EXHIBIT 81

UMWA Third Set of Counterproposals – March 27, 2013

The UMWA presents the following Counterproposals for an agreement enabling Patriot Coal Corp. and its subsidiaries to successfully reorganize and emerge from bankruptcy in a manner that honors the commitments the company and its predecessors have repeatedly made to active and retired employees over the course of a longstanding collective bargaining relationship:

I. Nature of Counterproposals and Requirements for Agreement

A. Entirety. All Counterproposals from the UMWA are presented as part of an entire package and can be accepted or rejected only as such. Rejection of the proposals in whole or part shall constitute a withdrawal of the entire set of proposals such that they cannot later be accepted.

B. Meaning of "Patriot." "Patriot" shall mean the signatory Patriot Coal Corp. and its 98 subsidiaries included in this bankruptcy. In the past, Patriot has always administered and otherwise treated its UMWA retiree healthcare liabilities as a corporate-wide responsibility. As part of this Agreement you agree that these liabilities are and will continue to be treated as a corporate-wide responsibility.

C. No Impairment of the NBCWA. Except where otherwise noted, all terms and conditions of the NBCWA and other labor agreements to which Patriot is signatory shall continue to apply. In addition, all prior practices and customs, local, district and international agreements remain in effect, except to the extent they are specifically superseded by explicit language herein.

D. Modification of the Counterproposals. The UMWA has the unqualified right to modify these and any additional proposals at any time.

E. Valuation. All dollar figures associated with Counterproposals set forth herein are preliminary estimates of their monetary value intended to convey the magnitude of each proposal and should not be considered or relied upon as precise or final. Such figures will be updated as the parties progress through an ongoing process of information exchange and professional analysis.

F. Agreement for Exit from Bankruptcy. "Agreement" herein means an agreement resulting from the acceptance and subsequent approval and ratification of these Counterproposals. Any Agreement shall be subject to the following conditions subsequent. Any Agreement shall terminate and cease to be effective if Patriot seeks and fails to obtain court approval of the Agreement, or if no Plan of Reorganization of which the UMWA is a co-proponent, is confirmed in the jointly administered matters in Cases Nos. 4:12-bk-51502 et seq. pending in the United States Bankruptcy Court, Eastern District of Missouri. Such reorganization plan must be acceptable to the UMWA or the Agreement will terminate upon the confirmation of an unacceptable plan or the failure to confirm any plan. In the event the Agreement terminates because of any condition in this paragraph, the pre-existing NBCWA or other labor agreement in effect prior to the ratification of this Agreement shall continue in full force and in effect. The parties further agree that they will mutually work to achieve the exit of Patriot from bankruptcy on or before June 30, 2013.

G. Equality of Sacrifice.

1. No Bonuses. During any period while any concession contained in the Counterproposal is in effect, including any period subsequent to the expiration of the collective bargaining agreements where these Counterproposals establish a status quo under the National Labor Relations Act, no employee of any other bargaining unit, no other employee not included in a bargaining unit, no supervisory or managerial employee or executive, and no person the equivalent of an employee however denominated (for example, as an "independent contractor," "consultant" or otherwise), or any of them singly or in groups, shall receive any (a) increase in compensation; (b) enhancement or other bonus; (c) increase in beneficial interest; (d) increase or enhancement to retirement, health care or other benefits of employment; or (e) any other emolument or incentive of any kind. This paragraph shall not apply to wage adjustments necessary to bring any Patriot entity into compliance with federal or state law with respect to the minimum legal compensation to any employee. This paragraph shall apply to all bonuses regardless whether such bonuses are deemed to be part of the normal compensation of any person. In the event Patriot seeks to provide an increase forbidden by this paragraph, Patriot may request the consent of the UMWA, which will not unreasonably be withheld. Disputes concerning the preceding sentence are subject exclusively to the grievance and arbitration provisions of the parties' collective bargaining agreements. Patriot will not implement any increase or other enhancement forbidden by this paragraph pending such arbitration. This paragraph will cease to apply if the concessions contained in these Counterproposals are restored in full to all affected members of the respective bargaining units represented by the UMWA.

2. Equitable Return of Concessions. Paragraph I.G.1, above, shall also apply fully to return of concessions (that is, Patriot will not return concessions made by any other person or group to that person or group during any period while the concessions in these Counterproposals remain in effect or establish the status quo post expiration of the collective bargaining agreements).

3. Prevention of Subterfuge. For a period of three years subsequent to the expiration of concessions in these Counterproposals, Patriot will not grant any increase, enhancement, benefit or return that would have been forbidden by paragraphs I.G.1 or I.G.2 to any person or group without extending a like increase, enhancement, benefit or return to affected members of the UMWA. The purpose of this paragraph is to prevent Patriot from returning concessions or making up the losses incurred as a result of concessions to other groups after the technical expiration of the concessions, thereby achieving the result that members of the UMWA share a disproportionate burden of the sacrifice necessary to reorganize the debtor.

4. Construction. The parties agree that the foregoing paragraphs will be construed to ensure that the UMWA membership does not in any circumstance share a disproportionate burden in the sacrifices made to reorganize the debtor.

5. Remedies. In the event this section is violated in any way, the full unreduced terms and conditions of the collective bargaining agreement shall be restored to every affected member retroactively to the date of the violation; or in the case of a breach of I.G.1 or I.G.2, in the same proportion as other persons or groups have benefitted, whichever is greater.

6. Commitment. Patriot is committed to the principle that all employee and retiree groups, as well as all creditors and other parties in interest should sacrifice equally in achieving cost savings and increased revenues necessary to allow Patriot to restructure and exit from bankruptcy. Patriot therefore will make a good faith effort to seek concessions comparable in degree to those contained in this Agreement from all such entities.

II. Snap-Back.

A. Necessary Relief Is Temporary. The parties recognize that modifications to the collective bargaining agreements and retiree medical care obligations made pursuant to an Agreement between the parties are intended to restore Patriot to performance that will no longer necessitate or justify continued wage reductions or changes to working conditions, and that none of the concessions herein are intended as permanent changes to the collective bargaining agreements. They therefore agree that the wages, working conditions and benefits of members of the UMWA reduced herein shall "snap-back" to the full terms and conditions of the then-current collective bargaining agreements (or terms and conditions of employment) as described below in this section:

1. Automatic Snap-Back. Notwithstanding anything else herein, the parties agree that the wages and working conditions of members of the UMWA reduced herein shall "snap-back" to the full terms and conditions of the then-current collective bargaining agreements on December 1, 2016.

2. Automatic Snap-Back Not Subject to Dispute. The parties' agreement to snap-back concessions on December 1, 2016 shall not be subject to arbitration or otherwise subject to challenge.

3. Disputes. Any dispute under this snap-back section not specifically excluded from arbitration shall be settled by reference of the question to a neutral mutually agreeable to the parties; or failing that, selected from the panel of District Arbitrators contained in the collective bargaining agreement. Patriot shall strike first; the parties shall alternate, and the UMWA shall select the arbitrator when only two remain.

4. Access to Financial Records. Beginning with the first quarter of 2014, Patriot shall submit a quarterly financial report to the UMWA, or more frequently if it supplies such a report to its lenders more frequently, which includes at least an income statement, balance sheet and statement of cash flow with accompanying notes. The UMWA reserves the right on an annual basis to examine the books of Patriot or utilize an independent auditor of its choice. In the event an independent auditing firm is utilized by UMWA, Patriot shall pay such independent auditor for such annual audit up to a maximum of fifty thousand dollars ($50,000). Patriot will not change accounting assumptions or practices, except as required to conform to governmental regulation, generally accepted accounting practices or for legitimate business reasons; and in no event will such assumptions or practices be changed artificially to inflate or deflate the operating performance of the company. As a condition of being provided such reports, statements and audit, the UMWA (and any accountant or auditor engaged on its behalf) must agree to maintain the confidentiality of any Patriot financial statements and reports for the protection of Patriot, and to execute a reasonable confidentiality agreement if requested by Patriot in such form as is mutually agreeable, but such information will be usable by the UMWA in any dispute under this paragraph.

Patriot will provide each employee with an annual report including a basic profit and loss statement, indicating the overall results of the Patriot's operations, but such report will be limited to such information as is otherwise public.

III. Disputes Generally

A. Non-Recourse to Courts. No provision of an Agreement resulting from the acceptance of these Counterproposals shall be subject to an order of any court of the United States, and both parties expressly waive resort to any court or agency except to compel arbitration or to obtain compliance with the grievance-processing provisions of the NBCWA or other collective bargaining agreement, or as otherwise may be explicitly permitted by the NBCWA or other collective bargaining agreement. In consideration of the foregoing, Patriot forever waives recourse to Sections 1113 and 1114 of the United States Bankruptcy Code upon acceptance of the terms of these Counterproposals.

B. Disputes. All provisions of these Counterproposals are subject to the grievance procedures contained in the NBCWA or other collective bargaining agreement except that no provision of any Agreement resulting from acceptance of these Counterproposals shall be subject to the no-strike obligation in the NBCWA or other applicable collective bargaining agreement. The UMWA and local union parties hereto may resort to all lawful economic recourse to enforce any provisions herein notwithstanding anything else in these Counterproposals.

C. Bargaining for Successor Agreements. Nothing herein precludes either party from negotiation of any lawful terms for future collective bargaining agreements to commence on or after the expiration date of the current agreements.

IV. <u>Primary Counterproposals for 1113/1114 Savings</u>

A. Wage Freeze. The UMWA proposes that its active members' wages remain frozen at their present rates until the company emerges from its temporary liquidity crisis and the snapback provision described above is triggered.

Preliminary estimates indicate this proposal, if implemented on April 1, 2013, would result in a cost savings of approximately $700 thousand in 2013, $5 million in 2014, $8 million in 2015 and $10.7 million in 2016.

B. Creation and Funding of a VEBA Trust Fund. The UMWA proposes the creation of a Voluntary Employee Beneficiary Association ("VEBA") Trust Fund, which would assume sole responsibility for providing healthcare benefit programs to Patriot's non-Coal Act UMWA represented retirees, surviving spouses and dependents, except those whose liabilities have been assumed by Peabody Energy, its affiliates or subsidiaries, and those for whom Patriot receives or has received reimbursement from a third-party (e.g. Alcoa, Inc.). The VEBA Trust Fund would be established and administered by the UMWA (or the UMWA Health and Retirement Funds) and funded by Patriot in accordance with the provisions below. Based on Patriot's financial projections, this proposal, if implemented, would result in estimated cost savings in terms of EBITDA of approximately $61.6 million in 2013, $125.4 million in 2014, $120.7 million in 2015, and $116.8 million in 2016. These savings would result in an additional improvement to Patriot's liquidity position of $31.8 million in 2013, $65.3 million in 2014, $60.2 million in 2015 and $55.9 million in 2016.

1. Initial Funding. This proposal contemplates an equity contribution to the Debtors from one or more investors ("New Money Investor") in order to (i) fund a plan of reorganization; (ii) provide adequate funding of a VEBA; and (iii) provide working capital for Reorganized Patriot. The New Money Investment of no less than $500 million would be made at a discount of 7.5% and would result in a cash contribution of no less than $400 million into the VEBA upon emergence from bankruptcy. In exchange for this funding, the New Money Investor would own not less than 51% of the fully diluted common stock of Reorganized Patriot and hold a majority of seats on its Board. The New Money Investment shall contain certain provision(s) that provide for certain downside protections to any prospective investor. All terms of such investment will be subject to review and written approval of the UMWA prior to investment.

In lieu of the Secured VEBA Promissory Note proposed in the UMWA's Second Counterproposal, the UMWA proposes that the Reorganized Debtors shall issue the VEBA Preferred Stock in an initial amount of not less than $400 million. The Preferred Stock shall PIK at 5% *per annum* for 18 months and then be payable in cash.

The UMWA modifies the corporate governance provisions of its earlier proposal to eliminate the proposal that the UMWA receive "Class B" non-voting shares and reduce the number of UMWA appointed Directors to the Reorganized Board of Directors from 3 to 2, and add one additional independent director. Other standard corporate finance provisions would be incorporated into the investment, subject to a Shareholders Agreement.

2. Profit Sharing. Upon Patriot's emergence from bankruptcy, it will make an annual profit-sharing contribution to the VEBA in the form of an annual cash payment equal to 7.5% of EBITDA for each immediately preceding year, subject to a "collar" providing for a minimum and maximum contribution amount in accordance with the following table:

	2013	2014	2015	2016
Minimum	$3,800,000	$7,500,000	$10,000,000	$15,000,000
Maximum	$10,000,000	$30,000,000	$40,000,000	$50,000,000

The 2016 minimum and maximum profit sharing amounts would continue in subsequent years unless mutually amended by the UMWA and Patriot. As we have consistently stated at the bargaining table, we are open to further discussion on the refinement of a workable and objective standard of profitability to use for the purpose of calculating the contribution amount.

C. Scheduling Flexibility To Allow Increased Production. The UMWA makes the following proposals in this section to provide greater scheduling flexibility, enhanced production and increased revenues.

1. The UMWA proposes modification of Articles IV and VI, as necessary, to allow for implementation of work schedules resulting in significantly increased production (e.g. 7 day per week, 365 days per year, 10 hour shifts, etc.) We estimate this could result in approximately 60 extra production days per year at UMWA-represented operations. While we dispute and hope to continue discussions on Patriot's contention that its discretionary decision to implement the flexible scheduling permitted by this proposal at many of its operations would result in a loss, we note the Company's acknowledgment that the proposal would produce additional tons and gains at its Rocklick and Highland mining complexes in the years 2014, 2015 and 2016. Accordingly, we limit the scope of this proposal to those two complexes for those years, and repeat in the chart below Patriot's own conclusions as to the approximate gains that would result from its implementation. Of course, if more widely accepted pricing forecasts were substituted for the conservative pricing forecasts incorporated in Patriot's conclusions reflected below, the EBITDA improvement at these two complexes would be significantly greater and more of the Company's complexes would be able to produce additional tons at a profit.

(amounts in thousands)	2014	2015	2016
Additional Tons Produced at Highland	730	740	739

EBITDA Improvement for Highland	$147	$4,735	$9,573
Additional Tons Produced at Rocklick	372	361	359
EBITDA Improvement at Rocklick	$2,802	$5,213	$6,346
Total Improvement in EBITDA	$2,949	$9,948	$15,919

2. **Wages and Hours**. The UMWA proposes modification of Article IV, as necessary, to provide that overtime shall not be paid until the employee works beyond 40 hours per week. This proviso shall not apply to Saturday work past 8 hours or any work on Sunday for which double time is required. This proviso shall not apply to holidays, which shall continue forward as set forth in the 2011 NBCWA. The UMWA proposes modification of Article IV and VI, as necessary, to allow 10 hour shifts. This proposal, if implemented, is estimated to save approximately $200 thousand in 2013, and $300 thousand in each of the years 2014, 2015 and 2016.

3. Starting Time. The UMWA proposes modification of Article VIII, Section (e), as necessary, to allow employees to be changed out at the face and allow that other crews may be changed out at other locations within the mine where the employer can demonstrate a substantial economic need for such change. This proposal, if implemented, is estimated to save $2.3 million in 2013, $2.5 million in 2014, $2.6 million in 2015 and $2.8 million in 2016.

4. Supervisors Performing Bargaining Unit Work. To permit a measure of flexibility until Patriot returns to viability, the UMWA proposes that Article IA, Section C, which limits supervisors from performing classified work, be temporarily modified, as necessary, to provide that supervisors may perform work of a classified nature as long as such work does not exceed one hour and is agreed to in advance by the local union. This proposal, if implemented, is estimated to save $2.6 million in 2013, and $5.2 million per year in 2014, 2015 and 2016.

D. Active Employee Medical Cost Savings. The following provisions in this section only modify benefits for active employees and are estimated to result in savings, if implemented, of approximately $1.4 million in 2013, and $2.9 million in each of the years 2014, 2015 and 2016 and additional savings in each of these years if the parties can implement modifications to Patriot's health plan to provide that active employee beneficiaries shall purchase prescription drugs from in-network pharmacy vendors approved by the plan administrator.

1. The UMWA proposes implementation of a generic formulary, providing an exception in limited cases of medical necessity. Medical necessity shall require an additional $10 surcharge on brand-name drugs not included in the formulary.

2. The UMWA proposes a mandatory mail order program for maintenance drugs and to impose a $5 co-payment for each mail order refill. In the case of a beneficiary who fills a prescription for a maintenance drug at a retail pharmacy, the beneficiary shall pay, in addition to the normal co-payment, a surcharge of $10 per prescription.

3. The UMWA proposes that co-payments and deductibles shall be temporarily increased to $200 per visit for emergency room care.

4. The UMWA proposes that Patriot adopt the UMWA Funds durable equipment network.

5. The UMWA proposes that Patriot's health plan will be secondary to any plan sponsored by the employer of a spouse of an active employee ("beneficiary" for the purposes of this paragraph), so long as the beneficiary is eligible to receive coverage by that plan. Patriot shall reimburse the employee the premium costs of such coverage. Patriot will not be responsible for any benefits that a beneficiary could have received from his or her other employer's plan. Patriot shall remain responsible for the benefits of all current beneficiaries until they are eligible to receive benefits from the other employer's plan. Patriot shall remain responsible for reimbursement to the beneficiary of documented costs incurred by the beneficiary for benefits that are not covered under the new employer's plan but that are covered by Patriot's plan. No Patriot beneficiary shall be required to pay out of pocket in any calendar year more in premiums, deductibles, co-payments or other out of pocket costs than the beneficiary would have been require to pay had he or she been covered under the Patriot plan.

6. The UMWA proposes that Patriot's health plan be modified to provide that active employee beneficiaries shall purchase prescription drugs from in-network pharmacy vendors approved by the plan administrator, except that active employee beneficiaries who live more than ten miles from an approved in-network pharmacy may purchase from an out-of-network pharmacy drugs that are unavailable through mail-order. The plan administrator shall discuss inclusion in is pharmacy network with the top ten vendors, and shall consider for inclusion in the pharmacy network any vendor that satisfies the administrator's terms and conditions for participation.

E. Work Opportunities. If bargaining unit employees are expected to shoulder significant reductions in their pay and benefits to help the company achieve successful reorganization, they should receive enhanced job security, not less. Accordingly, we propose enhancement of work jurisdiction and job security provisions for represented employees in exchange for any changes that would limit or reduce their current or future compensation. To ensure Patriot's long-term profitability, the UMWA proposes the following enhancements of work jurisdiction and job security for UMWA represented employees:

1. Patriot shall hire UMWA 5 out of 5 panel members for newly opened operations, whether contractor-operated or company-operated. This shall provide the employer with an experienced workforce and ensure full employment for laid off UMWA employees of the employer.

2. Patriot shall make every effort to supply employment to laid off UMWA employees at its current operations and operations run by another entity over which Patriot has exercised or will exercise economic control or influence.

3. Patriot shall hire 5 out of 5 UMWA employees for new operations and the UMWA will seek to negotiate collective bargaining agreements built upon a framework of "Gateway" concepts at new operations.

4. Patriot shall avoid the use of joint ventures in the future. If Patriot enters into a joint venture then Patriot shall hire 5 out of 5 panel employees to fill such jobs. Regardless of their percentage of ownership, Patriot shall notify and secure agreements related to these hiring provisions from any potential joint venture business partners before entering into any agreements.

F. **Litigation Trust.** On the date an Agreement is executed, a Litigation Trust will be established (the "Litigation Trust") to pursue claims or causes of action for, or on behalf of Patriot against Peabody Energy Corp. or Arch Coal, Inc., or any of these entities' predecessors, successors, affiliates, subsidiaries, joint ventures, owners, directors, managers, or advisors. The trust shall be funded by a contribution of $15 million to be made upon the Patriot's emergence from bankruptcy. All rights to commence and pursue, as appropriate, any and all such claims or causes of action for, or on behalf of Patriot, whether arising before or after the Petition Date shall vest in a Litigation Trust and be pursued by the Litigation Trustee. In addition, any and all such claims or causes of action in which Patriot is a complainant or plaintiff commenced on or before the date an Agreement is executed, whether commenced before or after the Petition Date, shall vest in the Litigation Trust. Creation of the Litigation Trust will not prohibit the UMWA, the UMWA 1974 Pension Plan and Trust or any other party-in-interest from separately pursuing claims against third parties.

A five person Oversight Committee (the "Litigation Trust Committee") will be established to oversee the Litigation Trust and serve as or appoint the Litigation Trustee. The Litigation Trust Committee will consist of three members appointed by the UMWA and two members appointed by the Committee of Unsecured Creditors. Net proceeds of any judgment, settlement or other recovery obtained in an action brought by the Litigation Trust shall be distributed as follows: 20% to Reorganized Patriot; and, 80% to unsecured creditors, until such creditors receive 100% recovery plus interest, with any net residual proceeds after unsecured creditors have been paid 100% plus interest to be distributed to Patriot shareholders. Provided, however, that 100% of the net proceeds of any judgment, settlement or other recovery obtained in an action commenced by the Litigation Trust involving the obligation to provide UMWA retiree healthcare shall be distributed entirely to the UMWA for healthcare, unless such proceeds would constitute a double-recovery, in which case any such proceeds would be distributed in the manner described in the preceding sentence.

V. Primary Counterproposals for Business Plan Savings

Our advisors have determined that the Debtors' 1113/1114 Business Plan/October 2012 Bank Plan overstates the severity the temporary decline in liquidity forecast for 2013 and 2014 by means of inflated expense cost projections and extraneous line items that are not appropriate in the context of the severe measures the Company seeks to impose on active and retired UMWA members. We propose reduction, postponement and, where appropriate, elimination of such expenditures as a means to accomplish successful reorganization.

A. Selling, General & Administrative Expenses. The UMWA proposes that line items for stock options and incentive compensation programs should be eliminated inasmuch as it is unjust, unwise and inappropriate to reward managers in a reorganization where retired and hourly miners are being asked to sacrifice and provide billions of dollars of concessions. In addition, we propose a reduction of expenses in the business plan for outside service providers that appear unlikely to be necessary once the company emerges from bankruptcy.

Preliminary estimates indicate that these proposals, if implemented on April 1, 2013, should result in a cost savings in terms of EBITDA of approximately $17.3 million in 2013, $18.2 million in 2014, $21.3 million in 2015 and $23.1 million in 2016.

B. Operating Expenditures. The UMWA proposes elimination of line items allowing for bankruptcy related adjustments or "cushion", including production overlays and increased allocations for workers compensation, since none of the additional bankruptcy-related expenses contemplated in these items have materialized in the months since the business plan was created. In addition, the UMWA proposes that savings can be obtained by modifying the ratio of salary to hourly personnel, which is out of line with industry norms at certain operations, including Wells, Panther, Kanawha Eagle and Paint Creek.

Preliminary estimates indicate that these proposals, if implemented on April 1, 2013, should result in a cost savings in terms of EBITDA of approximately $35.5 million in 2013, $17.8 million in 2014, $14.4 million in 2015 and $14.7 million in 2016.

C. Capital Expenditures. In connection with our review of Patriot's business plan, our advisors continue to review forecasted capital expenditures and maintenance related expenses. Based on preliminary discussions and information provided to our advisors, we believe that there are potential savings between 5-12% *per annum*. A number of questions and requests remain outstanding and will need to be addressed further in order to validate and confirm any such savings level prior to finalizing. Additionally, it will be critical for our advisors to conduct on-site diligence and in-person meetings with Company personnel. While we are disappointed by your continued deferral of accommodating any such in-person meetings, we are hopeful on-site diligence/meetings can be coordinated in the coming week to allow our advisors to finalize that respective phase of their diligence. We propose reduction, postponement and, where appropriate, elimination of such expenditures.

Preliminary estimates of annual savings indicate that a 5% annual savings implemented on April 1, 2013, should result in in an improvement to Patriot's liquidity position of approximately $2.7 million in 2013, $7.8 million in 2014, $9.1 million in 2015 and $7 million in 2016.