UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Year Ended December 31, 2012

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 001-33466

PATRIOT COAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**20-5622045**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12312 Olive Boulevard, Suite 400 St. Louis, Missouri	**63141**
(Address of principal executive offices)	(Zip Code)

(314) 275-3600
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:
None.

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, par value $0.01 per share
Preferred Share Purchase Rights

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☑

Aggregate market value of the voting stock held by non-affiliates (shareholders who are not directors or executive officers) of the Registrant, calculated using the closing price on June 29, 2012: Common Stock, par value $0.01 per share, $111.6 million.

Number of shares outstanding of each of the Registrant's classes of Common Stock, as of February 15, 2013: Common Stock, par value $0.01 per share, 92,407,579 shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report incorporates by reference certain information that the registrant intends to file in an amendment to this Form 10-K no later than 120 days after the close of the registrant's fiscal year ended December 31, 2012. Other documents incorporated by reference in this report are listed in the Exhibit Index of this Form 10-K.

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transportation problems that affect the seller or unanticipated plant outages that may affect the buyer. Most force majeure provisions stipulate that this tonnage can be made up by either mutual agreement or at the option of the nonclaiming party.

Coal supply agreements typically contain termination clauses if either party fails to comply with the terms and conditions of the agreement, although most termination provisions provide the opportunity to cure defaults.

Sales and Marketing

We sell coal produced by our operations and by third-party producers. Our sales and marketing group includes personnel dedicated to performing sales functions, transportation, distribution, market research, contract management, and credit/risk management activities.

Transportation

Coal consumed domestically is typically sold at the mine and transportation costs are borne by the buyer. At most Appalachian mine complexes, we load coal from the preparation plant directly onto railcars. At certain locations, we utilize truck, conveyor belt and rail to transport coal from our mines to docks for transportation to customers via barges. Export coal is usually sold at the loading port, with buyers paying ocean freight. For export coal, we usually pay shipping costs from the mine to the port, transloading fees at the port and any applicable vessel demurrage costs associated with delayed loadings.

Of our 24.9 million tons sold in 2012, approximately 58% was shipped by rail, 36% by barge, 4% by ocean-going vessel and 2% by truck. Our transportation staff manages the loading of coal via these transportation modes.

Suppliers and Contractors

The main types of goods we purchase are mining equipment and replacement parts, steel-related (including roof control) products, belting products, lubricants, fuel, explosives and tires. We have many long, well-established relationships with our key suppliers. Although we do not believe that we are dependent on any of our individual suppliers other than for purchases of certain underground mining equipment and steel roof bolts, there are a limited number of suppliers in the coal mining industry. Purchases of certain underground mining equipment and steel roof bolts are concentrated with one principal supplier. The supplier base providing mining materials has been relatively consistent in recent years.

We contract with third-party producers to mine certain of our owned or leased coal reserves on a rate per ton basis. Third-party contractors accounted for approximately 10% of our total sales volume for the year ended December 31, 2012.

Competition

The U.S. coal industry is highly competitive, both regionally and nationally. Coal production in Appalachia and the Illinois Basin totaled approximately 418.5 million tons in 2012, with the largest five producers (Alpha Natural Resources, Inc., CONSOL Energy Inc., Alliance Resource Partners, L.P., Peabody and Patriot) accounting for 48% of production. In addition to competition within the eastern U.S. region, coal is transported into the region from the western U.S. and international producers for purchase by utility customers.

A number of factors beyond our control affect the markets in which we sell our coal. Coal consumption patterns are affected primarily by the demand for electricity and steel, environmental and other governmental regulations, and technological developments. Continued demand for our coal and the prices obtained by us depend primarily on the coal consumption patterns of the electricity and steel industries in the U.S. and abroad and the location, availability, quality and price of competing fuels for power such as natural gas, nuclear, fuel oil, and alternative energy sources such as wind and hydroelectric power. The most important factors on which we compete are delivered price (i.e., including transportation costs, which are paid by our customers), coal quality characteristics and reliability of supply.

Employees & Labor Relations

Relations with our employees and, where applicable, organized labor, are important to our success. As of December 31, 2012, we had approximately 4,100 employees. Approximately 40% of our employees were represented by an organized labor union, specifically the UMWA. Our represented employees work at various sites in Appalachia and at the Highland complex in the Illinois Basin. In relation to the bankruptcy process and pursuant to Sections 1113 and 1114 of the Bankruptcy Code, Patriot is seeking to renegotiate the terms of collective bargaining agreements between certain Patriot subsidiaries and the UMWA, as well as certain postretirement healthcare benefits. This process, and the resulting outcome, could negatively impact our labor relations.

In the third quarter of 2011, certain of our subsidiaries signed new agreements with the UMWA, which were effective July 1, 2011 and generally extend through December 2016. The new agreements are substantially the same as the National Bituminous Coal Wage Agreement negotiated in mid-2011 between the Bituminous Coal Operators Association and the UMWA. We refer to this as the 2011 National Bituminous Coal Wage Agreement (2011 NBCWA).

We operate two training centers in Appalachia. Our training centers educate our workforce, particularly our most recent hires, in our rigorous safety standards, the latest mining techniques and equipment, and serve as a center for dissemination of mining best practices across all of our operations. Our training efforts are designed with the intent of attracting new miners, in large part to replace miners expected to retire in the near term, and to develop and retain a productive and safety-oriented workforce.

Certain Liabilities

We have significant long-term liabilities for asset retirement obligations (including reclamation and selenium water treatment), retiree healthcare and work-related injuries and illnesses. In addition, labor contracts with the UMWA and certain arrangements with non-union employees include long-term benefits, notably healthcare coverage for retired employees, future retirees and their dependents.

Asset Retirement Obligations

Our asset retirement obligations include both reclamation and selenium water treatment obligations. Reclamation obligations primarily represent the present value of future anticipated costs to restore surface land to levels equal to or greater than pre-mining conditions, as required by the Surface Mining Control and Reclamation Act (SMCRA). Selenium water treatment obligations primarily represent the fair value of future anticipated costs for water treatment of selenium discharges, as required by current court orders, consent decrees and mining permits.

As of December 31, 2012, our asset retirement obligations of $731.6 million included $443.0 million of selenium water treatment obligations and $288.6 million of reclamation obligations ($130.4 million of which are related to locations that are closed or inactive). Asset retirement obligation expense (which includes liability accretion and asset amortization) for the years ended December 31, 2012, 2011 and 2010 was $354.6 million, $105.2 million and $112.7 million, respectively.

Our selenium water treatment obligation is primarily associated with mining properties acquired in connection with the Magnum acquisition in July 2008. Selenium is a naturally occurring element that is encountered in earthmoving operations. The extent of selenium occurrence varies depending upon site-specific geologic conditions. Selenium is encountered globally in coal mining, phosphate mining and agricultural operations. In coal mining applications, selenium can be discharged to surface water when mine tailings are exposed to rain and other natural elements. Selenium effluent limits are included in permits issued to us and other coal mining companies.

We have been involved in various legal proceedings related to compliance with the effluent selenium limits in our mining permits. As a result of these legal proceedings, we are subject to various consent decrees and court orders that generally require us, among other things, to meet certain compliance deadlines related to selenium discharge levels at permitted outfalls. In the past, we have paid fines and penalties with respect to violations of selenium effluent limitations.

The asset retirement obligation expense included adjustments to increase the selenium water treatment liability by $258.3 million, $35.0 million and $69.5 million for the years ended December 31, 2012, 2011 and 2010, respectively, due to modifications to our selenium water treatment plans in order to comply with our mining permits and the above mentioned court orders and consent decrees. See a full description of these lawsuits and outcomes related to our selenium water treatment obligations in Part I, Item 3. Legal Proceedings - Environmental Claims and Litigation.

Retiree Healthcare and Pension Obligations for Active and Retired Employees

Retiree healthcare obligations primarily represent the estimated cost of providing retiree healthcare benefits to current retirees and active employees who will retire in the future. Provisions for active employees represent the amount recognized to date, based on the employee's service to date. Additional amounts are accrued periodically so that the total estimated liability is accrued when the employee retires.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PATRIOT COAL CORPORATION

/s/ BENNETT K. HATFIELD

Bennett K. Hatfield

President, Chief Executive Officer and Director

Date: February 22, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ BENNETT K. HATFIELD **Bennett K. Hatfield**	President, Chief Executive Officer and Director (principal executive officer)	February 22, 2013
/s/ JOHN E. LUSHEFSKI **John E. Lushefski**	Senior Vice President & Chief Financial Officer (principal financial and accounting officer)	February 22, 2013
/s/ J. JOE ADORJAN **J. Joe Adorjan**	Director	February 22, 2013
/s/ B. R. BROWN **B. R. Brown**	Director	February 22, 2013
/s/ MICHAEL P. JOHNSON **Michael P. Johnson**	Director	February 22, 2013
/s/ JANIECE M. LONGORIA **Janiece M. Longoria**	Director	February 22, 2013
/s/ MICHAEL M. SCHARF **Michael M. Scharf**	Chairman of the Board, Director	February 22, 2013
/s/ ROBERT O. VIETS **Robert O. Viets**	Director	February 22, 2013