

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

Jointly Administered

**FIRST OMNIBUS ORDER APPROVING (i) THE REJECTION OF CERTAIN
AGREEMENTS EFFECTIVE AS OF THE PETITION DATE AND (ii) THE
ABANDONMENT OF CERTAIN EXCESS LEASED EQUIPMENT**

Upon the first omnibus motion (the “**Motion**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) for, *inter alia*, an order pursuant to sections 365(a) and 554(a) of the Bankruptcy Code and Bankruptcy Rules 6006, 6007 and 9014, approving the rejection of the Agreements and the abandonment of the Excess Leased Equipment; and upon consideration of the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed in support of the Debtors’ first-day pleadings; and the Court having jurisdiction to consider the Motion 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

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. 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 such term in the Motion.

Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and the Court having approved the procedures for consideration of the substantive terms of the Motion pursuant to an order entered by this Court on July 11, 2012 [Docket No. 43] (the “**Procedures Order**”); and due and proper notice of the Motion and the Procedures Order having been provided to (a) the Office of the United States Trustee for the Southern District of New York, (b) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors’ estates on a consolidated basis, (d) attorneys for the administrative agents for the Debtors’ proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney’s Office for the Southern District of New York and (i) the Counterparties; and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their respective estates and creditors; and rejecting the Agreements and abandoning the Excess Leased Equipment representing a prudent exercise of the Debtors’ business judgment; and the Debtors having articulated good, sufficient and sound business justifications and compelling circumstances for rejecting the Agreements and abandoning the Excess Leased Equipment; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; 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 Motion is hereby granted as set forth herein; and it is further

ORDERED that, pursuant to sections 365(a) and 554(a) of the Bankruptcy Code and Bankruptcy Rule 6006, the Debtors' rejection of the Agreements and the abandonment of the Excess Leased Equipment set forth on Annex 1 hereto is hereby approved effective as of the Petition Date; and it is further

ORDERED that claims arising out of any rejection or abandonment effected pursuant to this order (this "**Order**") must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed. Any claim not timely filed shall be irrevocably barred; and it is further

ORDERED that if a Counterparty does not retrieve or otherwise take control of the Excess Leased Equipment by August 7, 2012, absent agreement of the Debtors to the contrary, such Counterparty shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including the cost of insuring the relevant Excess Leased Equipment; *provided, however*, that the Debtors and a Counterparty may agree in writing that any item of such Counterparty's Excess Leased Equipment will be returned to another location, on return dates other than those specified herein or according to other return procedures (an "**Agreed Arrangement**"). If, in the absence of an Agreed Arrangement, a Counterparty does not remove its Excess Leased Equipment or make timely payments for storage and other costs or, in the case of an Agreed Arrangement, comply with the terms thereof, the Debtors may file a motion to compel removal of the

Excess Leased Equipment and/or payment to the Debtors of storage and other attendant costs, including, without limitation, all legal fees; and it is further

ORDERED that the Debtors are hereby authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the Procedures; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the interim or final order approving the debtor in possession financing, if and when entered, and this Order, the terms of the interim or final order approving the debtor in possession financing, as applicable, shall govern; and it is further

ORDERED that notice of the Motion, the Procedures and this Order are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing parties with a 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: August 1, 2012
New York, New York

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

Annex 1

<u>NON-LEASE AGREEMENTS</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
American Freedom Innovations, LLC Po Box 5669 Evansville, IN, 47715 Attn: CEO	PATRIOT COAL CORPORATION	Consulting Agreement	11/1/2009	N/A	Petition Date
American Patriot Energy, LLC Po Box 5669 Evansville, IN, 47715 Attn: CEO	PATRIOT COAL CORPORATION	Joint Project Agreement	11/1/2009	N/A	Petition Date
JMAC Leasing, Inc. Chris Dickerson Po Box 726 Ceredo, WV 25507	PATRIOT COAL SALES, LLC	Coal Purchase Agreement	10/4/2011	N/A	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Bank of the West Suzanne Weaver 844 West Pampa Mesa, AZ 85210	PATRIOT LEASING COMPANY LLC	Equipment Lease	8/15/2009	Description: Big Mountain #16 – Joy 12CM27 Continuous Miner Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: JM5354A	Petition Date
Bank of the West Suzanne Weaver 844 West Pampa Mesa, AZ 85210	PATRIOT LEASING COMPANY LLC	Equipment Lease	8/15/2009	Description: Blue Creek #1 – Shuttle Car Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: PM0201	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Bank of the West Suzanne Weaver 844 West Pampa Mesa, AZ 85210	PATRIOT LEASING COMPANY LLC	Equipment Lease	8/15/2009	Description: Blue Creek #1 – Shuttle Car Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: PM0202	Petition Date
Bank of the West Suzanne Weaver 844 West Pampa Mesa, AZ 85210	PATRIOT LEASING COMPANY LLC	Equipment Lease	8/15/2009	Description: Blue Creek #1 – Shuttle Car Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: PM0203	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
CapitalSource Bank David Heidt 30 South Wacker Drive Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	3/1/2011	Description: Lower Dorothy - Fletcher Mobile Roof Support Location: Metal Craft 2982 Richwood Rd. Fenwick, WV 26202 Serial No: 2010950, 201951, 2010952, 2010953	Petition Date
CapitalSource Bank David Heidt 30 South Wacker Drive Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	6/1/2011	Description: Big Mountain #16 – Joy 12CM27 - 11EKJ Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: JM6465	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
CapitalSource Bank David Heidt 30 South Wacker Drive Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	3/1/2011	Description: Gateway Eagle Mine - Lonadox Ram Car 816E Location: Caterpillar 222 Industrial Park Dr. Pearisburg, VA, 24134 Serial No: 816-1149 formerly 413938	Petition Date
CapitalSource Bank David Heidt 30 South Wacker Drive Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	3/1/2011	Description: Gateway Eagle Mine - Lonadox Ram Car 816E Location: Caterpillar 222 Industrial Park Dr Pearisburg, VA, 24134 Serial No: 816-1150 formerly 413940	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Fifth Third Leasing Co. Gerald Whitfield, VP 38 Fountain Square Plaza MD10904A Cincinnati, OH 45263	PATRIOT LEASING COMPANY LLC	Equipment Lease	6/12/2008	Description: Freedom U/G – Power Center 1800KVA Location: Freedom Mine 19050 Hwy 1078 S. Henderson, KY 42420 Serial No: U3502	Petition Date
Fifth Third Leasing Co. Gerald Whitfield, VP 38 Fountain Square Plaza MD10904A Cincinnati, OH 45263	PATRIOT LEASING COMPANY LLC	Equipment Lease	12/15/2008	Description: Hill Fork - Atlas Copco DML Blasthole Drill Location: Hill Fork Mine Lower Hewitt Rd. Madison, WV 25130 Serial No: 8884	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Fifth Third Leasing Co. Gerald Whitfield, VP 38 Fountain Square Plaza MD10904A Cincinnati, OH 45263	PATRIOT LEASING COMPANY LLC	Equipment Lease	7/7/2008	Description: Dodge Hill – Joy 21SC04-64E3 Shuttle Car Location: Dodge Hill 435 Davis Mine Rd. Sturgis, KY 42459 Serial No: ET17673	Petition Date
Fifth Third Leasing Co. Gerald Whitfield, VP 38 Fountain Square Plaza MD10904A Cincinnati, OH 45263	PATRIOT LEASING COMPANY LLC	Equipment Lease	7/7/2008	Description: Dodge Hill – Joy 21SC04-64E3 Shuttle Car Location: Dodge Hill 435 Davis Mine Rd. Sturgis, KY 42459 Serial No: ET17674	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Komatsu Financial LP Jimmy Joseph 1701 W. Golf Rd. Ste. 300 Rolling Meadows, IL 60008	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2009	Description: Hill Fork – Komatsu HD 1500-7 Rock Truck Location: Hill Fork Mine Lower Hewitt Rd. Madison, WV 25130 Serial No: A30079	Petition Date
Komatsu Financial LP Jimmy Joseph 1701 W. Golf Rd. Ste. 300 Rolling Meadows, IL 60008	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2009	Description: Hill Fork – Komatsu HD 1500-7 Rock Truck Location: Hill Fork Mine Lower Hewitt Rd. Madison, WV 25130 Serial No: A30080	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Komatsu Financial LP Jimmy Joseph 1701 W. Golf Rd. Ste. 300 Rolling Meadows, IL 60008	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2009	Description: Hill Fork – Komatsu HD 1500-7 Rock Truck Location: Hill Fork Mine Lower Hewitt Rd. Madison, WV 25130 Serial No: A30085	Petition Date
Somerset Capital Group, LTD. Yolanda Delaney / Evan Bokor Merritt Corporate Woods 612 Wheelers Farms Rd. Milford, CT 06461	PATRIOT LEASING COMPANY LLC	Equipment Lease	5/15/2009	Description: Pine Ridge - Getman 7090 Personnel & Eqp Carrier Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: GETTP0014B	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Somerset Capital Group, LTD. Yolanda Delaney / Evan Bokor Merritt Corporate Woods 612 Wheelers Farms Rd. Milford, CT 06461	PATRIOT LEASING COMPANY LLC	Equipment Lease	5/15/2009	Description: Pine Ridge – Getman 7090 Personnel & Eqp Carrier Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: GETTP0015B	Petition Date
Somerset Capital Group, LTD. Yolanda Delaney / Evan Bokor Merritt Corporate Woods 612 Wheelers Farms Rd. Milford, CT 06461	PATRIOT LEASING COMPANY LLC	Equipment Lease	5/15/2009	Description: Pine Ridge – Getman 7090 Personnel & Eqp Carrier Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: GETTP0016B	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
Somerset Capital Group, LTD. Yolanda Delaney / Evan Bokor Merritt Corporate Woods 612 Wheelers Farms Rd. Milford, CT 06461	PATRIOT LEASING COMPANY LLC	Equipment Lease	5/15/2009	Description: Pine Ridge – Getman 7090 Personnel & Eqp Carrier Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: GETTP0017B	Petition Date
Somerset Capital Group, LTD. Yolanda Delaney / Evan Bokor Merritt Corporate Woods 612 Wheelers Farms Rd. Milford, CT 06461	PATRIOT LEASING COMPANY LLC	Equipment Lease	5/15/2009	Description: Catenary Storage - Joy 14CM15 Location: Catenary Storage 100 Toms Fork Rd. Eskdale, WV 25075 Serial No: JM3470	Petition Date

<u>EQUIPMENT LEASES</u>					
<u>COUNTERPARTY</u>	<u>DEBTOR</u>	<u>TYPE</u>	<u>DATE OF CONTRACT</u>	<u>EQUIPMENT DESCRIPTION & SERIAL NO.</u>	<u>REJECTION EFFECTIVE DATE</u>
United Leasing, Inc. Martha Ahlers 3700 Morgan Ave. Evansville, IN 47715	PATRIOT LEASING COMPANY LLC	Equipment Lease	7/15/2011	Description: Freedom U/G – Coalage Eqp Hauler Location: Freedom Mine 19050 Hwy 1078 S. Henderson, KY 42420 Serial No: BTV-004	Petition Date