

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

In re  
  
PATRIOT COAL CORPORATION, *et al.*,  
  
Debtors.<sup>1</sup>

**Chapter 11**  
**Case No. 12-51502-659**  
**(Jointly Administered)**

**Objection Deadline:**  
**November 18, 2013 at 9:00 a.m.**  
**(prevailing Central Time)**

**Hearing Date:**  
**November 19, 2013 at 10:00 a.m.**  
**(prevailing Central Time)**

**Re: ECF No. 4986**

**MOTION TO EXPEDITE DEBTORS' MOTION FOR ENTRY OF AN  
ORDER PURSUANT TO 11 U.S.C. §§ 363, 365 AND 105(a)  
AUTHORIZING ENTRY INTO AN AGREEMENT WITH ALLIANCE TO  
ASSIGN CERTAIN LEASE INTERESTS AND SELL PROPERTY  
FREE AND CLEAR**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings respectfully seek a waiver of paragraph 12(a) of the Court's Order Establishing Certain Notice, Case Management and Administrative Procedures [ECF No. 3361] (the "**Case Management Order**") with respect to the *Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 363, 365 and 105(a) Authorizing Entry into an Agreement with Alliance to Assign Certain Lease Interests and Sell Property Free and Clear* [ECF No. 4986] (the "**Motion**")<sup>2</sup> and scheduling the

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<sup>1</sup> The Debtors are the entities listed on Schedule 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

<sup>2</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

Motion for hearing at the Debtors' scheduled hearing on November 19, 2013 at 10:00 a.m. (prevailing Central Time), thereby allowing the Motion to be heard on less than 21-days' notice.

### **BACKGROUND AND JURISDICTION**

1. On July 9, 2012 (the "**Petition Date**"), each Debtor other than Brody Mining, LLC and Patriot Ventures LLC (collectively, the "**Initial Debtors**") commenced with the United States Bankruptcy Court for the Southern District of New York (the "**SDNY Bankruptcy Court**") a voluntary case under chapter 11 of the Bankruptcy Code. On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring the Initial Debtors' chapter 11 cases to this Court (the "**Transfer Order**") [ECF No. 1789]. Subsequently, Brody Mining, LLC and Patriot Ventures LLC (together, the "**New Debtors**") each commenced its chapter 11 case by filing a petition for voluntary relief with this Court on September 23, 2013. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Initial Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the Joint Administration Order entered on July 10, 2012 [ECF No. 30], and the New Debtors' cases are being jointly administered with the Initial Debtors' cases pursuant to Bankruptcy Rule 1015(b) and the Order Directing Joint Administration of Chapter 11 Cases entered by this Court on September 27, 2013 in each of the New Debtors' chapter 11 cases.

2. By the Motion, the Debtors seek entry of an order authorizing the Debtors to enter into the Alliance Transaction and granting such other and further relief as is just and proper.

3. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be heard and determined by this Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**BASIS FOR RELIEF**

4. As described in greater detail in the Motion, the Debtors have reached an agreement with Alliance Resource Properties, LLC and Alliance Resource Partners, L.P. (together, “**Alliance**”) to sell their interests in certain surplus owned and leased coal reserves in Western Kentucky for \$6.5 million in up-front cash consideration along with future royalty payments (the “**Alliance Transaction**”). The Debtors estimate that the Alliance Transaction will potentially provide between \$11.1 million and \$15 million of aggregate value, on a discounted basis, to the Debtors and their estates. Further, the Debtors believe it is not profitable or practical for them to mine the coal reserves being sold pursuant to the Alliance Transaction and, with respect to certain properties, the Debtors are unable to mine the coal due to geological constraints. Instead, the Debtors and their estates will be able to realize significant value from these reserves by selling them to Alliance through consummation of the Alliance Transaction. The Debtors also submit that, due primarily to geographical limitations, Alliance is the only counterparty willing and able to provide meaningful value to the Debtors in exchange for the coal reserves subject to the Alliance Transaction. Although the Debtors believe that the Alliance Transaction is being conducted in the ordinary course of business, the Debtors seek the approval sought in the Motion out of an abundance of caution.

5. The Debtors and Alliance intend to close the Alliance Transaction on or before November 27, 2013. The Debtors believe that it is important to close this

transaction on the proposed timeline agreed to by the parties, and submit that expedited approval of the Alliance Transaction is appropriate. The Debtors further submit that no party in interest in these cases will be prejudiced by shortening the otherwise applicable notice period, with a hearing to be held on November 19, 2013. In addition, the Debtors are not seeking to override the consent provisions in any of the leases governing the Assigned Lease Interests. The Debtors either (i) expect to receive consent from the relevant lessor to assign the Assigned Lease Interests prior to consummation of the Alliance Transaction or (ii) have the right under the applicable lease to assign the Assigned Lease Interests without consent of the relevant lessor. Therefore, none of the relevant lessors will be prejudiced by the relief requested in this Motion. Accordingly, cause exists to grant expedited relief.

**NOTICE**

6. Consistent with the Case Management Order, the Debtors will serve notice of this motion on (i) the Core Parties, (ii) Alliance and (iii) the lessors listed on Schedule A and Schedule B to the Motion. All parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this motion and any order approving it will also be made available on the Debtors' Case Information Website (located at *www.patriotcaseinfo.com*).

WHEREFORE the Debtors respectfully request that the Court enter an order scheduling the Motion for hearing on an expedited basis at the hearing scheduled for November 19, 2013 at 10:00 a.m. (prevailing Central Time).

Dated: November 12, 2013  
New York, New York

Respectfully submitted,

DAVIS POLK & WARDWELL LLP

*/s/ Brian M. Resnick*

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Marshall S. Huebner

Elliot Moskowitz

Brian M. Resnick

Michelle M. McGreal

450 Lexington Avenue

New York, New York 10017

Telephone: (212) 450-4000

Facsimile: (212) 607-7983

*Counsel to the Debtors  
and Debtors in Possession*

-and-

BRYAN CAVE LLP

Lloyd A. Palans, #22650MO

Brian C. Walsh, #58091MO

Laura Uberti Hughes, #60732MO

One Metropolitan Square

211 N. Broadway, Suite 3600

St. Louis, Missouri 63102

Telephone: (314) 259-2000

Facsimile: (314) 259-2020

*Local Counsel to the Debtors  
and Debtors in Possession*

**SCHEDULE 1**  
(Debtor Entities)

1. Affinity Mining Company
2. Apogee Coal Company, LLC
3. Appalachia Mine Services, LLC
4. Beaver Dam Coal Company, LLC
5. Big Eagle, LLC
6. Big Eagle Rail, LLC
7. Black Stallion Coal Company, LLC
8. Black Walnut Coal Company
9. Bluegrass Mine Services, LLC
10. Brody Mining, LLC
11. Brook Trout Coal, LLC
12. Catenary Coal Company, LLC
13. Central States Coal Reserves of Kentucky, LLC
14. Charles Coal Company, LLC
15. Cleaton Coal Company
16. Coal Clean LLC
17. Coal Properties, LLC
18. Coal Reserve Holding Limited Liability Company No. 2
19. Colony Bay Coal Company
20. Cook Mountain Coal Company, LLC
21. Corydon Resources LLC
22. Coventry Mining Services, LLC
23. Coyote Coal Company LLC
24. Cub Branch Coal Company LLC
25. Dakota LLC
26. Day LLC
27. Dixon Mining Company, LLC
28. Dodge Hill Holding JV, LLC
29. Dodge Hill Mining Company, LLC
30. Dodge Hill of Kentucky, LLC
31. EACC Camps, Inc.
32. Eastern Associated Coal, LLC
33. Eastern Coal Company, LLC
34. Eastern Royalty, LLC
35. Emerald Processing, L.L.C.
36. Gateway Eagle Coal Company, LLC
37. Grand Eagle Mining, LLC
38. Heritage Coal Company LLC
39. Highland Mining Company, LLC
40. Hillside Mining Company
41. Hobet Mining, LLC
42. Indian Hill Company LLC
43. Infinity Coal Sales, LLC
44. Interior Holdings, LLC
45. IO Coal LLC
46. Jarrell's Branch Coal Company
47. Jupiter Holdings LLC
48. Kanawha Eagle Coal, LLC
49. Kanawha River Ventures I, LLC
50. Kanawha River Ventures II, LLC
51. Kanawha River Ventures III, LLC
52. KE Ventures LLC
53. Little Creek LLC
54. Logan Fork Coal Company
55. Magnum Coal Company LLC
56. Magnum Coal Sales LLC
57. Martinka Coal Company, LLC
58. Midland Trail Energy LLC
59. Midwest Coal Resources II, LLC
60. Mountain View Coal Company, LLC
61. New Trout Coal Holdings II, LLC
62. Newtown Energy, Inc.
63. North Page Coal Corp.
64. Ohio County Coal Company, LLC
65. Panther LLC
66. Patriot Beaver Dam Holdings, LLC
67. Patriot Coal Company, L.P.
68. Patriot Coal Corporation
69. Patriot Coal Sales LLC
70. Patriot Coal Services LLC
71. Patriot Leasing Company LLC
72. Patriot Midwest Holdings, LLC
73. Patriot Reserve Holdings, LLC
74. Patriot Trading LLC
75. Patriot Ventures LLC
76. PCX Enterprises, Inc.
77. Pine Ridge Coal Company, LLC
78. Pond Creek Land Resources, LLC
79. Pond Fork Processing LLC
80. Remington Holdings LLC
81. Remington II LLC
82. Remington LLC
83. Rivers Edge Mining, Inc.
84. Robin Land Company, LLC
85. Sentry Mining, LLC
86. Snowberry Land Company
87. Speed Mining LLC
88. Sterling Smokeless Coal Company, LLC
89. TC Sales Company, LLC
90. The Presidents Energy Company LLC
91. Thunderhill Coal LLC
92. Trout Coal Holdings, LLC
93. Union County Coal Co., LLC
94. Viper LLC
95. Weatherby Processing LLC
96. Wildcat Energy LLC
97. Wildcat, LLC
98. Will Scarlet Properties LLC
99. Winchester LLC
100. Winifrede Dock Limited Liability Company
101. Yankeetown Dock, LLC