

**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)

**SECOND 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 second 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 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

¹ The Debtors are the entities listed in 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.

of the substantive terms of the Motion pursuant to an order entered by this Court on July 11, 2012 [Docket No. 44] (the “**Second Procedures Order**”); and due and proper notice of the Motion and the Second Procedures Order having been provided to (a) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), (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 agent 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 15, 2012, absent agreement of the Debtors to the contrary, then 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 proposed debtor in possession financing, if and when entered, and this Order, the terms of the interim or final order approving the proposed debtor in possession financing, as applicable, shall govern; and it is further

ORDERED that notice of the Motion, the Second Procedures Order, 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

NON-LEASE AGREEMENTS					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL No.	REJECTION EFFECTIVE DATE
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	MAGNUM COAL COMPANY	Coal Supply Agreement	6/12/2009 (previously amended on 3/20/2002 with original contract date of 1/1/1996)	N/A	Petition Date
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	PATRIOT COAL SALES, LLC	Master Fuel Purchase and Sale Agreement	Dated 1/1/2009; executed on 6/12/2009	N/A	Petition Date
The Dayton Power & Light Company Teresa Marrinan / Charlene Bell 1065 Woodman Drive Dayton, OH 45432	PATRIOT COAL CORPORATION	Settlement and Amendment	6/12/2009	N/A	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Pine Ridge - Fletcher Roof Bolter HDDR 13 Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: 200734	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2011	Description: Freedom U/G - Power Center 750KVA Location: Freedom Mine 19050 Hwy 1078 South Henderson, KY 42420 Serial No.: 36113-33336-1210	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	2/1/2011	Description: Freedom U/G - Power Center 750KVA Location: Freedom Mine 19050 Hwy 1078 South Henderson, KY 42420 Serial No.: 36113-33338-1210	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0176	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0177	Petition Date
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0178	Petition Date

EQUIPMENT LEASES					
COUNTERPARTY	DEBTOR	TYPE	DATE OF CONTRACT	EQUIPMENT DESCRIPTION & SERIAL NO.	REJECTION EFFECTIVE DATE
RBS Asset Finance, Inc. John Stogsdill 71 S. Wacker Dr. 28th Floor Chicago, IL 60606	PATRIOT LEASING COMPANY LLC	Equipment Lease	1/1/2009	Description: Winifrede #12 - 21SC Shuttle Car Location: Catenary Storage 100 Toms Fork Road Eskdale, WV 25075 Serial No.: PM0179	Petition Date