

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

ORDER APPROVING THE REJECTION OF UNEXPIRED LEASE

Upon the notice of rejection [ECF No. 778] (the “**Notice**”)¹ of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) filed on September 20, 2012 pursuant to the Court’s Order dated August 16, 2012 Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases and for the Abandonment of Personal Property [ECF No. 370] (the “**Rejection Procedures Order**”); and the Court having jurisdiction to consider the Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Notice and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Notice having been provided in accordance with the Rejection Procedures Order; and it appearing that no other or further notice need be provided; and

¹ Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Notice.

the relief requested in the Notice being in the best interests of the Debtors and their respective estates and creditors; and rejecting the Lease to the extent set forth herein representing a prudent exercise of the Debtors' business judgment; and the Court having reviewed the Notice; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the relief requested in the Notice is hereby granted as set forth herein; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006 and Local Rule 6006-1, the Debtors' rejection of the Lease set forth in Schedule A hereto (the "**Lease Agreement**") is hereby approved and shall be effective as of September 20, 2012; and it is further

ORDERED that claims arising out of any rejection effected pursuant to this Order must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which claims arising before the Petition Date must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date and (ii) 30 days after the date hereof, and that absent a timely filing, such claim will be irrevocably barred; and it is further

ORDERED that notice of the Notice and the relief requested therein with respect to the Lease Agreement satisfies Bankruptcy Rule 6006 and Local Bankruptcy Rule 6006-1; and it is further

ORDERED that the notice procedures set forth in the Notice with respect to the Lease Agreement are good and sufficient notice and satisfy Bankruptcy Rule 9014

by providing the counterparty to the Lease Agreement with notice and an opportunity to
object and be heard at a hearing; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine
all matters arising from or related to this Order.

Dated: October 4, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule A

Title of Agreement	Contract Type	Debtor Parties to the Contracts and Leases to be Rejected	Counterparty to the Lease to be Rejected	Date of Lease	Location of Real Property that is the Subject of a Lease to be Rejected	Description and Location of Expendable Property	Rejection Effective Date	If Applicable:	
								Affected Mining or Related Permit(s) and License(s) (and Surety Provider(s), if applicable)	Description of Known Environmental Contamination Requiring Reporting to Governmental Unit
Coal Lease and Sublease LC#2430-060-00	Real Property Lease	Patriot Coal Company, L.P.	Penn Virginia Operating Co., LLC (DE) Seven Sheridan Sq., Suite 400 Kingsport, TN 37660	12/05/07 (original Lease date). Lease assigned to Patriot Coal Company, L.P. on 2/18/10	Bluegrass Area Henderson and Webster Counties, Ky. – Evergreen Area	N/A	9/20/12	See Appendix A	N/A

Appendix A

Company Name	Permit Name	Mine Name	Permit Number	Surety Provider
Patriot Coal Company, L.P.	KDNR - SMCRA Permit	Freedom UG Mine - South "Shadow Area"	851-5008	Indemnity National Insurance Company 4800 Old Kingston Pike Knoxville, Tennessee 37912 Counsel Chrisandrea L. Turner Stites & Harbison PLLC 250 W. Main St. Ste 2300 Lexington, KY 40507 Tel: 859-226-2300 Fax: 859-253-9144 clturner@stites.com
Patriot Coal Company, L.P.	KDOW - KPDES Permit	Freedom UG Mine - South "Shadow Area"	KYG046747	N/A