 15th day of December 2013.

/s/ Paul P. Huffard
Paul P. Huffard
Senior Managing Director
Blackstone Advisory Services L.P.

Schedule I - Accepting Voting Classes

Total Number of Voting to Accept Classes 154

Class 1C - Senior Notes Parent Claims (Debtor Patriot Coal)
Class 1D - Convertible Note Claims (Debtor Patriot Coal Corporation Only)
Class 1F - Patriot Coal Corporation Convenience Class Claims
Classes 2C-100C - Senior Notes Guarantee Claims (vs Subsidiary Debtors)
Class 3D - Apogee Coal Company, LLC General Unsecured Claims
Class 3E - Apogee Coal Company, LLC Convenience Class Claims
Class 4E - Appalachia Mine Services, LLC Convenience Class Claims
Class 8E - Black Stallion Coal Company, LLC Convenience Class Claims
Class 10E - Bluegrass Mine Services, LLC Convenience Class Claims
Class 13E - Catenary Coal Company, LLC Convenience Class Claims
Class 14D - Central States Coal Reserves of Kentucky, LLC General Unsecured Claims
Class 17E - Coal Clean LLC Convenience Class Claims
Class 20E - Colony Bay Coal Company Convenience Class Claims
Class 24E - Coyote Coal Company LLC Convenience Class Claims
Class 26E - Dakota LLC Convenience Class Claims
Class 29E - Dodge Hill Holding JV, LLC Convenience Class Claims
Class 30D - Dodge Hill Mining Company, LLC General Unsecured Claims
Class 30E - Dodge Hill Mining Company, LLC Convenience Class Claims
Class 33D - Eastern Associated Coal, LLC General Unsecured Claims
Class 33E - Eastern Associated Coal, LLC Convenience Class Claims
Class 34E - Eastern Coal Company, LLC Convenience Class Claims
Class 37E - Gateway Eagle Coal Company, LLC Convenience Class Claims
Class 38E - Grand Eagle Mining, LLC Convenience Class Claims
Class 39E - Heritage Coal Company LLC Convenience Class Claims
Class 40D - Highland Mining Company, LLC General Unsecured Claims
Class 40E - Highland Mining Company, LLC Convenience Class Claims
Class 41E - Hillside Mining Company Convenience Class Claims
Class 42D - Hobet Mining, LLC General Unsecured Claims
Class 42E - Hobet Mining, LLC Convenience Class Claims
Class 47E - Jarrell's Branch Coal Company Convenience Class Claims
Class 48E - Jupiter Holdings LLC Convenience Class Claims
Class 49D - Kanawha Eagle Coal, LLC General Unsecured Claims
Class 49E - Kanawha Eagle Coal, LLC Convenience Class Claims
Class 50E - Kanawha River Ventures I, LLC Convenience Class Claims
Class 54E - Little Creek LLC Convenience Class Claims
Class 59E - Midland Trail Energy LLC Convenience Class Claims
Class 63E - Newtown Energy, Inc. Convenience Class Claims
Class 65E - Ohio County Coal Company, LLC Convenience Class Claims
Class 66D - Panther LLC General Unsecured Claims
Class 66E - Panther LLC Convenience Class Claims
Class 68E - Patriot Coal Company, L.P. Convenience Class Claims
Class 70D - Patriot Coal Services LLC General Unsecured Claims
Class 70E - Patriot Coal Services LLC Convenience Class Claims
Class 71D - Patriot Leasing Company LLC General Unsecured Claims
Class 71E - Patriot Leasing Company LLC Convenience Class Claims
Class 77E - Pine Ridge Coal Company, LLC Convenience Class Claims
Class 80E - Remington Holdings LLC Convenience Class Claims
Class 81E - Remington II LLC Convenience Class Claims
Class 82E - Remington LLC Convenience Class Claims
Class 83E - Rivers Edge Mining, Inc. Convenience Class Claims
Class 84D - Robin Land Company, LLC General Unsecured Claims
Class 84E - Robin Land Company, LLC Convenience Class Claims
Class 87E - Speed Mining LLC Convenience Class Claims
Class 96E - Wildcat Energy LLC Convenience Class Claims
Class 97E - Wildcat, LLC Convenience Class Claims
Class 100E - Winifrede Dock Limited Liability Company Convenience Class Claims

Total Number of Empty Voting Classes 85

Class 2D - Affinity Mining Company General Unsecured Claims
Class 4D - Appalachia Mine Services, LLC General Unsecured Claims
Class 6D - Big Eagle, LLC General Unsecured Claims
Class 7E - Big Eagle Rail, LLC Convenience Class Claims
Class 8D - Black Stallion Coal Company, LLC General Unsecured Claims
Class 9D - Black Walnut Coal Company General Unsecured Claims
Class 11E - Brody Mining, LLC Convenience Class Claims
Class 12D - Brook Trout Coal, LLC General Unsecured Claims
Class 13D - Catenary Coal Company, LLC General Unsecured Claims
Class 15D - Charles Coal Company, LLC General Unsecured Claims
Class 16D - Cleaton Coal Company General Unsecured Claims
Class 16E - Cleaton Coal Company Convenience Class Claims
Class 17D - Coal Clean LLC General Unsecured Claims
Class 18D - Coal Properties, LLC General Unsecured Claims
Class 101D - Yankeetown Dock, LLC General Unsecured Claims
Class 20D - Colony Bay Coal Company General Unsecured Claims
Class 21D - Cook Mountain Coal Company, LLC General Unsecured Claims
Class 23D - Coventry Mining Services, LLC General Unsecured Claims
Class 24D - Coyote Coal Company LLC General Unsecured Claims
Class 25D - Cub Branch Coal Company LLC General Unsecured Claims
Class 26D - Dakota LLC General Unsecured Claims
Class 27D - Day LLC General Unsecured Claims
Class 29D - Dodge Hill Holding JV, LLC General Unsecured Claims
Class 31D - Dodge Hill of Kentucky, LLC General Unsecured Claims
Class 32E - EACC Camps, Inc. Convenience Class Claims
Class 34D - Eastern Coal Company, LLC General Unsecured Claims
Class 35D - Eastern Royalty, LLC General Unsecured Claims
Class 35E - Eastern Royalty, LLC Convenience Class Claims
Class 36D - Emerald Processing, L.L.C. General Unsecured Claims
Class 36E - Emerald Processing, L.L.C. Convenience Class Claims
Class 37D - Gateway Eagle Coal Company, LLC General Unsecured Claims
Class 38D - Grand Eagle Mining, LLC General Unsecured Claims
Class 41D - Hillside Mining Company General Unsecured Claims
Class 43D - Indian Hill Company LLC General Unsecured Claims
Class 44D - Infinity Coal Sales, LLC General Unsecured Claims
Class 44E - Infinity Coal Sales, LLC Convenience Class Claims
Class 45D - Interior Holdings, LLC General Unsecured Claims
Class 46D - IO Coal LLC General Unsecured Claims
Class 46E - IO Coal LLC Convenience Class Claims
Class 47D - Jarrell's Branch Coal Company General Unsecured Claims
Class 48D - Jupiter Holdings LLC General Unsecured Claims
Class 50D - Kanawha River Ventures I, LLC General Unsecured Claims
Class 51D - Kanawha River Ventures II, LLC General Unsecured Claims
Class 52D - Kanawha River Ventures III, LLC General Unsecured Claims
Class 52E - Kanawha River Ventures III, LLC Convenience Class Claims
Class 53D - KE Ventures, LLC General Unsecured Claims
Class 54D - Little Creek LLC General Unsecured Claims
Class 55D - Logan Fork Coal Company General Unsecured Claims
Class 58D - Martinka Coal Company, LLC General Unsecured Claims
Class 59D - Midland Trail Energy LLC General Unsecured Claims
Class 60D - Midwest Coal Resources II, LLC General Unsecured Claims
Class 61D - Mountain View Coal Company, LLC General Unsecured Claims
Class 61E - Mountain View Coal Company, LLC Convenience Class Claims
Class 62D - New Trout Coal Holdings II, LLC General Unsecured Claims
Class 63D - Newtown Energy, Inc. General Unsecured Claims
Class 64D - North Page Coal Corp. General Unsecured Claims
Class 65D - Ohio County Coal Company, LLC General Unsecured Claims
Class 68D - Patriot Coal Company, L.P. General Unsecured Claims
Class 69D - Patriot Coal Sales LLC General Unsecured Claims
Class 69E - Patriot Coal Sales LLC Convenience Class Claims

Class 72D - Patriot Midwest Holdings, LLC General Unsecured Claims
Class 72E - Patriot Midwest Holdings, LLC Convenience Class Claims
Class 73D - Patriot Reserve Holdings, LLC General Unsecured Claims
Class 77D - Pine Ridge Coal Company, LLC General Unsecured Claims
Class 78D - Pond Creek Land Resources, LLC General Unsecured Claims
Class 79D - Pond Fork Processing LLC General Unsecured Claims
Class 80D - Remington Holdings LLC General Unsecured Claims
Class 81D - Remington II LLC General Unsecured Claims
Class 82D - Remington LLC General Unsecured Claims
Class 83D - Rivers Edge Mining, Inc. General Unsecured Claims
Class 86D - Snowberry Land Company General Unsecured Claims
Class 87D - Speed Mining LLC General Unsecured Claims
Class 88D - Sterling Smokeless Coal Company, LLC General Unsecured Claims
Class 89D - TC Sales Company, LLC General Unsecured Claims
Class 89E - TC Sales Company, LLC Convenience Class Claims
Class 92D - Trout Coal Holdings, LLC General Unsecured Claims
Class 93D - Union County Coal Co., LLC General Unsecured Claims
Class 94D - Viper LLC General Unsecured Claims
Class 95D - Weatherby Processing LLC General Unsecured Claims
Class 95E - Weatherby Processing LLC Convenience Class Claims
Class 96D - Wildcat Energy LLC General Unsecured Claims
Class 97D - Wildcat, LLC General Unsecured Claims
Class 98D - Will Scarlet Properties LLC General Unsecured Claims
Class 98E - Will Scarlet Properties LLC Convenience Class Claims
Class 100D - Winifrede Dock Limited Liability Company General Unsecured Claims

Schedule II - Rejecting Voting Classes

Total Number of Rejecting Voting Classes 6

Class 1E - Patriot Coal Corporation General Unsecured Claims
Class 39D - Heritage Coal Company LLC General Unsecured Claims
Class 56D - Magnum Coal Company LLC General Unsecured Claims
Class 56E - Magnum Coal Company LLC Convenience Class Claims
Class 58E - Martinka Coal Company, LLC Convenience Class Claims
Class 76E - PCX Enterprises, Inc. Convenience Class Claims