

TRACY HOPE DAVIS
United States Trustee for Region 2
U.S. Department of Justice
Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, New York 10004
Tel. (212) 510-0500
By: Andrea B. Schwartz, Esq.
Trial Attorney

Hearing Date and Time:
September 11, 2012, at 1:30 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
PATRIOT COAL CORPORATION,	:	Case No. 12-12900 (SCC)
<u>et al.</u> ,	:	
	:	Jointly Administered
Debtors.	:	
	:	
-----X		

**SUPPLEMENTAL DECLARATION OF ANDREA B. SCHWARTZ
IN SUPPORT OF UNITED STATES TRUSTEE’S MOTION,
PURSUANT TO 28 U.S.C. § 1412 AND FED. R. BANKR. P. 1014(a)(1), TO
TRANSFER VENUE OF THESE CASES IN THE INTEREST OF JUSTICE**

I, Andrea B. Schwartz, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a Trial Attorney for the United States Department of Justice, Office of the United States Trustee located at 33 Whitehall Street, 21st Floor, New York, New York 10004. I am a member in good standing of the bars of the States of New York, New Jersey and California, and the Commonwealth of Pennsylvania, and am admitted to practice law in the United States District Court for the Southern District of New York.
2. On August 23, 2012, I conducted the meeting of creditors (the “341(a) Meeting”) required under Section 341(a) of title 11, United States Code (the “Bankruptcy Code”).

3. Annexed hereto as **Exhibit A** is a copy of the transcript of the 341(a) Meeting.

4. The Debtors proffered Mark N. Schroeder, Senior Vice President and Chief Financial Officer, as the Debtors' representative to be examined under oath. Mr. Schroeder testified under oath and was represented at the 341(a) Meeting, in his capacity as the Debtors' representative, by two attorneys from Davis, Polk & Wardwell LLP, the Debtors' retained counsel, including Damian Schiable and Michelle Greer. Exhibit A, Tr. 4:20-5-2.

5. Mr. Schroeder stated that, as part of his role as Chief Financial Officer, he oversees and supervises the functions of various departments within the Patriot Coal enterprise, including: (i) the treasury function, (ii) investor relations, (iii) tax, (iv) IT and (v) materials management." Id., Tr. 13:20-14:9. He also represented that he was involved in the decision-making process with respect to the Patriot Coal bankruptcy filings, id., Tr. 18:9-18:22, which he estimated began within three months prior to the Petition Date. Id., Tr. 18:17-19:10.

6. In response to my questions concerning PCX Enterprises, Inc. ("PCX") and Patriot Beaver Dam Holdings, LLC ("Patriot Beaver"), the two "New York" affiliates of Patriot Coal, Mr. Schroeder represented that he did not believe that either company existed prior to the time at which the company began discussing reorganization. Id., Tr. 41:4-41:10.

7. When I asked Mr. Schroeder about PCX, he testified that: (i) he did not believe PCX had any business operations, id., Tr. 22:7-23:10, (ii) he did not believe that PCX had any employees, id., Tr. 23:11-23:12, (iii) he was not aware of any offices that

PCX has in New York, id., Tr. 25:20-25:22 and (iv) the only assets of which he was aware consisted of \$98,000.00 of cash held in a bank account at Capital One Bank at 1432 Second Avenue, New York, New York. Id., Tr. 24:11-25:6. Mr. Schroeder represented that he did not know when the bank account was opened, the purpose of the account or the identities of the signatories on the account. Id., Tr. 25:7-25:19.

8. In response to my questions concerning Patriot Beaver, Mr. Schroeder testified that (i) he did not believe that Patriot Beaver had any employees, id., Tr. 39:1-39:3, (ii) he did not know the business in which Patriot Beaver is engaged, id., Tr. 40:18-40:20, (iii) he was not aware of any offices that Patriot Beaver had in New York, id., Tr. 39:4-39:6 and (iv) he could not recall any of Patriot Beaver's assets. Id., Tr. 38:10-38:15.

9. When I asked Mr. Schroeder about the statement contained at paragraph 7 of his declaration (the "Schroeder Rule 1007 Affidavit") that Patriot Coal's "principal assets" are located in New York, Mr. Schroeder could not identify even one asset located in New York. Id. Tr. 39:17-40:12.

10. Annexed hereto as **Exhibit B** are: (i) pages 1 through 4 of the Schroeder Rule 1007 Affidavit containing paragraph 7 wherein Mr. Schroeder represents that "principal assets" of Patriot Coal Corporation are located in New York, and (ii) page 40 of the Schroeder Rule 1007 Affidavit which contains Mr. Schroeder's signature under the following "I, the undersigned Senior Vice President and Chief Financial Officer of Patriot Coal, declare under penalty of perjury that the foregoing is true and correct."

11. Annexed hereto as **Exhibit C** is a copy of the Voluntary Petition of Patriot Coal Corporation (Case No. 12-12900 (SCC)).

12. The 341(a) Meeting was not concluded, and has been adjourned sine die because, among other things, the Debtors have not yet filed their schedules of assets and liabilities or statements of financial affairs (collectively, the “Schedules”). Id. A review of the Court’s docket reveals that as of the date hereof, the Debtors have not filed their Schedules with the Court.

Dated: New York, New York
August 31, 2012

/s/ Andrea B. Schwartz
Andrea B. Schwartz

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 12-12900(SCC)

4 - - - - - x

5 In the Matter of:

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7 PATRIOT COAL CORPORATION, ET AL.,

8

9 Debtors.

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11 - - - - - x

12

13 U.S. Bankruptcy Court

14 One Bowling Green

15 New York, NY 10004-1408

16

17 August 23, 2012

18 3:15 p.m.

19 B E F O R E :

20 ANDREA SCHWARTZ

21 TRIAL ATTORNEY

22 U.S. DEPARTMENT OF JUSTICE

23 OFFICE OF THE UNITED STATES TRUSTEE

24 SOUTHERN DISTRICT OF NEW YORK

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1 Hearing re: 341(a) Hearing
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25 Transcribed by: Dawn South and Sheri Monroe

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1 PROCEEDINGS
2 THE TRUSTEE: Let the record reflect that the date
3 is August 23, 2012, the time is approximately 3:15 p.m. The
4 name of the case is patriot Cole corporation.
5 Good afternoon, my name is Andrea Schwartz, I'm a
6 trial attorney with the Office of the United States Trustee
7 for the Southern District of New York. We are an office
8 within the United States Department of Justice.
9 I am the presiding office at this meeting of
10 creditors convened pursuant to Section 341(a) of the United
11 States Bankruptcy Code.
12 For those of you who don't know the United States
13 Trustee supervises the administration of bankruptcy cases
14 filed under the Bankruptcy Code. Debtors are required to
15 appear to be examined under oath regarding the bankruptcy
16 cases. The examination will be recorded.
17 All persons questioning the debtor must state
18 their names and indicate who that you represent.
19 May I have appearances, please.
20 MR. SCHAIBLE: Damian Schaible of Davis Polk
21 representing the debtors.
22 MS. MCGREAL: Michelle McGreal of Davis Polk
23 for --
24 THE TRUSTEE: Can you speak up, please, because
25 you're going to have to get your --

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1 APPEARANCES:
2 DAVIS POLK & WARDWELL LLP
3 Attorneys for the Debtors
4 901 15th Street Northwest
5 Washington, D.C. 20005
6
7 BY: DAMIAN S. SCHAIBLE, ESQ.
8 MICHELLE MCGREAL, ESQ.
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1 MS. MCGREAL: Michelle McGreal of Davis Polk
2 representing the debtors.
3 THE TRUSTEE: Okay. At this time I would like to
4 swear in the debtors' representative. Please raise your
5 right hand.
6 (Witness Sworn)
7 THE TRUSTEE: And please state your name and spell
8 it for the record.
9 THE WITNESS: Mark. First name M-A-R-K, last name
10 S-C-H-R-O-E-D-E-R.
11 THE TRUSTEE: And Mr. Schroeder, where do you
12 reside?
13 THE WITNESS: I reside in Caseyville, Illinois.
14 THE TRUSTEE: What is your relationship to the
15 debtor?
16 THE WITNESS: I am the senior vice president and
17 chief financial officer of the debtors.
18 THE TRUSTEE: Do you have photo identification
19 with you here today?
20 THE WITNESS: Yes, I do.
21 THE TRUSTEE: Would you please show it to me.
22 The record shall reflect that Mr. Schroeder has
23 presented me with an Illinois state driver's license number
24 [REDACTED] which expires on February 19th, 2014. It has a
25 picture of the gentleman sitting in front of me.

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1 Thank you very much.

2 THE WITNESS: Thank you.

3 THE TRUSTEE: Okay. For the record I would like

4 to state that at this time the debtors have not yet filed

5 their schedules of assets and liabilities or the statement

6 of financial affairs. They have received an extension of

7 time to do so by the Court.

8 As a consequence of that this meeting of creditors

9 under Section 341 of the Bankruptcy Code is going to be kept

10 open from today and adjourned to a subsequent date.

11 I will ask some questions today and we will permit

12 creditors here to ask questions of you as well, but we will

13 not close the 341(a) meeting until a subsequent date at

14 which time we will have had the debtors having filed their

15 schedules of assets and liabilities and statements of

16 financial affairs enabling the United States Trustee to ask

17 additional questions if she needs to based on the

18 information contained in those schedules, or for any other

19 reason that happens subsequent to today that the United

20 States Trustee believe that is she should ask questions. Do

21 you understand that?

22 THE WITNESS: Yes, I do.

23 THE TRUSTEE: Now, Mr. Schroeder, have you ever

24 been examined under oath before?

25 THE WITNESS: Yes, I have.

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1 THE TRUSTEE: In what forum was that?

2 THE WITNESS: One instance where an individual was

3 -- had a case against an employer.

4 THE TRUSTEE: Was it a deposition or was it in-

5 court testimony?

6 THE WITNESS: In-court testimony.

7 THE TRUSTEE: Okay. Have you ever had a

8 deposition taken before?

9 THE WITNESS: Yes, I have.

10 THE TRUSTEE: Given that I just will briefly go

11 over some ground rules for today's examination since you

12 have already had experience. Would that be okay with you?

13 THE WITNESS: Yes.

14 THE TRUSTEE: All right. As I stated earlier this

15 341(a) meeting is going to be recorded. As such I would

16 appreciate if you would give me verbal answers to my

17 questions. Will you agree to do that?

18 THE WITNESS: Yes, I will.

19 THE TRUSTEE: And the reason for that is fairly

20 plain, that the tape recorder can't pick up a head nod or a

21 shoulder shrug, et cetera, all right?

22 THE WITNESS: I understand, yes.

23 THE TRUSTEE: If I ask you a question and you

24 don't understand my question will you agree to tell me that

25 so I can rephrase it?

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1 THE WITNESS: Yes.

2 THE TRUSTEE: Okay. So then we will have an

3 understanding that if you don't tell me you don't understand

4 a question then it will be understood that you understood

5 the question. All right?

6 THE WITNESS: Yes.

7 THE TRUSTEE: Okay. If you need a break at any

8 time will you agree to tell me and I'll try to accommodate

9 you as best I can?

10 THE WITNESS: Yes.

11 THE TRUSTEE: Okay. And I'd like you to

12 understand a few moments ago you took an oath, that what you

13 say here today has the same force and effect as if you were

14 testifying in court where there was a judge sitting on a

15 bench as well. Do you understand that?

16 THE WITNESS: Yes.

17 THE TRUSTEE: Okay. Good. Let's see.

18 I notice that there are some people standing in

19 the back. Are there no chairs?

20 UNIDENTIFIED SPEAKER: Well, they all seem to be

21 connected like this in the other room, so I don't really

22 think I can pick up the --

23 THE TRUSTEE: They are all connected. But in that

24 room -- in the larger room over there there are chairs like

25 mine behind the desk, please feel free to bring them in.

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1 UNIDENTIFIED SPEAKER: Thank you, I appreciate

2 that.

3 THE TRUSTEE: I shouldn't want you to have to

4 stand.

5 Okay. Mr. Schroeder, are you personally familiar

6 with the financial affairs of the debtors?

7 THE WITNESS: Yes, I am.

8 THE TRUSTEE: Okay. Why don't you tell me a

9 little bit about your background with the company.

10 THE WITNESS: I've been with Patriot Coal since

11 our spin off from Peabody Energy on -- in 2007 -- October of

12 2007. I've been senior vice president and chief financial

13 officer since then.

14 THE TRUSTEE: Okay. And prior to the spin off in

15 2007 were you affiliated with the previous company, Peabody?

16 THE WITNESS: Yes, I was.

17 THE TRUSTEE: Can you tell us about that?

18 THE WITNESS: I worked with Peabody Energy from

19 October 2000 through October of 2007 with the spin off.

20 THE TRUSTEE: So basically you've been with the

21 company 22 years now?

22 THE WITNESS: Twelve years.

23 THE TRUSTEE: Twelve years. That's -- there you

24 go, I got -- you got me. I guess I'm a little nervous too.

25 No, I'm kidding. So 12 years.

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1 THE WITNESS: Yes.

2 THE TRUSTEE: And have you always been in the same

3 -- had the same capacity job?

4 THE WITNESS: No, I have not.

5 THE TRUSTEE: Okay. Would you tell us about your

6 responsibilities with the company since you've been with the

7 company?

8 THE WITNESS: Yeah, with Patriot I've had the same

9 responsibility the whole time, senior vice president and

10 chief financial officer. With Peabody Energy I held several

11 different positions while I was there -- the seven years

12 that I was there.

13 THE TRUSTEE: Could you just briefly describe the

14 progression from when you started to the time that it became

15 Patriot Coal spin off?

16 THE WITNESS: Sure. Sure.

17 With Peabody I was hired as vice president and

18 controller in October of 2007, and I was in that position

19 for approximately two years. Transferred to vice president

20 business -- business development -- I believe that was the

21 title -- was in that position for approximately two years.

22 Then transferred to vice president of materials management

23 for approximately two years. And my last year was -- the

24 position was president Peabody of China, and that was the

25 last position I had prior to the spin off with Patriot Coal.

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1 THE TRUSTEE: Now, before you joined Peabody were

2 you with any other coal companies before that?

3 THE WITNESS: No, I was not.

4 THE TRUSTEE: Any energy companies?

5 THE WITNESS: No.

6 THE TRUSTEE: Okay. And do you hold any

7 professional licenses?

8 THE WITNESS: I'm a certified public accountant.

9 THE TRUSTEE: Any others?

10 THE WITNESS: No.

11 THE TRUSTEE: Any certificates of any kind?

12 THE WITNESS: I don't believe so.

13 THE TRUSTEE: Okay. Your education, could you

14 just briefly describe that?

15 THE WITNESS: I'm a graduate of Southern Illinois

16 University at Edwardsville with a BSBA with specialization

17 in accounting.

18 THE TRUSTEE: And did you have any post college

19 graduate work that you did?

20 THE WITNESS: No.

21 THE TRUSTEE: Okay. Has -- now, when we talk

22 about the debtors we're going to speak about Patriot Coal

23 Corporation and the 98 companies that filed for bankruptcy,

24 all right?

25 THE WITNESS: Yes.

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1 THE TRUSTEE: All right. Have any of those

2 companies, the Patriot Coal companies, before filed for

3 bankruptcy?

4 THE WITNESS: No.

5 THE TRUSTEE: Okay. And can you briefly describe

6 what companies have not been put into bankruptcy of the

7 Patriot Coal enterprise?

8 THE WITNESS: There are two entities that were not

9 put into bankruptcy. I can name their -- I might have to

10 look to get their specific --

11 THE TRUSTEE: That's okay.

12 THE WITNESS: -- company name.

13 THE TRUSTEE: Yeah, you can show him. The record

14 shall reflect that Mr. Schaible is showing Mr. Schroeder a

15 notepad, and Mr. Schroeder is looking at the notepad.

16 THE WITNESS: Patriot Coal Receivables is one

17 entity, and the other entity is Patriot Ventures, LLC.

18 THE TRUSTEE: Why weren't those companies put into

19 bankruptcy?

20 THE WITNESS: I believe the reason is Patriot Coal

21 Receivables is a foreign entity, and Patriot Ventures, LLC

22 is an entity that owns an interest in several joint

23 ventures. And due to the joint venture arrangements we

24 thought it best not to include that entity in the

25 bankruptcy.

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1 THE TRUSTEE: Thank you.

2 Now, do you foresee either of those companies

3 being placed into bankruptcy?

4 THE WITNESS: I'm not sure at this time.

5 THE TRUSTEE: Okay. You've received an extension

6 of time to file your schedules until September 5th; is that

7 correct?

8 THE WITNESS: Yes.

9 THE TRUSTEE: And do you know of any reason today

10 why you would not be able to file your schedules by that

11 time?

12 THE WITNESS: We are still working on the

13 schedules. I think as we get closer to September 7th we

14 will either be ready or ask the Court to extend that

15 deadline again.

16 THE TRUSTEE: September 5th.

17 THE WITNESS: September 5th, I'm sorry.

18 THE TRUSTEE: Should keep that in your head,

19 September 5th.

20 Let me ask you something, Mr. Schroeder, just so

21 that I can understand. Can you give me a description of

22 what it is you do for the company? I got your title, but

23 could you tell me what you do? What your responsibilities

24 are?

25 THE WITNESS: I can maybe answer it by telling you

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1 who reports to me and those kind of functions that are what
2 I oversee or manage.
3 THE TRUSTEE: Okay.
4 THE WITNESS: So the whole accounting department,
5 so that would be the controller function, the treasury
6 function, investor relations, tax, IT, and materials
7 management. So those functions all report to me, so part of
8 my role then as chief financial officer is to oversee and
9 supervise those functions.
10 THE TRUSTEE: What is materials management?
11 THE WITNESS: Purchasing department is another
12 name for it, but managing the materials that we are buying,
13 the capital expenditures that we are buying, and the
14 materials that we are buying to source our mines.
15 THE TRUSTEE: Who do you report to?
16 THE WITNESS: Our chief executive officer.
17 THE TRUSTEE: And what is his name?
18 THE WITNESS: Earl Englehardt (ph).
19 THE TRUSTEE: I understand from our bankruptcy
20 analyst who's worked on this case, and I don't know were you
21 at the initial debtor interview? Who was there, Damian?
22 Michelle, were you there?
23 MS. MCGREAL: Rob Mead (ph).
24 THE TRUSTEE: Could you say it louder for me?
25 MS. MCGREAL: Robert Mead.

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1 THE TRUSTEE: Okay, he went to the initial debtor
2 interview? Okay. Well, I was saying because I thought you
3 might have this knowledge, but maybe you do, and that is you
4 understand -- as we understand it all the local bank
5 accounts that the company has -- when I say local I don't
6 mean New York I mean the smaller bank accounts that are not
7 your, you know, main operating accounts, remain under --
8 amounts that are under the FDI insurance amount; is that
9 correct?
10 THE WITNESS: I believe so.
11 THE TRUSTEE: Would you know that?
12 THE WITNESS: I don't know for sure.
13 THE TRUSTEE: How would you find that out?
14 THE WITNESS: Ask the treasurer.
15 THE TRUSTEE: Okay. Would you do -- would you do
16 that for us, please? We would like to be sure of that
17 information.
18 THE WITNESS: Sure.
19 THE TRUSTEE: And perhaps your counsel can make
20 take a few notes here on additional information --
21 MR. SCHAIBLE: Uh-huh.
22 THE TRUSTEE: -- to supply to our office.
23 MR. SCHAIBLE: Uh-huh.
24 THE TRUSTEE: We'd appreciate that.
25 Mr. Schroeder, are you aware of any new bank

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1 accounts having been opened since the bankruptcy filing?
2 THE WITNESS: No, I am not aware of any new
3 accounts.
4 THE TRUSTEE: Okay. Is it possible that that has
5 happened but you're simply not aware of it?
6 THE WITNESS: No.
7 THE TRUSTEE: Okay.
8 (Pause)
9 THE TRUSTEE: Have post petition books and records
10 been established for the companies?
11 THE WITNESS: Yes, they have.
12 THE TRUSTEE: And where are they located?
13 THE WITNESS: In St. Louis, Missouri.
14 THE TRUSTEE: Missouri? And are all -- I think I
15 read this on one of the papers -- but are all the books and
16 records for the company located in St. Louis?
17 THE WITNESS: Yes, they are.
18 THE TRUSTEE: Is St. Louis, Missouri the corporate
19 headquarters?
20 THE WITNESS: Yes, it is.
21 THE TRUSTEE: And that is located at what address,
22 please.
23 THE WITNESS: 12312 Olive Boulevard, St. Louis,
24 Missouri 63141.
25 THE TRUSTEE: So --

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1 THE WITNESS: I think that's the zip code.
2 THE TRUSTEE: Okay. And is that where your office
3 is?
4 THE WITNESS: Yes.
5 THE TRUSTEE: Okay. Can you briefly just describe
6 the background and nature of the debtors' business?
7 THE WITNESS: We are a producer of thermal and
8 metallurgical coal that we sell to utilities in the United
9 States and abroad and sell to steel producers in the United
10 States and abroad.
11 THE TRUSTEE: And is Patriot -- does Patriot Coal,
12 the description that you just gave me of Patriot Coal's
13 business, does that differ from the Peabody nature of its
14 business? Did the -- I'll rephrase this question.
15 But what I'm trying to ask you is did the nature
16 -- has the nature of the business changed when it was spun
17 off into Patriot Coal or is it basically the same?
18 THE WITNESS: Basically the same from the respect
19 that we mine coal and sell the coal both thermal and
20 metallurgical coal.
21 THE TRUSTEE: And how is it different?
22 THE WITNESS: That's what we were doing before.
23 I'm not sure if your question was are we in our operations
24 any different? We are in the sense that we have bought
25 another company during the period after the spin off, so --

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1 THE TRUSTEE: That's Magnum?
2 THE WITNESS: Yes, it is.
3 THE TRUSTEE: Okay.
4 THE WITNESS: So from that respect it's different
5 than the entities that existed at the time of the spin off.
6 THE TRUSTEE: But the same type of business
7 operations remain the same; is that right?
8 THE WITNESS: Yes.
9 THE TRUSTEE: Okay. I'm a little bit shortening
10 the questions because we're going to adjourn to another date
11 so I'm trying to just get some of the main things asked.
12 Now, with respect to Patriot Coal filing for
13 bankruptcy were you involved in that decision process?
14 THE WITNESS: There was a board decision, but I
15 was involved from the standpoint of providing information to
16 the board.
17 THE TRUSTEE: Can you help me out a little bit?
18 What -- I'm trying to understand what your involvement was,
19 like what type of information were you providing?
20 THE WITNESS: Helping to arrange the debtor-in-
21 possession financing, helping to lay out the information
22 that led up to the bankruptcy proceedings themselves.
23 THE TRUSTEE: Uh-huh. And when did that
24 discussion begin?
25 THE WITNESS: I don't recall the exact time.

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1 THE TRUSTEE: Well, would it have been greater
2 than a year ago?
3 THE WITNESS: No.
4 THE TRUSTEE: Would it have been more than six
5 months ago?
6 THE WITNESS: No, I don't believe so.
7 THE TRUSTEE: Can you give me an estimate as to
8 when you think those discussions started?
9 THE WITNESS: Within three months prior to the
10 filing of July 9th.
11 THE TRUSTEE: Thank you. And you had mentioned
12 earlier that there are two companies that were not placed
13 into bankruptcy. Were you part of the discussions to not
14 put those companies into bankruptcy?
15 THE WITNESS: No.
16 THE TRUSTEE: Who was involved in that?
17 THE WITNESS: I'm not sure.
18 THE TRUSTEE: You just know that they weren't put
19 into bankruptcy?
20 THE WITNESS: Yes.
21 THE TRUSTEE: Okay. I want to ask you some
22 questions. I have two sets of questions I wanted to ask
23 you. I wanted to ask you some questions about three of the
24 bankruptcy petitions that were filed.
25 Now, I understand that you didn't sign the

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1 bankruptcy petitions, and that someone named Ms. Jones --
2 Jacqueline Jones signed the petitions. Is that your
3 understanding?
4 THE WITNESS: I don't know actually.
5 THE TRUSTEE: Let me show you what we'll mark as
6 UST-I, all right? I'm showing you the petition for PCX
7 Enterprises, Inc. Take a look at that and let me know if
8 you've ever seen it before.
9 (United State's Trustee's Exhibit No. 1 was marked)
10 THE WITNESS: I don't believe so.
11 THE TRUSTEE: Okay. Have you seen any of the
12 bankruptcy petitions of the 99 companies that were filed?
13 THE WITNESS: Yes, I have, and I'm not saying I
14 did not see this one, I just -- I don't recall it right now.
15 THE TRUSTEE: Okay. But my question is, did you
16 -- were you part of the review process in the petitions
17 being filed?
18 THE WITNESS: Yes.
19 THE TRUSTEE: Okay. And at some point in time did
20 you have to either approve or sign off on the information
21 contained in the petitions?
22 THE WITNESS: Yes.
23 THE TRUSTEE: When was that?
24 THE WITNESS: Early July this year.
25 THE TRUSTEE: In the -- who else had to sign off

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1 on the petitions?
2 THE WITNESS: I don't recall.
3 THE TRUSTEE: Do you know of anyone else?
4 THE WITNESS: I don't recall.
5 THE TRUSTEE: Would you say that Ms. Jones would
6 have to do that since she signed them?
7 THE WITNESS: Yes.
8 THE TRUSTEE: Okay. And she's the secretary of
9 the company --
10 THE WITNESS: Yes.
11 THE TRUSTEE: -- correct?
12 THE WITNESS: Yes.
13 THE TRUSTEE: Does she report to you?
14 THE WITNESS: No.
15 THE TRUSTEE: Do you have any interaction with
16 her?
17 THE WITNESS: Yes.
18 THE TRUSTEE: What is that?
19 THE WITNESS: We talk on a regular basis, so her
20 as secretary of the company we have various interactions on
21 different affairs of the company.
22 THE TRUSTEE: Okay. Looks -- you're smiling so
23 I'm thinking you like her?
24 THE WITNESS: For the record, yes, I do.
25 (Laughter)

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1 MR. SCHAIBLE: Hard not to like Jackie.
 2 THE TRUSTEE: Okay. I'm trying to -- were you the
 3 last person to sign off on, for example, the Patriot Coal
 4 Corporation petition before it could be filed?
 5 THE WITNESS: I don't recall.
 6 THE TRUSTEE: All right. Let me ask you a
 7 question about this petition in particular. This is that
 8 PCX Enterprises. Are you familiar with that company?
 9 THE WITNESS: Yes.
 10 THE TRUSTEE: Can you tell me about that company?
 11 THE WITNESS: I don't know a whole lot about that
 12 company. I know the company is -- I know of the company PCX
 13 Enterprises.
 14 THE TRUSTEE: And how do you know of it?
 15 THE WITNESS: You have it in front of me here, you
 16 showed me Jackie -- Jacqueline Jones signed off on it so I
 17 do know of the company.
 18 THE TRUSTEE: Okay. But I -- you're not saying
 19 that you just heard of the company right now when I showed
 20 you this --
 21 THE WITNESS: No, ma'am.
 22 THE TRUSTEE: Oh, okay. So I'm asking you
 23 independent of showing you this what is your knowledge of
 24 this company?
 25 THE WITNESS: This is an entity that is

Page 23

1 incorporated in New York, I believe.
 2 THE TRUSTEE: Okay.
 3 THE WITNESS: So I know of that. I know that that
 4 did occur.
 5 THE TRUSTEE: All right. Do you know what its
 6 operations are -- business operations?
 7 THE WITNESS: No, I don't.
 8 THE TRUSTEE: Do you know if it has any business
 9 operations?
 10 THE WITNESS: I don't believe it has.
 11 THE TRUSTEE: Uh-huh. Does it have any employees?
 12 THE WITNESS: I do not believe so.
 13 THE TRUSTEE: Okay. It says here on the petition
 14 that the street address for the company is at the corporate
 15 headquarter address you said before, the 12312 Olive
 16 Boulevard. You see that?
 17 THE WITNESS: Yes, I do.
 18 THE TRUSTEE: Do you believe that's correct?
 19 THE WITNESS: Yes.
 20 THE TRUSTEE: Okay. And then it also says that
 21 the county of residence or of the principal place of
 22 business is New York County. Do you see that?
 23 THE WITNESS: Yes, I do.
 24 THE TRUSTEE: And do you believe that that is
 25 correct?

Page 24

1 THE WITNESS: I have no reason to believe it is
 2 not.
 3 THE TRUSTEE: Okay. Well, I'm trying to -- what
 4 does this company do? I know you said it doesn't have any
 5 employees and it doesn't have any operations, but what does
 6 it do?
 7 THE WITNESS: I'm not sure.
 8 THE TRUSTEE: Okay. Well, do you know if it has a
 9 residence in New York?
 10 THE WITNESS: No, I don't.
 11 THE TRUSTEE: Okay. Do you know what assets this
 12 company has?
 13 THE WITNESS: Yes.
 14 THE TRUSTEE: Can you tell me what they are,
 15 please.
 16 THE WITNESS: I believe this company has cash
 17 assets of approximately \$98,000.
 18 THE TRUSTEE: Okay. And do you know where that
 19 cash is located?
 20 THE WITNESS: I believe the cash is located in New
 21 York.
 22 THE TRUSTEE: Where is that?
 23 THE WITNESS: In a bank account in Manhattan I
 24 believe.
 25 THE TRUSTEE: Uh-huh. Where?

Page 25

1 MR. SCHAIBLE: Can I show him?
 2 THE TRUSTEE: Sure. I mean you're going to show
 3 him a document, but he'll tell me whether it's -- you know,
 4 what he knows.
 5 THE WITNESS: Capital One Bank located at 1432
 6 Second Avenue, New York, New York 10021.
 7 THE TRUSTEE: Okay. And when was that account
 8 opened?
 9 THE WITNESS: I believe June of 2012.
 10 THE TRUSTEE: Okay. And do you know what the
 11 purpose of that account is?
 12 THE WITNESS: No, I don't.
 13 THE TRUSTEE: Who opened that account?
 14 THE WITNESS: Someone within Patriot Coal.
 15 THE TRUSTEE: Right. Who's the signatory on the
 16 account?
 17 THE WITNESS: I don't know.
 18 THE TRUSTEE: Not you?
 19 THE WITNESS: It could be me, I don't recall.
 20 THE TRUSTEE: Oh, okay. Does PCX Enterprises,
 21 Inc. have any offices in New York?
 22 THE WITNESS: Not that I'm aware of.
 23 THE TRUSTEE: Does PCX Enterprises, Inc. have any
 24 creditors that you're aware of?
 25 THE WITNESS: Yes.

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1 THE TRUSTEE: Okay.

2 THE WITNESS: I believe they are a guarantor on

3 our existing \$200 million convertible debt and \$250 million

4 unsecured debt.

5 THE TRUSTEE: Yeah. See some of the questions I'm

6 asking are simply because we don't have the schedules yet,

7 so we're just getting just a small amount of information

8 with respect to that. I'm not going to ask you every single

9 question about -- I just had some questions about the

10 petition itself really.

11 Now, it says here that there's a mailing address

12 at CT Corporation. That would just be for the registered

13 agent, would that be your understanding?

14 THE WITNESS: I do not know.

15 THE TRUSTEE: Okay.

16 MR. SCHAIBLE: Ms. Schwartz, may I ask a question?

17 Is the U.S. Trustee's Office using these questions to

18 support its venue motion?

19 THE TRUSTEE: The U.S. Trustee's Office is using

20 the questions to verify the information contained in the

21 petition.

22 MR. SCHAIBLE: I understand the purpose of a 341

23 meeting is to provide information to creditors, not

24 necessarily to support a motion that may have been filed by

25 the U.S. Trustee's Office.

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1 THE TRUSTEE: Yeah. I agree with that, and there

2 would be a whole host more questions that we would have with

3 respect to the separate motion.

4 Mr. Schroeder, are you aware that there have been

5 several motions that have been filed to transfer venue of

6 the company's cases from New York outside of New York?

7 THE WITNESS: Yes.

8 THE TRUSTEE: Okay. We're really asking some

9 general questions that we ask on a regular basis with

10 respect to a few of the petitions and the company in

11 general, which I think they are, and to the extent we want

12 to ask more in-depth questions we will do so at another

13 time. Is that all right with you, Mr. Schroeder?

14 THE WITNESS: I understand.

15 THE TRUSTEE: Is that all right with you,

16 Mr. Schaible?

17 MR. SCHAIBLE: I reserve my rights.

18 THE TRUSTEE: Okay, you can reserve your --

19 MR. SCHAIBLE: To whether it's right or not.

20 THE TRUSTEE: You can reserve your rights, that's

21 fine.

22 Okay. Any way, I was asking you about the

23 validity of that information. I want to ask you another

24 question. I have three petitions I wanted to ask you about,

25 and they're the same questions.

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1 Taking this petition here, this is the main

2 petition that was filed for Patriot Coal Corporation. Have

3 you seen this before?

4 THE WITNESS: Again, I don't recall, but that

5 doesn't mean I have not seen it.

6 THE TRUSTEE: Okay. And here it says that the

7 address of Patriot Coal Corporation is at the corporate

8 headquarters. Do you see that?

9 THE WITNESS: Yes, I do.

10 THE TRUSTEE: Do you believe that to be correct?

11 THE WITNESS: Yes, I do.

12 THE TRUSTEE: Okay. And here it says that the

13 county of residence is St. Louis County, Missouri. Do you

14 believe that that's correct?

15 THE WITNESS: Yes, I do.

16 THE TRUSTEE: And why do you say that?

17 THE WITNESS: Well, I see it on here so I do

18 believe it is correct.

19 THE TRUSTEE: And do you believe it's correct just

20 because you see it on this page or do you have some

21 independent knowledge of that?

22 THE WITNESS: I will say because I see it on this

23 page.

24 THE TRUSTEE: Okay. Well, how do you know --

25 MR. SCHAIBLE: Just for the record -- just for the

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1 record so the record is clear.

2 THE TRUSTEE: Yeah, sure.

3 MR. SCHAIBLE: I know you're not intending to ask

4 legal questions --

5 THE TRUSTEE: Right.

6 MR. SCHAIBLE: -- but Mr. Schroeder to be

7 understood is not a lawyer.

8 THE TRUSTEE: Okay.

9 MR. SCHAIBLE: Does not necessarily understand the

10 specific questions being asked of him in the petition.

11 THE TRUSTEE: Uh-huh.

12 MR. SCHAIBLE: He did not sign the petitions.

13 THE TRUSTEE: Right.

14 MR. SCHAIBLE: And so he can answer your questions

15 to the best of his ability --

16 THE TRUSTEE: Right.

17 MR. SCHAIBLE: -- but the question as to the legal

18 import of a -- whatever the question is on county of

19 residence --

20 THE TRUSTEE: I just asked him if he thought that

21 the information was correct. The street address.

22 MR. SCHAIBLE: No, but there's a specific question

23 being asked --

24 THE TRUSTEE: Yeah.

25 MR. SCHAIBLE: -- on the petition.

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1 THE TRUSTEE: Right.
2 MR. SCHAIBLE: And I just want the record clear
3 that Mr. Schroeder doesn't necessarily know what is intended
4 by county of residence or principal place of business.
5 Those are --
6 THE TRUSTEE: I hear you.
7 MR. SCHAIBLE: -- those are generally understood
8 to be legal questions.
9 THE TRUSTEE: Mr. Schroeder, do you hear what your
10 counsel has just said?
11 THE WITNESS: Yes.
12 THE TRUSTEE: At the outset of me asking you
13 questions today you agreed that you would tell me if you
14 don't understand one of my questions, right?
15 THE WITNESS: Yes.
16 THE TRUSTEE: Okay. Now, in light of what your
17 counsel has just said do you not understand what I asked
18 you?
19 THE WITNESS: I do understand what you asked me,
20 but I don't necessarily know --
21 THE TRUSTEE: Okay.
22 THE WITNESS: -- what is meant by county of
23 residence or principal place of business as this form is
24 filled out.
25 THE TRUSTEE: Okay. That's fair enough. Sure.

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1 And thank you for the clarification. But I just -- you
2 know --
3 MR. SCHAIBLE: That clarification goes with
4 respect to the last petition as well.
5 THE TRUSTEE: No, that's all right.
6 But my point here is that if I ask you a question
7 and I'll ask -- I'll say it to you again, if you don't
8 understand what I'm asking you do you agree to tell me?
9 THE WITNESS: Yes, I will.
10 THE TRUSTEE: Okay. All right. No one is trying
11 to trip you up or ask you something that -- you know, I
12 think my questions have been very simple and
13 straightforward, and if you don't understand I'm happy to
14 clarify them for you, and I'm happy for Mr. Schaible to make
15 a comment if he wants to try to help you because he thinks
16 that you might not understand what I'm asking. All right?
17 THE WITNESS: Right.
18 MR. SCHAIBLE: Or he can just -- or he may just
19 not know the answer to the question --
20 THE TRUSTEE: Well, I think he's agreed --
21 MR. SCHAIBLE: -- because it may be a legal
22 question.
23 THE TRUSTEE: Right. But he's agreed several
24 times now, Mr. Schaible, to tell me if he doesn't know the
25 answer to a question. I think he's a relatively

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1 professional man, you know, I mean do you agree,
2 Mr. Schroeder?
3 THE WITNESS: What was your question?
4 THE TRUSTEE: That you'll tell me if you don't
5 know the answer to a question.
6 THE WITNESS: Yes.
7 THE TRUSTEE: Thank you.
8 Okay. So going back to this here, do you see that
9 it also says that there are the location of principal assets
10 of the business in New York? Do you see that?
11 THE WITNESS: Yes.
12 THE TRUSTEE: Do you know what assets -- any
13 assets of Patriot Coal Corporation that are located in New
14 York? And that is not a legal question.
15 THE WITNESS: I don't know what location of
16 principal assets --
17 THE TRUSTEE: I'm not asking you that, I'm asking
18 you --
19 THE WITNESS: -- necessarily means.
20 THE TRUSTEE: -- do you know of any assets of
21 Patriot Coal -- any assets of Patriot Coal Corporation in
22 New York? Do you know of any?
23 THE WITNESS: No.
24 THE TRUSTEE: Okay.
25 THE WITNESS: But --

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1 THE TRUSTEE: Yeah.
2 THE WITNESS: -- I would not necessarily know of
3 all assets of Patriot Coal.
4 THE TRUSTEE: Corporation.
5 THE WITNESS: Corporation.
6 THE TRUSTEE: Right. And why is that?
7 THE WITNESS: Our company has -- our company or
8 debtors have extensive assets, I don't recall all assets
9 that we have or where all assets are located.
10 THE TRUSTEE: Okay. Let me go back for a second
11 because I want to make sure I understand something.
12 You said earlier that you're the chief financial
13 officer, right?
14 THE WITNESS: Yes, I did.
15 THE TRUSTEE: Okay. And all those different
16 departments you told me report to you, right?
17 THE WITNESS: Yes.
18 THE TRUSTEE: As part of that reporting they
19 report on the assets and the state and the financial
20 condition of their various divisions, right?
21 THE WITNESS: Yes.
22 THE TRUSTEE: Okay. And so is it -- is it part of
23 your responsibility in your role to be aware of where the
24 assets of the corporation are located?
25 THE WITNESS: Those departments report to me,

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1 those functions report to me. That doesn't mean that my
2 responsibility is to know where every asset is located.
3 THE TRUSTEE: Okay. Let me ask you something --
4 MR. SCHAIBLE: Also just important -- important to
5 note for the record there are approximately 101 entities
6 that make out the Patriot Coal Corporation, and as you can
7 imagine when you're operating a business the businesses are
8 not operated on an entity by entity basis.
9 THE TRUSTEE: Yeah.
10 MR. SCHAIBLE: So Mr. Schroeder is well aware of
11 assets --
12 THE TRUSTEE: Please don't tell me what is or
13 where -- excuse me -- please don't tell me what he's aware
14 of and what he's not aware of. He's right here sitting in
15 front of me and I've asked him questions and I think he's
16 answering me. I have no reason to believe that he's not
17 answering me truthfully. I'm listening carefully to what he
18 said. He's agreed already to tell me whether or not if he
19 doesn't understand a question, et cetera.
20 If you want to make some kind of legal argument or
21 factual argument do it another time, because there's a lot
22 of people sitting here and a lot of people will have
23 questions and I'd just like to get through my questions
24 here.
25 Mr. Schroeder will answer anything and if he tells

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1 me he doesn't know then I believe that he doesn't know.
2 All right. Let me show you this document,
3 Mr. Schroeder, and you tell me whether or not you've ever
4 seen it before. This is -- we're going to mark this
5 document as document number 2.
6 (United State's Trustee's Exhibit No. 2 was marked)
7 THE WITNESS: I have seen this document before.
8 THE TRUSTEE: What is it?
9 THE WITNESS: It is declaration of Mark M.
10 Schroeder pursuant to local Bankruptcy Rule 1007-2.
11 THE TRUSTEE: And how do you know this document?
12 THE WITNESS: I have read this document and signed
13 this document.
14 THE TRUSTEE: And is all the information contained
15 in the document true to the best of your knowledge?
16 THE WITNESS: Yes, it is.
17 THE TRUSTEE: Okay. And since the time that you
18 signed the document, which let's take a look at that date
19 here.
20 (Pause)
21 THE TRUSTEE: It's a long one. Looks like it's
22 July 9th. Would that be your recollection?
23 THE WITNESS: Yes.
24 THE TRUSTEE: Okay. Since July 9th is there
25 anything that's contained in this document that you think

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1 should be changed or modify since you filed it or since you
2 signed it?
3 THE WITNESS: I don't -- I don't know.
4 THE TRUSTEE: But you're not aware of anything as
5 we sit here today?
6 THE WITNESS: I'm not aware of anything as we sit
7 here today.
8 THE TRUSTEE: Okay. I want to ask you two
9 questions -- well, I want to ask you about two things you
10 say in the document here.
11 Okay. Take a look at paragraph 7, please. I have
12 a copy for you, Mr. Schaible, to make it easy for you.
13 Ms. McGreal, do you need one?
14 MS. MCGREAL: Thank you.
15 THE TRUSTEE: I'm just going to -- on paragraph 7
16 -- let's see. Paragraph 7 states the following, and correct
17 me if I read anything incorrectly. It says, "Two of the
18 debtors are organized under the laws of the State of New
19 York." Correct?
20 THE WITNESS: Yes.
21 THE TRUSTEE: And earlier I think you testified
22 that PCX Enterprises was incorporated in New York; is that
23 correct?
24 THE WITNESS: Yes.
25 THE TRUSTEE: What is the other entity that's

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1 incorporated in New York that you're referring to in your
2 declaration?
3 THE WITNESS: Beaver -- Patriot Beaver -- Patriot
4 Behavior Dam Holdings, LLC.
5 THE TRUSTEE: All right. Well, let me ask you
6 this. I'm going to show you what is number 3. This is
7 the bankruptcy petition Patriot Beaver Dam Holdings, LLC.
8 Can you take a look at it and let me know if you've ever
9 seen it before?
10 (United State's Trustee's Exhibit No. 3 was marked)
11 THE WITNESS: I don't recall if I've seen it.
12 THE TRUSTEE: So you may have seen it?
13 THE WITNESS: Yes, ma'am.
14 THE TRUSTEE: Okay. And you see here at the top
15 it states that the address for Patriot Beaver Dam is in
16 Missouri at that same corporate address, right?
17 THE WITNESS: Yes.
18 THE TRUSTEE: And do you believe that's correct?
19 THE WITNESS: Yes.
20 THE TRUSTEE: Okay. Are you aware -- can you tell
21 me anything about Patriot Beaver Dam Holdings, LLC?
22 MR. SCHAIBLE: If you don't know the answer --
23 THE WITNESS: I don't -- I don't recall.
24 THE TRUSTEE: Okay. Do you know if Patriot Beaver
25 Dam Holdings, LLC is in fact a Patriot Coal Corporation

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1 entity?

2 THE WITNESS: I believe it is.

3 THE TRUSTEE: Okay. How do you know that?

4 THE WITNESS: I've heard the name before. I

5 believe it is.

6 THE TRUSTEE: Okay. And it says it's Holdings,

7 LLC. Is your understanding that it's a holding company?

8 THE WITNESS: Based on the name, yes. I don't

9 recall exactly what it --

10 THE TRUSTEE: Okay. Do you know if Patriot Beaver

11 Dam Holdings has any assets?

12 THE WITNESS: I believe it does. I don't know --

13 I don't recall what those assets are.

14 THE TRUSTEE: You don't know any of the assets?

15 THE WITNESS: I don't recall.

16 THE TRUSTEE: Of this company?

17 THE WITNESS: Yes.

18 THE TRUSTEE: Okay. Do you know why it was

19 formed?

20 THE WITNESS: I don't.

21 MR. SCHAIBLE: I think that getting into questions

22 about why an entity was formed is something that we should

23 deal with in a separate venue.

24 THE TRUSTEE: All right. Let me ask you a

25 different question.

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1 Do you know if Patriot Beaver Dam Holdings has any

2 employees?

3 THE WITNESS: I don't believe it does.

4 THE TRUSTEE: Do you know if it has any offices in

5 New York?

6 THE WITNESS: I don't believe so.

7 THE TRUSTEE: And I think you said you don't know

8 what assets it has; is that right?

9 THE WITNESS: That's correct.

10 THE TRUSTEE: Do you know if it has any creditors?

11 THE WITNESS: I believe it was a guarantor of the

12 \$200 million convertible note and the \$250 million unsecured

13 debt.

14 THE TRUSTEE: Similar to PCX Enterprises; is that

15 right?

16 THE WITNESS: Yes.

17 THE TRUSTEE: Okay. Going back to your affidavit

18 that you signed.

19 THE WITNESS: Yes.

20 THE TRUSTEE: That sentence -- the first sentence

21 -- the second sentence says, "The principal assets of those

22 two debtors" -- and now we've said that that's PCX and

23 Patriot Beaver Dam -- "along with those of Patriot Coal" --

24 which you define here as Patriot Coal Corporation -- "are

25 located in New York."

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1 Now, I asked you a few moments ago what assets of

2 Patriot Coal Corporation are located in New York --

3 THE WITNESS: Uh-huh.

4 THE TRUSTEE: -- and you were unable to tell me.

5 Does this refresh your recollection at all?

6 THE WITNESS: No, it does not.

7 THE TRUSTEE: So as we sit here today you can't

8 state specifically that you're aware of any assets of

9 Patriot Coal Corporation in New York?

10 THE WITNESS: I don't know.

11 THE TRUSTEE: Okay.

12 THE WITNESS: I don't recall.

13 THE TRUSTEE: All right. I have another question.

14 Can I have that back for a second?

15 THE WITNESS: Sure.

16 THE TRUSTEE: Thank you.

17 (Pause)

18 THE TRUSTEE: Do you know what business Patriot

19 Beaver Dam Holdings, LLC is engaged in?

20 THE WITNESS: No, I don't.

21 THE TRUSTEE: Do you know whether -- you had said

22 earlier that the discussions concerning reorganization

23 started approximately three months before the case -- the

24 company -- you know, the cases were filed?

25 THE WITNESS: I think my answer was within the

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1 last three months.

2 THE TRUSTEE: Okay.

3 THE WITNESS: I don't recall when.

4 THE TRUSTEE: Sorry, okay. Within the last three

5 months.

6 Do you know whether or not these two companies

7 that I asked you about, PCX Enterprises, or Patriot Beaver

8 were in existence before you started having discussions with

9 the other management about the reorganization?

10 THE WITNESS: I don't believe they were.

11 THE TRUSTEE: Okay. At the next -- at the

12 adjourned date for the 341, Mr. Schaible, we would like

13 Ms. Jones, the signatory on the petitions to be present.

14 MR. SCHAIBLE: Okay.

15 THE TRUSTEE: We usually do that on the first --

16 let me ask you a question, Mr. Schroeder. Who -- for PCX

17 Enterprises -- it's a corporation. Do you know who the

18 board members are?

19 THE TRUSTEE: Let me ask you a question,

20 Mr. Schroeder, who -- for PCX Enterprises, it's a

21 corporation. Do you know who the board members are?

22 THE WITNESS: No, I don't.

23 THE TRUSTEE: Are you a board member for that

24 company?

25 THE WITNESS: I don't recall, but I will look.

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1 (Pause)

2 THE WITNESS: I am not a board member.

3 THE TRUSTEE: Okay. Are you -- I guess, would you

4 be a board member -- are you a board member of Patriot

5 Beaver Dam Holdings? Well, actually, would you be a member

6 of that? That's and LLC, so I guess, I don't know if

7 there's a board. I don't think so, I think it's members.

8 THE WITNESS: I don't believe so.

9 THE TRUSTEE: Could you tell me what you're

10 looking at?

11 THE WITNESS: This is a management structure

12 report. So, it is providing the management name and the

13 title for each of our 100 plus subsidiaries.

14 THE TRUSTEE: And would it be accurate to say that

15 because you have so many companies, you're not sure which

16 ones you're a member of the board of and which ones you're

17 not?

18 THE WITNESS: Yes.

19 THE TRUSTEE: Thank you. And have you provided

20 that to us, Mr. Schaible?

21 MR. SCHAIBLE: I'm not sure, but would you like a

22 copy in case we didn't?

23 THE TRUSTEE: I would love it. Thank you. Oh,

24 thank you. Thank you. I can get the information right off

25 of that.

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1 Have you seen this before, Mr. Schroeder?

2 THE WITNESS: Yes, I have.

3 THE TRUSTEE: And is the information contained in

4 this document correct?

5 THE WITNESS: I don't know. To the best of my

6 knowledge it is.

7 THE TRUSTEE: Okay.

8 THE WITNESS: I did not prepare it.

9 THE TRUSTEE: Well, let's mark that as D-1, so

10 that we will know what document we were talking about, you

11 know, as part of the record of today's 341(a) meeting.

12 (Defendant's Exhibit No. 1 was marked)

13 I had another question about one of the bank

14 accounts and that is the bank account at Reich & Tang

15 Natixis. Is that Natixis or Natexus (sic)?

16 MR. SCHAIBLE: In Texas.

17 THE TRUSTEE: Yeah, that bank account. I believe

18 that in the order authorizing the company to continue using

19 its cash management system, it was represented that there

20 was a zero balance in that account.

21 MR. SCHAIBLE: At the direction of the U.S.

22 Trustee's Office, we removed all cash out of that account.

23 THE TRUSTEE: Is that correct, Mr. Schroeder?

24 THE WITNESS: I believe so.

25 THE TRUSTEE: Thank you. Okay. I'll have to

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1 verify that. Thank you.

2 THE WITNESS: That was a previously existing

3 accounting which held funds until the Trustee's Office

4 directly asked that we remove it.

5 THE TRUSTEE: Yeah, I imagine they didn't fall

6 within the guidelines for a bank accounts -- the Chapter 11

7 operating guidelines and the depositories.

8 Just give me a moment, I'm just looking over my

9 questions here.

10 THE WITNESS: Sure.

11 THE TRUSTEE: Thank you.

12 (Pause)

13 THE TRUSTEE: A lot of the information that we

14 will sometimes ask at 341(a) meetings is contained in the

15 schedules, so since you have -- your company had gotten an

16 extension of time to file the schedules, I'm going to hold

17 off until I get the schedules instead of asking you all of

18 those questions before I have it.

19 THE WITNESS: I understand.

20 THE TRUSTEE: Currently, are the debtors operating

21 at a profit or a loss?

22 THE WITNESS: We operated at a loss through

23 June 30th of 2012. We've not publicly filed any financial

24 statements since then.

25 THE TRUSTEE: Okay. You will be filing monthly

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1 operating reports with the court because the companies are

2 under the protection of the bankruptcy laws. So, I'm asking

3 you as of today -- I understand you haven't filed any public

4 reports, but are you operating at a profit or loss today?

5 MR. SCHAIBLE: As this is a public company, I just

6 want to be clear whether we're being directed by the

7 government to disclose -- I just want to be careful about

8 disclosure. This is a public company and you're asking for

9 information which is not yet been released in a monthly

10 operating report, so I want to be clear as to whether we're

11 being directed to disclose this information, because I don't

12 want to -- I want to avoid any disclosure ambiguities.

13 THE TRUSTEE: Well, is there a problem with him

14 answering the question, Mr. Schaible?

15 MR. SCHAIBLE: Well, he's going to be providing

16 information about the profit or loss of a public company

17 ahead of its public release. And its public release would

18 be part of its monthly operating report. I just -- again,

19 I'm not --

20 THE TRUSTEE: Well, then -- then okay --

21 MR. SCHAIBLE: -- I'm not challenging the question

22 --

23 THE TRUSTEE: Okay.

24 MR. SCHAIBLE: -- I just want to make sure we --

25 THE TRUSTEE: Well, you are challenging -- you are

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1 challenging the question.

2 MR. SCHAIBLE: Well, I just want to make sure we

3 don't step into something --

4 THE TRUSTEE: Well, let's be clear that you are

5 challenging the question, but it's all right. I will hold

6 off on responding because I'm understanding from your

7 counsel that he has some sensitivity to your giving that

8 information at this time.

9 MR. SCHAIBLE: Just concerns about selective

10 disclosure under the securities laws.

11 THE TRUSTEE: Okay. Well, we don't want -- we

12 don't -- we certainly are not asking you any questions where

13 we want you to, you know, take any action outside of any

14 law, but I've never had anyone object to the question of

15 whether or not you're operating at a profit or a loss,

16 before.

17 So, because your lawyer is concerned about you

18 giving that information, I'll just --

19 THE WITNESS: Well, just if I can answer that?

20 THE TRUSTEE: Sure.

21 THE WITNESS: I am also concerned --

22 THE TRUSTEE: Please don't say anything outside of

23 your --

24 THE WITNESS: I am also concerned and that's why I

25 answered the question through June 30th, we were operating

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1 at a loss, that is publicly disclosed information.

2 THE TRUSTEE: Okay. Okay. Can you tell me what

3 the reorganization plan is? What is your idea, having filed

4 for bankruptcy? What's the objectives that the company is

5 seeking to achieve under Chapter 11?

6 THE WITNESS: Our objective is to exit the

7 bankruptcy procedure as a healthier company than we are as

8 we enter the bankruptcy. We have liabilities that we are

9 trying to overcome. We have obligations that we are trying

10 to overcome.

11 THE TRUSTEE: Right.

12 THE WITNESS: So, as part of the process we hope

13 to overcome those liabilities in a manner that we can exit

14 bankruptcy as a producer of metal edge coal and thermal

15 coal.

16 THE TRUSTEE: And how do you think -- how are you

17 planning to do that, in a general sense?

18 THE WITNESS: Trying to gain control over the

19 costs that we incur in mining our coal.

20 THE TRUSTEE: And when you say that, gain control

21 over the cost, what do you mean by that?

22 THE WITNESS: Our costs are very high today and we

23 need to find ways to lower the costs that we incur in mining

24 the coal and selling the coal then to the public.

25 THE TRUSTEE: Is the company current today paying

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1 its post-petition -- it's post-petition obligations?

2 THE WITNESS: I believe so.

3 THE TRUSTEE: Okay. Let me just check on thing.

4 I didn't want to ask you something and I think it is

5 definitely a fair question and I think this is probably

6 going to one of the last questions I have and then I'm going

7 to open it up to questions for the rest of the -- and this

8 is really based on reading what you said in your affidavit,

9 you know, with respect to the companies and the question I

10 asked you about the assets of Patriot Coal Corporation.

11 I want you to look at something here and you let

12 me if you have an understanding why this is. This is the

13 bankruptcy petition I showed you earlier for Patriot Beaver

14 Dam Holdings; do you see that?

15 THE WITNESS: Yes, I do.

16 THE TRUSTEE: Let me ask you something before I

17 even ask you anything about this document. Do you

18 understand what venue is?

19 THE WITNESS: Yes, I do.

20 THE TRUSTEE: Okay. And what is your

21 understanding of that?

22 MR. SCHAIBLE: I'm going to ask Mr. Schroeder not

23 to answer that question. Venue is a legal question and I

24 don't feel --

25 THE TRUSTEE: Okay. I'm not going to ask his --

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1 I'm not going to ask his legal opinion. What is your

2 understanding as a lay person? What is your understanding

3 of what that means?

4 THE WITNESS: Venue is a place.

5 THE TRUSTEE: Right. And do you understand -- is

6 it your understanding -- I'll leave that, not a problem.

7 But I want to ask you a question and that is, if you see

8 here on this bankruptcy petition, do you see here this

9 section here, where it says information regarding a debtor's

10 venue?

11 THE WITNESS: Yes, I see the information.

12 THE TRUSTEE: Okay. And you see that there's one

13 choice that's checked off here?

14 THE WITNESS: Yes, I do.

15 THE TRUSTEE: Okay. What does it say on the

16 petition as to what the basis for the venue is on this

17 petition? Can you take a look at that?

18 THE WITNESS: I can read it to you. Debtor as

19 been domiciled or has a residence, principle place of

20 business or principle assets in this district for 180 days

21 immediately preceding the date of the petition or for a

22 longer part of such 180 days than in any other district.

23 THE TRUSTEE: Okay. And I think you said that you

24 had to sign off on these petition; is that right?

25 THE WITNESS: I don't recall each petition that I

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1 signed off on.

2 THE TRUSTEE: But in general, you signed off on

3 all of them, is that right?

4 THE WITNESS: I believe so.

5 THE TRUSTEE: Okay. And in that process would you

6 have any input or knowledge with respect to this particular

7 part of the petition?

8 THE WITNESS: No.

9 THE TRUSTEE: Okay. So, then would it be fair to

10 say that with respect to the petition for Patriot Coal

11 Corporation -- also in the same place, do you see that that

12 first option that you just read is not checked on that

13 petition?

14 THE WITNESS: I see that, yes.

15 THE TRUSTEE: Right. And just read what the

16 second one says.

17 THE WITNESS: There is a bankruptcy case

18 concerning debtors affiliates, general partner or

19 partnership pending in this district.

20 THE TRUSTEE: Right. Now, the only reason I

21 wanted to ask you about that is because in your affidavit

22 you say at paragraph 7, which I showed you earlier and you

23 read earlier.

24 THE WITNESS: Uh-huh.

25 THE TRUSTEE: And you also stated is correct, that

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1 the principle assets of Patriot Coal are located in New

2 York; do you see that?

3 THE WITNESS: Yes, I do.

4 THE TRUSTEE: Right. And that's correct, right?

5 THE WITNESS: As far as I understand, yes.

6 THE TRUSTEE: Okay. So, why is it then that --

7 why is it then -- let me just say my question, please. Why

8 is it then that to this company, Patriot -- if you know,

9 Patriot Coal Corporation did not claim that venue was based

10 on the first one, that said principle assets in the

11 district? Do you know?

12 THE WITNESS: I do not know.

13 THE TRUSTEE: Okay. All right. As I stated at

14 the outset, this meeting is going to be continued.

15 Mr. Schaible, the continue date that we would like to

16 adjourn the meeting to is September 27th at 3 p.m. Does

17 that work for you?

18 MR. SCHAIBLE: I'd like to reserve to make sure

19 that we filed our schedules.

20 THE TRUSTEE: That's fine. Oh well -- okay.

21 Thanks.

22 Mr. Schroeder, earlier I had asked you if you

23 foresee any problems with filing your schedules by the date

24 that the court has given you an extended time to file them,

25 September 5th. Do you see a problem getting your schedules

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1 in by that date?

2 THE WITNESS: At this point, no, but I know that

3 they are very extensive and we have more work to go. So, I

4 think we will continue to endeavor to get them done by then,

5 but we may need to ask the court for an extension again.

6 THE TRUSTEE: Yeah. And it --

7 MR. SCHAIBLE: We just don't know.

8 THE TRUSTEE: I'm sorry?

9 MR. SCHAIBLE: I'm sorry. We just don't know at

10 this time.

11 THE TRUSTEE: Okay.

12 MR. SCHAIBLE: We're doing our best.

13 THE TRUSTEE: Okay. All right. So, let's do that

14 then. We're going to -- I'm going to now turn -- let the

15 meeting be -- let the creditors ask questions.

16 MR. SCHAIBLE: What was the -- I'm sorry, what was

17 the date?

18 THE TRUSTEE: I had suggested September 27th at

19 3 p.m. See if that works for you --

20 MR. SCHAIBLE: That date works for me --

21 THE TRUSTEE: You don't have to tell me right at

22 this moment.

23 MR. SCHAIBLE: Okay.

24 THE TRUSTEE: Please take your time, check your

25 schedules --

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1 MR. SCHAIBLE: Sure.

2 THE TRUSTEE: -- see if that works. We're

3 flexible, we'll ask you to put a notice on the docket of the

4 adjourned date. Okay.

5 We're hoping we see your schedules and statements

6 of financial affairs by the 5th and I'm sure you're working

7 hard to try to do that.

8 Now, part of the reason for a meeting of creditors

9 under Section 341 is to allow creditors to ask the debtor

10 questions.

11 At this point I'm directing my statements to those

12 sitting in the room. First I'd like to know, is there

13 anyone here that would like to ask any questions of the

14 debtor?

15 I see one hand, two hands. Okay. To you

16 gentlemen, I'm just going to let you know that a meeting of

17 creditors is an opportunity for you to ask questions. It's

18 not a deposition to the extent that you want to ask very

19 detailed questions about your creditors, claims, et cetera.

20 There are devices under the bankruptcy code that provide the

21 opportunity for you to make an application, to take a

22 deposition, a 30(b)(6), whatever, to ask detailed questions.

23 Okay.

24 But I will permit questions to take place and

25 let's start. Okay.

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1 At this time, thank you, Mr. Schroeder, as far as
2 my questions are concerned, I'm pretty much finished. I may
3 ask a couple of interjecting questions when the other
4 creditors -- thank you so much, sir.

5 Sir, would you come up and then we're going to
6 move this chair over here so that you can sit. Okay. Just
7 please state your name and the law firm or whatever company
8 you're with and who you represent.

9 MR. KENNEY: Sure. Chris, the last name is
10 Kenney. I'm with Aurelius Capital Management.

11 THE TRUSTEE: This is Mr. Schroeder, he's here on
12 behalf of Patriot Coal Corporation.

13 CROSS-EXAMINATION

14 BY MR. KENNEY:

15 Q Thank you for attending. I have a series of questions
16 laid out in sort of categories. I guess I'll just sort of
17 run through them and hopefully to the extent you can answer
18 them, you know, go from there.

19 As it relates to burdensome contracts we note that
20 the coal supply contract, the below market coal supply
21 contract, is approximately a 70 million dollar liability
22 based on public filings. Is this one of the contracts that
23 has been rejected to date? And if not, why not?

24 MR. SCHAIBLE: You need not answer the why not if
25 it leads --

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1 THE WITNESS: I don't think it has been rejected
2 yet.

3 BY MR. KENNEY:

4 Q And to the extent -- and I don't mean to be ploy, but
5 to the extent it's not legal question, why hasn't this been
6 one of those contracts rejected? It's enormous in size, \$70
7 million and it's, you know, dollars, that would otherwise
8 go to creditors.

9 A We have not paid any amounts on that contract and there
10 are no payments that we would make on that contract in the
11 near term.

12 Q Okay. As it relates to labor negotiations, have you
13 begun negotiating potential changes to labor contracts for
14 retiree health plans?

15 A I don't believe so.

16 Q I guess that eliminates my second part. In, I think,
17 one of the discussions or one of the meetings there was
18 something called a Gateway contract in terms of Patriot has
19 had some success in navigating or in negotiating Gateway
20 contracts away from, I guess, the standard UMWA contract.
21 I'm unfamiliar with what a Gateway contract is. Is there --
22 could you just outline for me like, what are some of the
23 potential costs and benefits that Patriot might realize
24 under a Gateway contract versus a UMWA?

25 A Very detailed analysis between the two. I could not

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1 identify what those are. There are some general differences
2 that have to do with the funding of health care costs.

3 Q For example?

4 A Whether health care costs are paid in total or if
5 there's something less than the total amount paid.

6 Q I guess, sort of sticking with general, there's no --
7 like, you haven't had a Gateway contract in the past that
8 you could use as a proxy to sort of give an example or like
9 a before and after, anything like that?

10 A There are Gateway like contracts that do exist out
11 there, but it's a very detailed difference and I can't run
12 down those differences off hand.

13 Q Okay. As it relates to subsidiary liabilities, it's
14 our understanding that for coal act liabilities the
15 liabilities are established for entities that are under
16 common control as of -- say like, 1992, 1994 and so
17 therefore, not all entities that Patriot owns would
18 necessarily be subject to coal act liabilities. Can you
19 tell me which entities don't have coal act liabilities?

20 MR. SCHAIBLE: To be clear, you've just stated a
21 legal analysis that Mr. Schroeder is not going to be able to
22 confirm or deny. So, he -- I'm not sure how to answer that
23 question.

24 THE TRUSTEE: You have to keep your questions to
25 factual questions.

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1 MR. SCHAIBLE: In other words, whether a given
2 entity has liability is --

3 MR. KENNEY: Fair enough.

4 MR. SCHAIBLE: -- a legal question, he's not going
5 to be able to answer.

6 THE TRUSTEE: Okay. Go ahead.

7 BY MR. KENNEY:

8 Q I'll restructure the question as such. Is that -- for
9 the Patriot entities that were spun off from Peabody, do you
10 happen to know if all of those were in existence as of --
11 say 1992?

12 A I don't know.

13 Q Okay.

14 THE TRUSTEE: Can I ask one question here? Excuse
15 me for one second.

16 I was under the impression, based on what you had
17 said, but maybe I didn't get it right. I thought that when
18 the Patriot entities were spun off in 2007, does that mean
19 that -- and I apologize if this is not a great question, but
20 it wasn't just a reformulation of the existing Peabody
21 companies?

22 In other words, like Peabody went off and did its
23 own business and Patriot Coal did its own business?

24 THE WITNESS: Peabody is still in the same
25 business that Patriot Coal is in, so Peabody had a number of

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1 entities that remained with Peabody and some entities that
2 went with Patriot.
3 THE TRUSTEE: And can you tell us how many
4 entities, essentially -- you know, in other words, if there
5 were 100 entities, did two entities go off to Patriot Coal?
6 What was the percentage? Half of them go to Patriot Coal?
7 THE WITNESS: I don't remember the number, but a
8 large number stayed with Peabody and a large number went
9 with Patriot.
10 THE TRUSTEE: That doesn't tell me anything. I
11 mean, you know, I can't tell the difference between --
12 THE WITNESS: I don't recall how many of our
13 current 101 subsidiaries existed with the spin off. It
14 would have been a number less than that in that some
15 entities came about with the Magnum Coal Acquisition.
16 THE TRUSTEE: Right.
17 THE WITNESS: I don't remember how many entities
18 stayed with Peabody, but again, it would have been a large
19 number. It's not one or two --
20 THE TRUSTEE: Right. Right, right, right.
21 THE WITNESS: -- it's an extensive number.
22 THE TRUSTEE: Would you say -- could you estimate
23 the number of Patriot Coal entities that formally were
24 Peabody entities of 101? A percentage?
25 MR. SCHAIBLE: If you don't know, don't estimate.

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1 THE TRUSTEE: No, I'm not asking for an exact, I'm
2 asking if he can estimate.
3 THE WITNESS: I would say at least half.
4 THE TRUSTEE: Okay. Go ahead. Sorry to
5 interrupt, I was trying to follow the train of thought.
6 BY MR. KENNEY:
7 Q Totally understand. I guess, moving on, on the multi-
8 employer pension, what's your estimate of the current
9 withdrawal liability?
10 A I don't know.
11 MR. SCHAIBLE: Again, withdrawal liability -- an
12 estimate of withdrawal liability requires a great deal of
13 legal analysis Mr. Schroeder is not going to be able to
14 opine on at this time.
15 MR. KENNEY: Okay. Is that going to be something
16 that's going to come out in the next week? In the
17 schedules?
18 THE TRUSTEE: Direct your questions to
19 Mr. Schroeder.
20 MR. KENNEY: Mr. Schroeder, is that some
21 information that's going to come out in the next week, the
22 next -- I guess whenever the schedules are filed,
23 September 5th, what have you?
24 THE WITNESS: No.
25 BY MR. KENNEY:

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1 Q Is there a reason that -- let me rephrase that. Why
2 wouldn't that piece of information come out? It seems
3 pretty --
4 MR. SCHAIBLE: If you know.
5 BY MR. KENNEY:
6 Q -- important to creditors.
7 A I don't know the amount.
8 Q Right. I know that you don't know the amount. I'm
9 saying, it seems like an amount that should be calculated
10 and disclosed, as this is of keen interest to creditors.
11 The question is, are you going to calculate it and if so,
12 when?
13 A It is an extensive calculation, I believe, and I don't
14 know that we're calculating it at this point.
15 MR. SCHAIBLE: But he doesn't know.
16 BY MR. KENNEY:
17 Q But do you know if you are calculating it?
18 A I don't know if we are calculating it at this point.
19 Q For Selenium, the Charleston Gazette reported that --
20 in a court hearing, that there's negotiations between
21 environmental groups and Patriot as it relates to
22 potentially extending the consent decree deadline for
23 broader obligations. Do you know anything about what the
24 broader obligations are?
25 MR. SCHAIBLE: Just to be clear --

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1 THE TRUSTEE: We aren't sure on that.
2 MR. SCHAIBLE: -- just to be clear, this is a
3 public forum and so Mr. Schroeder should not answer any
4 questions that involve --
5 THE TRUSTEE: Right. I'm sure you --
6 MR. SCHAIBLE: As I'm sure -- as it may be the
7 case that that does.
8 THE TRUSTEE: Okay. Just shorten that -- first of
9 all, just ask him the question. I mean, you read a whole
10 thing about what was reported.
11 MR. KENNEY: Okay.
12 THE TRUSTEE: Who knows what was reported in that
13 paper. I mean, you know what I'm saying. Ask him the
14 question.
15 MR. SCHAIBLE: This isn't a research analysis.
16 THE TRUSTEE: Okay, look, Mr. Schaible, let the
17 guy ask his question. He's going to have only about two
18 more minutes, because we're going to let other -- okay?
19 MR. SCHAIBLE: Fair enough.
20 MR. KENNEY: I'll drop that one.
21 BY MR. KENNEY:
22 Q From the increase of \$307 million for the Selenium
23 obligation, that was reported in your June 30th natural
24 reports to the public. Do you have an estimate for what the
25 annual ongoing cash expense for that Selenium clean-up

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1 obligation is going to be? Previously you had disclosed \$7
2 million or something of that order. Do you have a ballpark
3 for what that annual expense is going to be following an
4 increase?
5 A It's not public information. So, I do have an
6 estimate, but it's not public information that I can share
7 at this time.
8 Q Not public in that it hasn't been disclosed, because I
9 guess that kind of assumes the answer, but is it subject to
10 confidentiality, which I guess is --
11 A It's not public because it has not been disclosed.
12 THE TRUSTEE: And when will it be disclosed?
13 THE WITNESS: That's not a number that we do
14 disclose.
15 THE TRUSTEE: Okay.
16 THE WITNESS: It's future information and we would
17 not disclose.
18 THE TRUSTEE: Okay. If you need that information,
19 use Rule 2005.
20 MR. KENNEY: Okay.
21 THE TRUSTEE: Do you know what that is?
22 MR. KENNEY: I do. Yeah, I realize that you
23 didn't file a press release ahead of the 10-Q as in past
24 times where you update the sort of un-priced portion -- or
25 rather the book business for 2012 and 2013.

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1 BY MR. KENNEY:
2 Q Do you have that information available? Can you relay
3 that?
4 A It's not public information. I don't have the
5 information with me.
6 Q Okay.
7 THE TRUSTEE: You can ask two more questions.
8 MR. KENNEY: All right. Let me focus on --
9 THE TRUSTEE: Because you've been asking questions
10 for over ten minutes now.
11 BY MR. KENNEY:
12 Q Which entities are utilizing the DIP loan and in what
13 amounts? Said differently, which entities are net consumers
14 and net producers of cash?
15 A We have a concentrated cash collection and cash
16 disbursement accounts with other entities then within our
17 company transactions between the concentration account
18 companies and those individual companies.
19 So, multiple entities utilize the benefit of the
20 DIP financing.
21 Q Okay. How about I focus it in then because I realize
22 that was perhaps too broad. What about, say, Apagy (ph),
23 Hobitt (ph) and Catenary (ph) and the environmental
24 liabilities that they have, is that funded through the DIP
25 or are they generating cash to fund those liabilities?

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1 A I don't know off hand if they're generating cash today.
2 Q Okay. I guess, last question then, are the retiree
3 benefit obligations being sub-funded or are those funded
4 through the DIP?
5 A Again, all disbursements and cash collections run
6 through a centralized entity or a centralized account, so
7 there are multiple entities that pay off obligations that
8 are intercompany payables and receivables.
9 Q I'll ask it differently then. Understanding the cash
10 concentration account and the intercompany receivable and
11 payables, have there been any companies where retiree
12 benefit obligations are paid on their behalf in which they
13 are increasing the payables that they owe to Patriot Coal
14 Corp who, I take it, is your cash management entity?
15 A I would think the answer to that is yes, I don't know.
16 Q And I would take it that just as it relates to
17 intercompanies, this would be something that's disclosed on
18 the schedules, correct?
19 A We will provide intercompany information as part of the
20 schedules and statement.
21 MR. KENNEY: Okay. I guess my time is up. Thank
22 you.
23 THE TRUSTEE: Is there any other question you have
24 to ask?
25 MR. KENNEY: Well, I did have -- if you'd give me

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1 the moment, I did have a question as just --
2 BY MR. KENNEY:
3 Q What would you think is a sort of the steady state
4 amount of LC's required to support Patriot's ongoing
5 business operations?
6 A We have, I believe, 356 million today. We've had that
7 balance for a little while now.
8 Q Right.
9 A I don't know what the balance will be three months, six
10 months, nine months from now, but it's been at that level
11 roughly 356 million now for awhile.
12 Q Okay. I mean, I just note that there's like a 45
13 million dollar LC posted to like West Virginia as it relates
14 to some environmental stuff. I wasn't sure if there were
15 some of these LC's which, you know, complete some sort of
16 obligation made, you know, poof go away.
17 MR. SCHAIBLE: Is that a question?
18 MR. KENNEY: Yes, I'll --
19 BY MR. KENNEY:
20 Q Are there any LC's that you anticipate that are going
21 to go away in the near term?
22 A Not in the near -- well, I don't anticipate any going
23 away in the next month or two.
24 Q What about in the next 18?
25 A I'm sure there will be some changes to the LC balance.

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1 I don't know how much to anticipate, it's going to go up or
2 down in the next 18 months.
3 Q Okay. Fair enough.
4 MR. KENNEY: Thank you.
5 THE TRUSTEE: Thank you, Mr. Kenney. Sir?
6 UNIDENTIFIED MALE: Actually, my question has been
7 covered now.
8 THE TRUSTEE: Okay, good. Does anybody else have
9 any questions or would like to examine the debtor?
10 Okay. I have -- yes, sir. Come on up. Please
11 state your name for the record and the party whom you
12 represent.
13 MR. UMBROSE: Serg Umbrose (ph) with Kennedy,
14 Jennik & Murray. Counsel to the United Mine Workers.
15 THE TRUSTEE: Thank you, sir. Go ahead.
16 MR. UMBROSE: Just a couple quick questions.
17 CROSS-EXAMINATION
18 BY MR. UMBROSE:
19 Q You were asked if PCX Enterprises has any bank accounts
20 in New York, I believe, and your answer was no; is that
21 correct?
22 A No.
23 MR. SCHAIBLE: I don't think that was his answer.
24 THE TRUSTEE: That wasn't his answer.
25 THE WITNESS: That wasn't my answer.

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1 BY MR. UMBROSE:
2 Q Oh, what was your answer?
3 A Yes.
4 Q Yes. Okay. Oh, that was the one with the 98,000; is
5 that correct?
6 A Yes.
7 Q Okay. I guess this -- I don't think you were asked if
8 Patriot Beaver Dam Holdings had any bank accounts and that's
9 a question I had for you?
10 A I don't believe it does.
11 Q Okay. Does PCX Enterprises have any property? Real
12 property that you know of?
13 A I don't believe so.
14 Q Same question for Patriot Beaver Dam Holdings?
15 MR. SCHAIBLE: Just to be clear for the record,
16 when you say real property, what do you mean? You mean, the
17 commonly defined real property, buildings and real estate?
18 MR. UMBROSE: Yes.
19 MR. SCHAIBLE: Just wanted to make sure.
20 BY MR. UMBROSE:
21 Q Yes. Yes, same question for Patriot Beaver Dam
22 Holdings, any real property?
23 A I don't believe so.
24 Q Do you know if there are any contracts with any -- does
25 PCX Enterprises have any contracts with any New York

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1 companies?
2 A I don't know.
3 Q Okay. And to the extent that you know, same question
4 for Patriot Beaver Dam Holdings?
5 A I don't know.
6 MR. UMBROSE: Okay. That's it.
7 THE TRUSTEE: Okay. Thank you. Does anybody else
8 have any questions that they would like to ask of the
9 debtors today?
10 Okay. Before we adjourn I had asked you some
11 questions earlier also with respect to each of PCX
12 Enterprises and Patriot Beaver Dam. You testified that you
13 didn't have the information with respect to the questions I
14 asked you. To the extent subsequent to today, you have that
15 information or can obtain that information from other people
16 at your company. I'd ask that you please provide that to my
17 office.
18 THE WITNESS: Can I ask you what information,
19 specifically?
20 THE TRUSTEE: Yes. I asked with respect to each
21 company. Some of them you answered, you had some
22 information. But I asked about what assets Patriot Beaver
23 Dam had that were in New York.
24 THE WITNESS: Okay.
25 THE TRUSTEE: And I asked what assets Patriot Coal

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1 Corporation had that were in New York. And you were unable
2 to identify them for me. It may be that you put this
3 information in papers that you file with respect to the
4 venue motions, but to the extent you have that information
5 it would be -- I would ask that you please provide it to us.
6 I had asked and continue -- would like to know how
7 each of these companies were funded. You said that there
8 was \$98,000 that was placed in a bank account for PCX
9 Enterprise, I would like to know where that \$98,000 came
10 from.
11 I also asked why the holding company was formed
12 and you had indicated you didn't know and you also stated,
13 Mr. Schaible, that that was a legal question.
14 I believe that that may, in fact, be a factual
15 question as well and to the extent that you have information
16 that you can provide us with respect to those two companies
17 I'd appreciate it.
18 I'd also -- and I think, Mr. Schroeder, you can
19 confirm, neither of those companies have employees; is that
20 correct?
21 THE WITNESS: That's my understanding.
22 THE TRUSTEE: And neither of those companies have
23 offices in New York; is that correct?
24 THE WITNESS: That's my understanding.
25 THE TRUSTEE: And I don't know if you could answer

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1 this question, but if you can, would you know the
 2 reorganization needs of those two companies?
 3 THE WITNESS: No, I don't.
 4 THE TRUSTEE: Okay. So, if subsequent to today,
 5 consulting with your other --
 6 MR. SCHAIBLE: I'm sorry, just to be clear,
 7 Mr. Schroeder did testify that both of those companies are
 8 (indiscernible) \$450 million.
 9 THE TRUSTEE: Well, he actually used a 200 number,
 10 but what I was --
 11 MR. SCHAIBLE: Two hundred plus --
 12 THE TRUSTEE: Right. But that was when I asked
 13 him whether or not those companies had creditors and that
 14 was what his response was. Not what the reorganization
 15 needs were for the company.
 16 So, if you, Mr. Schaible, think that that's the
 17 need for the reorganization then I'm sure you can provide --
 18 you, through --
 19 MR. SCHAIBLE: Again, we'll take all of these --
 20 THE TRUSTEE: That's fine.
 21 MR. SCHAIBLE: -- we'll take all these questions
 22 under advisement.
 23 THE TRUSTEE: That's fine.
 24 MR. SCHAIBLE: For the record, we're not agreeing
 25 to provide this information, but we'll take the request

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1 under advisement and we appreciate it.
 2 THE TRUSTEE: Okay. And I'm asking -- just for
 3 the record, I'm asking you for the information.
 4 THE WITNESS: Sure. I understand.
 5 THE TRUSTEE: Okay. Just to be clear -- I think
 6 those were pretty much the questions that Mr. Schroeder said
 7 he didn't have specific knowledge for.
 8 MR. SCHAIBLE: Okay. Thank you. We'll take those
 9 requests under advisement and we'll be in touch with the
 10 Trustee's Office. Thank you.
 11 THE TRUSTEE: I'm just checking my notes, hang on
 12 a second.
 13 (Pause)
 14 THE TRUSTEE: All right. And I had said that on
 15 the adjourn date, Ms. Jones, we would ask that she be here
 16 so that we can ask her specific questions about -- among
 17 other things, the petitions that she signed.
 18 MR. SCHAIBLE: Sure.
 19 THE TRUSTEE: Okay. So --
 20 MR. SCHAIBLE: Again, we'll take it under
 21 advisement.
 22 THE TRUSTEE: Well -- there's no under advisement
 23 about that. This meeting is being adjourned because you did
 24 not produce the party who signed the petitions. That is in
 25 part why it's being adjourned.

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1 MR. SCHAIBLE: My understanding --
 2 THE TRUSTEE: Let me, please -- let me please
 3 finish. The meeting is being adjourned because you have
 4 received an extension date to file your schedules and
 5 statements of financial affairs. It is also being adjourned
 6 because the person that you offered today to testify on
 7 behalf of the company cannot ask specific questions about
 8 the petitions. He's not the signator, he said he couldn't
 9 answer them. He said that he believes that he signed off on
 10 them, but he doesn't have specific recollection about each
 11 petition. Okay. That's what we're saying.
 12 We want the person who signed the petitions to be
 13 able to be here to answer questions.
 14 Okay. At this point, we will adjourn the meeting
 15 until a date that works for the company and for the United
 16 States Trustee's Office. The debtors will put a notice on
 17 the docket advising of the adjourn date.
 18 Mr. Schroeder, I want to thank you very much for
 19 coming here today and answering my questions.
 20 THE WITNESS: Thank you.
 21 (Whereupon these proceedings were concluded at 4:34 PM)
 22
 23
 24
 25

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2 CERTIFICATION

3

4 I, Dawn South and Sheri Monroe, certify that the foregoing

5 transcript is a true and accurate record of the proceedings.

6

7

8

9 AAERT Certified Electronic Transcriber CET**D-408

10 ALSO TRANSCRIBED BY:

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17 Veritext

18 200 Old Country Road

19 Suite 580

20 Mineola, NY 11501

21 Date: August 25, 2012

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

In re:

PATRIOT COAL CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 12-[] ()

(Jointly Administered)

**DECLARATION OF MARK N. SCHROEDER PURSUANT
TO LOCAL BANKRUPTCY RULE 1007-2**

Mark N. Schroeder declares and says:

1. I am the Senior Vice President and Chief Financial Officer of Patriot Coal Corporation ("**Patriot Coal**"). I have been employed in this position by Patriot Coal since Patriot Coal's creation in October 2007. Prior to that, I held several management positions with Patriot Coal's former parent company, Peabody Energy Corporation ("**Peabody**"), including President of Peabody China, LLC and Vice President of Materials Management, Vice President of Business Development and Vice President and Controller of Peabody. I am familiar with the day-to-day operations, business, and financial affairs of the Debtors (as defined below).

2. I submit this declaration (i) in support of the petitions of the Debtors for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), (ii) pursuant to Local Bankruptcy Rule 1007-2 in support of the Debtors’ petitions and contemporaneously-filed requests for relief in the form of motions and applications (the “**First Day Motions**”), and (iii) to assist the Court and other interested parties in understanding the circumstances giving rise to the commencement of these chapter 11 cases. I have reviewed the First Day Motions or have otherwise had their contents explained to me, and it is my belief that the relief sought therein is essential to the uninterrupted operation of the Debtors’ business and to the Debtors’ reorganization.

3. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision, or my opinion based upon experience, knowledge and information concerning the operations of the Debtors and the coal industry as a whole. If called upon to testify, I would testify competently to the facts set forth in this declaration. Unless otherwise indicated, the financial information contained herein is unaudited and provided on a consolidated basis.

Commencement of Reorganization Proceedings

4. On July 9, 2012 (the “**Petition Date**”), Patriot Coal and those of its subsidiaries that are debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”¹ and, together with their non-debtor subsidiaries, “**Patriot**” or the “**Company**”), each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors

¹ The Debtors are the entities listed on Exhibit 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

intend to continue in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. Part I of this declaration describes the Debtors' business, Part II describes the circumstances giving rise to the commencement of these chapter 11 cases, Part III sets forth the relevant facts in support of the First Day Motions and Part IV provides additional information required by Local Bankruptcy Rule 1007-2.

I.

The Debtors' Business

A. Operations

6. Patriot is a leading producer and marketer of coal in the United States, with operations and coal reserves in the Appalachia (Northern and Central) and Illinois Basin coal regions. Patriot's principal business is the mining and preparation of metallurgical coal and thermal coal, which is also known as steam coal. Metallurgical coal products are sold primarily to steel mills and independent coke producers, where they are blended with other coals in a chemical process that produces coke for the manufacture of steel. Various thermal coal products are sold primarily to electricity generators with the appropriate boiler, emission control and transportation equipment to produce either electricity or steam, or both. Patriot supplies different qualities of coal to a diverse base of domestic and international customers, including electricity generators, industrial users and steel and coke producers in various countries across North America, Europe, South America and Asia, including Belgium, Brazil, Bosnia and Herzegovina, Canada, China, France, Italy, Japan, Mexico, South Korea, Sweden and the United Kingdom, and various states in the United States, including Florida, Georgia, Illinois, Indiana, Kentucky,

Maryland, Michigan, North Carolina, New Jersey, New York, Ohio, Pennsylvania, Tennessee, Wisconsin and West Virginia.

7. Two of the Debtors are organized under the laws of the State of New York. The principal assets of those two Debtors, along with those of Patriot Coal, are located in New York. The other of the affiliated Debtors' assets are located in each of the many locations from which they operate their businesses. The Debtors own, lease or hold under other arrangement coal reserves, surface property and other real estate interests in various counties in many states, including Illinois, Indiana, Kentucky, Missouri, Ohio, Pennsylvania and West Virginia.

8. Prior to October 31, 2007, Patriot Coal and a number of its subsidiaries were wholly-owned subsidiaries of Peabody, the world's largest private-sector coal company, and their operations were a part of Peabody's. On October 31, 2007, Patriot Coal was spun off from Peabody through a dividend of all outstanding shares of Patriot Coal. As a result of the spin-off, Patriot Coal became a separate, public company, listed on the New York Stock Exchange.

9. On July 23, 2008, Patriot Coal acquired Magnum Coal Company ("Magnum"). At the time of its acquisition by Patriot Coal, Magnum (which had on its balance sheet substantial assets and liabilities previously acquired from Arch Coal, Inc. ("Arch")) was one of the largest coal producers in Appalachia, controlling more than 600 million tons of proven and probable coal reserves.

10. As of the Petition Date, the Debtors conduct mining operations at twelve active mining complexes consisting of nineteen surface and underground mines in the Appalachia and the Illinois Basin coal regions. The Debtors' operations include company-operated mines, contractor-operated mines and coal preparation facilities. Through these active and certain idled operations, as well as positions in undeveloped coal reserves, the Debtors control approximately

I, the undersigned Senior Vice President and Chief Financial Officer of Patriot Coal,
declare under penalty of perjury that the foregoing is true and correct.

Dated: July 9, 2012

/s/ Mark N. Schroeder

Mark N. Schroeder
Senior Vice President and
Chief Financial Officer

**United States Bankruptcy Court
Southern District of New York**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Patriot Coal Corporation	Name of Joint Debtor (Spouse) (Last, First, Middle): N/A
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): Eastern Coal Holding Company, Inc.; Patriot Coal Corporation Midwest	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): N/A
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): 20-5622045	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): N/A
Street Address of Debtor (No. & Street, City, and State): 12312 Olive Boulevard, Suite 400 Saint Louis, Missouri	Street Address of Joint Debtor (No. & Street, City, and State): N/A
ZIP CODE 63141	ZIP CODE
County of Residence or of the Principal Place of Business: Saint Louis County, MO	County of Residence or of the Principal Place of Business: N/A
Mailing Address of Debtor (if different from street address): ZIP CODE	Mailing Address of Joint Debtor (if different from street address): N/A ZIP CODE
Location of Principal Assets of Business Debtor (if different from street address above): New York, NY	
ZIP CODE 10019	

Type of Debtor (Form of Organization) (Check one box.)	Nature of Business (Check one box.)	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other	<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.

Filing Fee (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	Check one box: Chapter 11 Debtors <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). <hr/> Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
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Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.	THIS SPACE IS FOR COURT USE ONLY																				
Estimated Number of Creditors * <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td> </tr> <tr> <td>1-49</td><td>50-99</td><td>100-199</td><td>200-999</td><td>1,000-5,000</td><td>5001-10,000</td><td>10,001-25,000</td><td>25,001-50,000</td><td>50,001-100,000</td><td>Over 100,000</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1-49	50-99	100-199	200-999	1,000-5,000	5001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000	
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1-49	50-99	100-199	200-999	1,000-5,000	5001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000												
Estimated Assets * <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input checked="" type="checkbox"/></td> </tr> <tr> <td>\$0 to \$50,000</td><td>\$50,001 to \$100,000</td><td>\$100,001 to \$500,000</td><td>\$500,001 to \$1 million</td><td>\$1,000,001 to \$10 million</td><td>\$10,000,001 to \$50 million</td><td>\$50,000,001 to \$100 million</td><td>\$100,000,001 to \$500 million</td><td>\$500,000,001 to \$1 billion</td><td>More than \$1 billion</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion	
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\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion												
Estimated Debts * <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input checked="" type="checkbox"/></td> </tr> <tr> <td>\$0 to \$50,000</td><td>\$50,001 to \$100,000</td><td>\$100,001 to \$500,000</td><td>\$500,001 to \$1 million</td><td>\$1,000,001 to \$10 million</td><td>\$10,000,001 to \$50 million</td><td>\$50,000,001 to \$100 million</td><td>\$100,000,001 to \$500 million</td><td>\$500,000,001 to \$1 billion</td><td>More than \$1 billion</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>												
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion												

*Estimated creditors, assets and liabilities are on a consolidated basis.

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		
Pg 2 of 27 of Debtor(s): Patriot Coal Corporation		
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)		
Location Where Filed: N/A	Case Number: N/A	Date Filed:
Location Where Filed: N/A	Case Number: N/A	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)		
Name of Debtor: See Attachment 1	Case Number: Not yet assigned.	Date Filed:
District: Southern District of New York	Relationship: Affiliates	Judge: Not yet assigned.
<p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>	
Exhibit C		
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?		
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.		
<input checked="" type="checkbox"/> No		
Exhibit D		
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)		
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.		
If this is a joint petition:		
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.		
Information Regarding the Debtor - Venue (Check any applicable box.)		
<input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.		
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.		
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.		
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)		
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)		
_____ (Name of landlord that obtained judgment)		
_____ (Address of landlord)		
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and		
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.		
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).		

Voluntary Petition

(This page must be completed and filed in every case)

Pg 3 of 27

Name of Debtor(s): Patriot Coal Corporation

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only **one** box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

Date

Signature of Attorney*

X /s/ Marshall S. Huebner
Signature of Attorney for Debtor(s)

Marshall S. Huebner
Printed Name of Attorney for Debtor(s)

Davis Polk & Wardwell LLP
Firm Name

450 Lexington Avenue
New York, NY 10017
Address

(212) 450-4000
Telephone Number

07/09/12
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: 1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; 2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, 3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X _____
Signature

Date
Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Jacquelyn A. Jones
Signature of Authorized Individual

Jacquelyn A. Jones
Printed Name of Authorized Individual

Vice President, Associate General Counsel & Corporate Secretary
Title of Authorized Individual

07/09/12
Date

[If debtor is required to file periodic reports (e.g. forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11 of the Bankruptcy Code, this Exhibit "A" shall be completed and attached to the petition.]

**United States Bankruptcy Court
Southern District of New York**

In re Patriot Coal Corporation Debtor(s) Case No. Not yet assigned.
Chapter 11

EXHIBIT "A" TO VOLUNTARY PETITION

1. If any of the debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is **001-33466**

2. The following financial data is the latest available information and refers to the debtor's condition on **May 31, 2012.**

a. Total assets * \$ 3,568,840,000.00

b. Total debts (including debts listed in 2.c., below) * \$ 3,072,248,000.00

c. Debt securities held by more than 500 holders: Approximate number of holders:

secured	<input type="checkbox"/>	unsecured	<input checked="" type="checkbox"/>	subordinated	<input type="checkbox"/>	\$ <u>200,000,000.00</u>	_____
secured	<input type="checkbox"/>	unsecured	<input checked="" type="checkbox"/>	subordinated	<input type="checkbox"/>	\$ <u>250,000,000.00</u>	_____
secured	<input type="checkbox"/>	unsecured	<input type="checkbox"/>	subordinated	<input type="checkbox"/>	\$ _____	_____
secured	<input type="checkbox"/>	unsecured	<input type="checkbox"/>	subordinated	<input type="checkbox"/>	\$ _____	_____
secured	<input type="checkbox"/>	unsecured	<input type="checkbox"/>	subordinated	<input type="checkbox"/>	\$ _____	_____

d. Number of shares of preferred stock _____

e. Number of shares common stock 92,802,565

Comments, if any:

3. Brief description of Debtor's business:
Patriot Coal Corporation and its affiliates are leading producers and marketers of coal in the United States, with operations and coal reserves in the Appalachia (Northern and Central) and Illinois Basin coal regions. Their principal business is the mining and preparation of metallurgical coal and thermal coal.

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

- BlackRock, Inc.
- State Street Corporation
- The Vanguard Group, Inc.

* Total assets and debts are on a consolidated basis.

ATTACHMENT 1

PENDING OR CONCURRENT BANKRUPTCY CASES FILED BY AFFILIATES

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed a voluntary petition for relief under title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York. A motion has been filed with the Court requesting that the chapter 11 cases of these entities be jointly administered.

Entity Name	Case Number	Judge
Affinity Mining Company	Not Yet Assigned	Not Yet Assigned
Apogee Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Appalachia Mine Services, LLC	Not Yet Assigned	Not Yet Assigned
Beaver Dam Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Big Eagle, LLC	Not Yet Assigned	Not Yet Assigned
Big Eagle Rail, LLC	Not Yet Assigned	Not Yet Assigned
Black Stallion Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Black Walnut Coal Company	Not Yet Assigned	Not Yet Assigned
Bluegrass Mine Services, LLC	Not Yet Assigned	Not Yet Assigned
Brook Trout Coal, LLC	Not Yet Assigned	Not Yet Assigned
Catenary Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Central States Coal Reserves of Kentucky, LLC	Not Yet Assigned	Not Yet Assigned
Charles Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Cleaton Coal Company	Not Yet Assigned	Not Yet Assigned
Coal Clean LLC	Not Yet Assigned	Not Yet Assigned
Coal Properties, LLC	Not Yet Assigned	Not Yet Assigned
Coal Reserve Holding Limited Liability Company No. 2	Not Yet Assigned	Not Yet Assigned
Colony Bay Coal Company	Not Yet Assigned	Not Yet Assigned
Cook Mountain Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Corydon Resources LLC	Not Yet Assigned	Not Yet Assigned
Coventry Mining Services, LLC	Not Yet Assigned	Not Yet Assigned
Coyote Coal Company LLC	Not Yet Assigned	Not Yet Assigned
Cub Branch Coal Company LLC	Not Yet Assigned	Not Yet Assigned
Dakota LLC	Not Yet Assigned	Not Yet Assigned
Day LLC	Not Yet Assigned	Not Yet Assigned
Dixon Mining Company, LLC	Not Yet Assigned	Not Yet Assigned
Dodge Hill Holding JV, LLC	Not Yet Assigned	Not Yet Assigned
Dodge Hill Mining Company, LLC	Not Yet Assigned	Not Yet Assigned
Dodge Hill of Kentucky, LLC	Not Yet Assigned	Not Yet Assigned

Entity Name	Case Number	Judge
EACC Camps, Inc.	Not Yet Assigned	Not Yet Assigned
Eastern Associated Coal, LLC	Not Yet Assigned	Not Yet Assigned
Eastern Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Eastern Royalty, LLC	Not Yet Assigned	Not Yet Assigned
Emerald Processing, L.L.C.	Not Yet Assigned	Not Yet Assigned
Gateway Eagle Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Grand Eagle Mining, LLC	Not Yet Assigned	Not Yet Assigned
Heritage Coal Company LLC	Not Yet Assigned	Not Yet Assigned
Highland Mining Company, LLC	Not Yet Assigned	Not Yet Assigned
Hillside Mining Company	Not Yet Assigned	Not Yet Assigned
Hobet Mining, LLC	Not Yet Assigned	Not Yet Assigned
Indian Hill Company LLC	Not Yet Assigned	Not Yet Assigned
Infinity Coal Sales, LLC	Not Yet Assigned	Not Yet Assigned
Interior Holdings, LLC	Not Yet Assigned	Not Yet Assigned
IO Coal LLC	Not Yet Assigned	Not Yet Assigned
Jarrell's Branch Coal Company	Not Yet Assigned	Not Yet Assigned
Jupiter Holdings LLC	Not Yet Assigned	Not Yet Assigned
Kanawha Eagle Coal, LLC	Not Yet Assigned	Not Yet Assigned
Kanawha River Ventures I, LLC	Not Yet Assigned	Not Yet Assigned
Kanawha River Ventures II, LLC	Not Yet Assigned	Not Yet Assigned
Kanawha River Ventures III, LLC	Not Yet Assigned	Not Yet Assigned
KE Ventures, LLC	Not Yet Assigned	Not Yet Assigned
Little Creek LLC	Not Yet Assigned	Not Yet Assigned
Logan Fork Coal Company	Not Yet Assigned	Not Yet Assigned
Magnum Coal Company LLC	Not Yet Assigned	Not Yet Assigned
Magnum Coal Sales LLC	Not Yet Assigned	Not Yet Assigned
Martinka Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Midland Trail Energy LLC	Not Yet Assigned	Not Yet Assigned
Midwest Coal Resources II, LLC	Not Yet Assigned	Not Yet Assigned
Mountain View Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
New Trout Coal Holdings II, LLC	Not Yet Assigned	Not Yet Assigned
Newtown Energy, Inc.	Not Yet Assigned	Not Yet Assigned
North Page Coal Corp.	Not Yet Assigned	Not Yet Assigned
Ohio County Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Panther LLC	Not Yet Assigned	Not Yet Assigned
Patriot Beaver Dam Holdings, LLC	Not Yet Assigned	Not Yet Assigned
Patriot Coal Company, L.P.	Not Yet Assigned	Not Yet Assigned
Patriot Coal Corporation	Not Yet Assigned	Not Yet Assigned

Entity Name	Case Number	Judge
Patriot Coal Sales LLC	Not Yet Assigned	Not Yet Assigned
Patriot Coal Services LLC	Not Yet Assigned	Not Yet Assigned
Patriot Leasing Company LLC	Not Yet Assigned	Not Yet Assigned
Patriot Midwest Holdings, LLC	Not Yet Assigned	Not Yet Assigned
Patriot Reserve Holdings, LLC	Not Yet Assigned	Not Yet Assigned
Patriot Trading LLC	Not Yet Assigned	Not Yet Assigned
PCX Enterprises, Inc.	Not Yet Assigned	Not Yet Assigned
Pine Ridge Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
Pond Creek Land Resources, LLC	Not Yet Assigned	Not Yet Assigned
Pond Fork Processing LLC	Not Yet Assigned	Not Yet Assigned
Remington Holdings LLC	Not Yet Assigned	Not Yet Assigned
Remington II LLC	Not Yet Assigned	Not Yet Assigned
Remington LLC	Not Yet Assigned	Not Yet Assigned
Rivers Edge Mining, Inc.	Not Yet Assigned	Not Yet Assigned
Robin Land Company, LLC	Not Yet Assigned	Not Yet Assigned
Sentry Mining, LLC	Not Yet Assigned	Not Yet Assigned
Snowberry Land Company	Not Yet Assigned	Not Yet Assigned
Speed Mining LLC	Not Yet Assigned	Not Yet Assigned
Sterling Smokeless Coal Company, LLC	Not Yet Assigned	Not Yet Assigned
TC Sales Company, LLC	Not Yet Assigned	Not Yet Assigned
The Presidents Energy Company LLC	Not Yet Assigned	Not Yet Assigned
Thunderhill Coal LLC	Not Yet Assigned	Not Yet Assigned
Trout Coal Holdings, LLC	Not Yet Assigned	Not Yet Assigned
Union County Coal Co., LLC	Not Yet Assigned	Not Yet Assigned
Viper LLC	Not Yet Assigned	Not Yet Assigned
Weatherby Processing LLC	Not Yet Assigned	Not Yet Assigned
Wildcat Energy LLC	Not Yet Assigned	Not Yet Assigned
Wildcat, LLC	Not Yet Assigned	Not Yet Assigned
Will Scarlet Properties LLC	Not Yet Assigned	Not Yet Assigned
Winchester LLC	Not Yet Assigned	Not Yet Assigned
Winifrede Dock Limited Liability Company	Not Yet Assigned	Not Yet Assigned
Yankeetown Dock, LLC	Not Yet Assigned	Not Yet Assigned

In re:

PATRIOT COAL CORPORATION,

Debtor.

Chapter 11

Case No. 12- [] ()

(Jointly Administered)

LIST OF CREDITORS HOLDING 50 LARGEST UNSECURED CLAIMS

The following is a list of creditors holding the 50 largest general unsecured claims against the Debtors and its affiliates that have filed a voluntary petition for relief under title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York on the date hereof (collectively, the "Debtors")¹, on a consolidated basis. This list has been prepared from the books and records of the Debtors.

This list is prepared in accordance with 1007(d) of the Federal Rules of Bankruptcy Procedure and Rule 1007-1 of the Local Bankruptcy Rules for filing in this chapter 11 case. The list does not include (a) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101(31) or (b) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the largest general unsecured claims.

This list reflects the information existing and available as of the Petition Date. The Company reserves the right to amend this list based on information existing as of the filing date.

The information presented herein, including the failure of the Company to list any claim as contingent, unliquidated or unknown, does not constitute an admission or waiver of the Company's right to contest the validity, priority or amount of any claim.

¹ The Debtors are listed in Attachment 1 annexed hereto.

The information presented herein, including the failure of the Company to list any claim as contingent, unliquidated or unknown, does not constitute an admission or waiver of the Company's right to contest the validity, priority or amount of any claim.

Rank	(1) Name of creditor	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed, or subject to setoff	(5) Amount of claim
1	WILMINGTON TRUST COMPANY	WILMINGTON TRUST COMPANY 1100 NORTH MARKET STREET RODNEY SQUARE NORTH WILMINGTON, DE 19890 FAX: (302) 636-4144	8.25% SENIOR NOTES DUE 2018	UNLIQUIDATED	\$250,000,000 (Stated Principal)
2	US BANK NATIONAL ASSOCIATION	CORPORATE TRUST SERVICES 60 LIVINGSTONE AVENUE ST. PAUL, MN 55518	3.25% CONVERTIBLE SENIOR NOTES DUE 2013	UNLIQUIDATED	\$200,000,000 (Stated Principal)
3	ALPHA NATURAL RESOURCES, INC.	ALPHA NATURAL RESOURCES, INC. ATTN JACINDA BELT 999 CORPORATE BLVD SUITE 300 LINTHICUM, MD 21090 PHONE: (410) 689-7500 FAX: (276) 628-2951	CONTRACT DAMAGES	UNLIQUIDATED	UNLIQUIDATED
4	BENTLEY BADGETT II AND LINDA BADGETT	BENTLEY BADGETT II AND LINDA BADGETT TJ EDWARDS, DONALD BOWLES 1822 N. MAIN STREET MADISONVILLE, KY 42431 PHONE: (270) 821-0408 PHONE: (270) 821-2913 FAX: (270) 825-4350	PROMISSORY NOTES		\$7,332,550
5	AMERICAN FREEDOM INNOVATIONS LLC	AMERICAN FREEDOM INNOVATIONS LLC 250 CROSS POINT BLVD EVANSVILLE, IN 47715 PHONE: 812-473-0700 FAX: 812-425-2339	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
6	CSX TRANSPORTATION INC	CSX TRANSPORTATION INC 500 WATER ST, 15TH FL JACKSONVILLE, FL 32202-4057 PHONE: (904) 279-4967	TRADE DEBT	CONTINGENT UNLIQUIDATED	\$6,352,748
7	DAYTON POWER & LIGHT	DAYTON POWER & LIGHT ATTN: TERESA MARRINAN AND CHARLENE BELL 1065 WOODMAN DRIVE DAYTON, OH 45432 FAX: (937) 259-7250 FAX: (937) 259-7848 FAX: (937) 331-4990	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
8	RICHARD WHITING	RICHARD WHITING	MISCELLANEOUS		\$5,533,576
9	JENNMAR CORPORATION	JENNMAR CORPORATION 258 KAPPA DRIVE PO BOX 111253 PITTSBURGH, PA 15238 PHONE: (412) 963-9071 FAX: (412) 963-9767	TRADE DEBT		\$4,774,368

Rank	(1) Name of creditor	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed, or subject to setoff	(5) Amount of claim
10	JMAC LEASING INC	JMAC LEASING INC PO BOX 726 CEREDO, WV 25507 FAX: 304-538-2439	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
11	CAPITAL SOURCE BANK	CAPITAL SOURCE BANK ATTN: DAVID HEIDT 30 SOUTH WACKER DRIVE, SUITE 3500 CHICAGO, IL 60606 PHONE: (312) 706-2102 FAX: (312) 577-7902	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
12	JOY MINING MACHINERY	JOY MINING MACHINERY 4111 N. WATER TOWER PLACE SUITE B MT. VERNON, IL 62864 PHONE: (800) 742-5569 FAX: (618) 242-8509	TRADE DEBT		\$3,346,303
13	CECIL I. WALKER MACHINERY CO.	CECIL I. WALKER MACHINERY CO. PO BOX 905258 CHARLOTTE, NC 28290-5258 PHONE: (304) 949-6400 EXT 2341 FAX: (304)683-3113	TRADE DEBT		\$3,339,153
14	UNITED CENTRAL INDUSTRIAL SUPPLY	UNITED CENTRAL INDUSTRIAL SUPPLY 1150 NATIONAL MINE ROAD MADISONVILLE, KY 42431 PHONE: (270) 821-6333 FAX: (270) 825-0244	TRADE DEBT		\$3,156,337
15	AMERICAN ELECTRIC POWER	AMERICAN ELECTRIC POWER PO BOX 24401 CANTON, OH 44701-4404 PHONE: (800) 982-4237	TRADE DEBT	UNLIQUIDATED	UNLIQUIDATED
16	CATERPILLAR GLOBAL MINING	CATERPILLAR GLOBAL MINING 2045 WEST PIKE STREET HOUSTON, PA 15342 PHONE: (309) 675-1000 FAX: (859) 497-0818 FAX: (724) 743-1201	TRADE DEBT		\$2,021,145
17	RALEIGH MINE & INDUSTRIAL	RALEIGH MINE & INDUSTRIAL PO BOX 72 MOUNT HOPE, WV 25880 PHONE: (304) 877-5503 FAX: (304) 877-5684	TRADE DEBT		\$1,865,428
18	J. H. FLETCHER & CO.	J. H. FLETCHER & CO. 402 HIGH STREET HUNTINGTON, WV 25722-2187 PHONE: (304) 525-7811 FAX: (304) 523-1317	TRADE DEBT		\$1,776,261
19	INDUSTRIAL SUPPLY SOLUTIONS INC	INDUSTRIAL SUPPLY SOLUTIONS INC PO BOX 798012 ST. LOUIS, MO 63179-8000 FAX: (304) 346-1639	TRADE DEBT		\$1,371,701
20	AFCO	AFCO 4501 COLLEGE BLVD, SUITE 320 LEAWOOD, KS 66211-2328 PHONE: (800) 288-6901	TRADE DEBT		\$1,258,900
21	NELSON BROTHERS LLC	NELSON BROTHERS LLC 820 SHADES CREEK PARKWAY, SUITE 2000 BIRMINGHAM, AL 35209 PHONE: (800) 972-2684 FAX: (304) 340-1530	TRADE DEBT		\$1,150,614
22	RISH EQUIPMENT CO	RISH EQUIPMENT CO RT 44 YUMA CAMP RD LOGAN, WV 25601 PHONE: (304) 752-9313 PHONE: (304) 380-0282 FAX: (304) 752-9318	TRADE DEBT		\$1,099,571

Rank	(1) Name of creditor	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed, or subject to setoff	(5) Amount of claim
23	JABO SUPPLY CORP	JABO SUPPLY CORP PO BOX 238 HUNTINGTON, WV 25707-0238 PHONE: (304) 736-8333 FAX: (304) 736-8551	TRADE DEBT		\$866,857
24	ENVIROMINE INC	ENVIROMINE INC PO BOX 11716 CHARLESTON, WV 25339 PHONE: (304) 552-3379 FAX: (888) 248-5302	TRADE DEBT		\$835,060
25	MONK MINING SUPPLY, INC.	MONK MINING SUPPLY, INC. PO BOX 905895 CHARLOTTE, NC 28290-5895 PHONE: (276) 988-9641 FAX: (276) 988-8263	TRADE DEBT		\$799,695
26	SGS NORTH AMERICA INC	SGS NORTH AMERICA INC P. O. BOX 2502 CAROL STREAM, IL 60132-2502 PHONE: (270) 827-1187 FAX: (270) 826-0719	TRADE DEBT		\$765,701
27	BANK OF THE WEST	BANK OF THE WEST ATTN: SUZANNE WEAVER 844 WEST PAMPA MESA, AZ 85210 PHONE: (480) 768-1799 FAX: (480) 456-0047	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
28	CHISLER INC	CHISLER INC 153 BLUE GOOSE RD FAIRVIEW, WV 26570 PHONE: (304) 798-3202 FAX: (304) 798-3211	TRADE DEBT		\$714,937
29	SUNCREST RESOURCES LLC	SUNCREST RESOURCES LLC 2550 EAST STONE DRIVE SUITE 200 KINGSPORT, TN 37660 PHONE: (423) 723-0230	TRADE DEBT		\$700,000
30	COGAR MANUFACTURING INC	COGAR MANUFACTURING INC PO BOX 532 BECKLEY, WV 25802 PHONE: (304) 252-4435 FAX: (304) 252-8003 FAX: (304) 252-4514	TRADE DEBT		\$693,888
31	I.B.M. CORP.	I.B.M. CORP. PO BOX 534151 ATLANTA, GA 30353-4151 PHONE: (845) 759-2526	TRADE DEBT		\$685,878
32	POWELL CONSTRUCTION CO., INC	POWELL CONSTRUCTION CO., INC 3622 BRISTOL HIGHWAY JOHNSON CITY, TN 37601	TRADE DEBT		\$675,250
33	SHONK LAND COMPANY LLC	SHONK LAND COMPANY LLC PO BOX 969 CHARLESTON, WV 25324	TRADE DEBT		\$670,000
34	ALLEGHENY POWER	ALLEGHENY POWER 800 CABIN HILL DRIVE GREENSBURG, PA 15601-0001 PHONE: (800) 255-3443	TRADE DEBT	UNLIQUIDATED	UNLIQUIDATED
35	PENN VIRGINIA OPERATING CO LLC	PENN VIRGINIA OPERATING CO LLC PO BOX 102992 ATLANTA, GA 30368-2992	TRADE DEBT		\$633,981
36	MINE EQUIPMENT & MILL SUPPLY CO	MINE EQUIPMENT & MILL SUPPLY CO 370 MINE EQUIPMENT ROAD DAWSON SPRINGS, KY 42408 PHONE: (812) 402-4070 FAX: (812) 402-4077 FAX: (270) 797-3010	TRADE DEBT		\$614,733

Rank	(1) Name of creditor	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed, or subject to setoff	(5) Amount of claim
37	LOGAN CORP	LOGAN CORP 212 NORTH OHIO AVE CLARKSBURG, WV 26301 PHONE: (800) 473-0110 FAX: (304) 623-5676 FAX: (304) 759-4817	TRADE DEBT		\$584,699
38	FLOMIN COAL INC	FLOMIN COAL INC PO BOX 405655 ATLANTA, GA 30384-5655 PHONE: (606) 432-1535 FAX: (606) 437-0563 FAX: (606) 835-9146	TRADE DEBT		\$581,599
39	KOMATSU FINANCIAL LIMITED PARTNERSHIP	KOMATSU FINANCIAL LIMITED PARTNERSHIP ATTN: JIMMY JOSEPH 1701 WEST GOLF ROAD SUITE 300 CHICAGO, IL 60693 PHONE: (847) 437-5800 FAX: (847) 437-7097	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
40	SOMERSET CAPITAL GROUP, LTD.	SOMERSET CAPITAL GROUP, LTD. ATTN: YOLANDA DELANEY MERRITT CORPORATE WOODS 612 WHEELERS FARMS RD MILFORD, CT 06461 PHONE: (203) 382-2721 FAX: (203) 394-6192	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
41	PHILLIPS 66 RECEIVABLE	PHILLIPS 66 RECEIVABLE. 21064 NETWORK PLACE CHICAGO, IL 60673-1210 PHONE: (800) 448-6630	TRADE DEBT		\$539,264
42	GE CAPITAL TMS	GE CAPITAL TMS P. O. BOX 3083 CEDAR RAPIDS, IA 52406-3083 FAX: (319) 841-6324	TRADE DEBT		\$532,378
43	CHISLER BROTHERS CONTRACTING LLC	CHISLER BROTHERS CONTRACTING LLC PO BOX 101 PENTRESS, WV 26544 PHONE: (304) 879-5511 FAX: (304) 879-5012	TRADE DEBT		\$495,730
44	AMERCABLE INCORPORATED	AMERCABLE INCORPORATED 350 BAILEY ROAD ELDORADO, AR 71730 PHONE: (800) 643-1516 FAX: (870) 309-3582	TRADE DEBT		\$454,704
45	UNITED LEASING, INC.	UNITED LEASING, INC. ATTN: MARTHA AHLERS 3700 MORGAN AVENUE EVANSVILLE, IN 47715 PHONE: (812) 485-3578 FAX: (812) 474-4359 FAX: (812) 485-3642	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
46	ALLEY TRUCKING LLC	ALLEY TRUCKING LLC PO BOX 47 BELFRY, KY 41514 PHONE: (606) 353-4422 FAX: (606) 353-1270	TRADE DEBT		\$425,569
47	LONGWALL ASSOCIATES, INC.	LONGWALL ASSOCIATES, INC. 212 KENDALL AVENUE CHILHOWIE, VA 24319 PHONE: (276) 646-2004 FAX: (276) 646-3999	TRADE DEBT		\$411,619
48	COALFIELD SERVICES INC	COALFIELD SERVICES INC 3203 PEPPERS FERRY ROAD WYTHEVILLE, VA 24382-4947 PHONE: (276) 228-3167 FAX: (276) 228-7912	TRADE DEBT		\$402,002

<i>Rank</i>	<i>(1)</i> <i>Name of creditor</i>	<i>(2)</i> <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>(3)</i> <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>(4)</i> <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>(5)</i> <i>Amount of claim</i>
49	FIFTH THIRD LEASING COMPANY	FIFTH THIRD LEASING COMPANY ATTN: DAVID SCHLAF 8000 MARYLAND AVENUE SUITE 1400 ST. LOUIS, MO 63105 PHONE: (314) 889-3307 FAX: (314) 889-3377	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED
50	RBS ASSET FINANCE, INC.	RBS ASSET FINANCE, INC. ATTN: JOHN STOGSDILL 71 S WACKER DRIVE 28TH FLOOR CHICAGO, IL 60606 PHONE: (312) 777-3556 FAX: (312) 777-4003	REJECTION DAMAGES	UNLIQUIDATED	UNLIQUIDATED

I, the undersigned authorized officer of the Company, named as the debtor in this case, declare under penalty of perjury that I have reviewed the foregoing and that it is true and correct to the best of my knowledge, information and belief, with reliance on appropriate corporate officers.

Dated: New York, New York
July 9, 2012

By: /s/ Jacquelyn A. Jones
Jacquelyn A. Jones
Authorized Officer

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

In re:

PATRIOT COAL CORPORATION,

Debtor.

Chapter 11

Case No. 12- [] ()

(Jointly Administered)

CORPORATE OWNERSHIP STATEMENT

In accordance with Rule 1007(a)(1) of the Federal Rules of Bankruptcy Procedure and Rule 1007-3 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York, Patriot Coal Corporation (the "**Company**") hereby states that no corporation directly or indirectly owns 10% or more of the Company's equity interests.

The Company does not own (directly or indirectly) 10% or more of any class of a corporation's publicly traded equity interests. The Company does not own an interest in any general or limited partnership or joint venture.

I, the undersigned authorized officer of the Company, named as the debtor in this case, declare under penalty of perjury that I have reviewed the foregoing and that it is true and correct to the best of my knowledge, information and belief, with reliance on appropriate corporate officers.

Dated: New York, New York
July 9, 2012

By: /s/ Jacquelyn A. Jones
Jacquelyn A. Jones
Authorized Officer

PATRIOT COAL CORPORATION

Unanimous Written Consent of the Board of Directors

The undersigned, being all the members of the Board of Directors (the "**Board**") of Patriot Coal Corporation, a Delaware corporation (the "**Company**"), do hereby unanimously consent to and adopt pursuant to the laws of the State of Delaware the following resolutions:

Commencement of Chapter 11 Case

WHEREAS, the Board reviewed and considered the materials presented by the Company's management team and its financial and legal advisors regarding the Company's liabilities and liquidity, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses; and

WHEREAS, the Board consulted with the Company's management team and its financial and legal advisors, and have fully considered each of the Company's strategic alternatives.

NOW, THEREFORE, BE IT RESOLVED, that in the judgment of the Board of the Company, it is desirable and in the best interests of the Company, its creditors, employees and other stakeholders that a petition be filed by the Company seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**");

RESOLVED, that each of the Chief Executive Officer, the Chief Financial Officer, General Counsel, Treasurer and Secretary (each, an "**Authorized Officer**") be, and each of them hereby is, authorized on behalf of the Company to execute and verify petitions under chapter 11 of the Bankruptcy Code and to cause such petitions to be filed in the United States Bankruptcy Court for the Southern District of New York (the "**Court**"), each such petition to be filed at such time as the Authorized Officer executing the petition shall determine and to be in the form approved by the Authorized Officer executing such petition, such approval to be conclusively evidenced by the execution, verification and filing thereof;

Retention of Advisors

RESOLVED, that the law firm of Davis Polk & Wardwell LLP be, and hereby is, retained as counsel to the Company in the Company's chapter 11 case, subject to the approval of the Court;

RESOLVED, that the law firm of Curtis, Mallet-Prevost, Colt & Mosle LLP be, and hereby is, retained as conflicts counsel to the Company in the Company's chapter 11 case, subject to the approval of the Court;

RESOLVED, that Blackstone Advisory Partners L.P. be, and hereby is, retained

as financial advisors for the Company in the Company's chapter 11 case, subject to the approval of the Court;

RESOLVED, that AP Services, LLC be, and hereby is, retained to provide temporary employees, interim management and restructuring services to the Company in the Company's chapter 11 case, subject to the approval of the Court;

RESOLVED, that Ted Stenger be, and hereby is, elected and appointed to serve as Chief Restructuring Officer of the Company reporting to the Chairman of the Board;

RESOLVED, that GCG, Inc. be, and hereby is, retained as notice, claims and administrative agent for the Company in the Company's chapter 11 case, subject to the approval of the Court; and

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized on behalf of the Company to execute and file in the Company's chapter 11 case all petitions, schedules, motions, lists, applications, pleadings and other papers, and, in connection therewith, to retain and obtain assistance from additional legal counsel, accountants, financial advisors and other professionals, and to take and perform any and all further acts and deeds that any such Authorized Officer deems necessary or desirable in connection with the Company's chapter 11 case.

Debtor in Possession Financing

WHEREAS, the Company and certain of its subsidiaries have determined to enter into the Credit Agreement (as defined below) to provide financing for superpriority senior secured debtor-in-possession credit facilities (including a roll-up of certain obligations outstanding under the Company's existing credit facility) in a combined aggregate principal amount of up to \$802 million (the "**Credit Facilities**"), the proceeds of which will be used to refinance certain of the Company's obligations under the existing credit facility and the existing securitization facility, and for working capital, capital expenditures and other general corporate purposes;

WHEREAS, the lenders under the Credit Facilities require, as a condition to the extension of the Credit Facilities, that the Company grant one or more security interests in substantially all of its assets to secure its obligations under the Credit Facilities; and

WHEREAS, the Board has determined that (i) the Company will receive direct and indirect economic benefit from the Credit Facilities, (ii) it is in the best interest of the Company to enter into the Credit Agreement and the other Loan Documents (each as defined below) and (iii) it is in the best interest of the Company to authorize the appropriate officers of the Company to take any and all actions as they may deem appropriate to effect the transactions contemplated by the Credit Agreement and each of the other Loan Documents.

NOW THEREFORE, BE IT RESOLVED, that the Company be, and it hereby is, authorized and empowered to enter into the Credit Agreement and each of the other Loan Documents, to borrow under the Credit Facilities at such times and in such amounts

as any Authorized Officer shall deem necessary or advisable and as shall be permitted to the terms of the Loan Documents, and to consummate all the other transactions contemplated by the Loan Documents, including, without limitation, to grant security interests in and pledge, mortgage or grant deeds of trust with respect to, its right, title and interest in and to its properties and assets to the extent required to secure its obligations under the Credit Facilities; and

RESOLVED, that each of the Authorized Officers of the Company be, and each of them hereby is, authorized to negotiate, execute and deliver, in the name and on behalf of the Company, one or more definitive credit agreements (collectively, the "**Credit Agreement**") and any other further documentation (including, without limitation, an intercreditor agreement, pledge agreements, guarantee agreements, security agreements, control agreements, promissory notes, mortgages, intellectual property security agreements, financing statements and other documents under which a security interest in the assets of the Company is being created, and each other agreement, document or instrument required thereunder, collectively and together with the Credit Agreement, the "**Loan Documents**") in the form and upon the terms and conditions as any Authorized Officer may approve (such approval to be conclusively established by such Authorized Officer's execution and delivery thereof), and to perform the Company's obligations thereunder and to take all actions in accordance therewith that any of them may deem necessary or advisable to consummate the transactions contemplated thereby, and the actions of such Authorized Officers in negotiating the terms of, and in executing and delivering, each of the Loan Documents, and any other action taken in connection therewith, on behalf of the Company be, and the same hereby are, ratified, confirmed, approved and adopted.

General Authorization and Ratification

RESOLVED, that in connection with the Company's chapter 11 case, the Authorized Officers be, and each hereby is, authorized and empowered on behalf of and in the name of the Company, to negotiate, execute, deliver, and perform or cause the performance of any notes, guarantees, security agreements, other agreements, consents, certificates, or instruments as such person considers necessary, appropriate, desirable or advisable to effectuate any other borrowing or other financial arrangements, such determination to be evidenced by such execution or taking of such action;

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, directed and empowered, in the name and on behalf of the Company, to take, or cause to be taken, any and all further actions (including, without limitation, (i) execute, deliver, certify, file and/or record and perform any and all documents, agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities or certificates and (ii) pay fees and expenses in connection with the transactions contemplated by the foregoing resolutions) and to take any and all steps deemed by any such Authorized Officer to be necessary, advisable or desirable to carry out the purpose and intent of each of the foregoing resolutions, and all actions heretofore taken by any such Authorized Officer or the Governmental Body of the Subsidiary in furtherance thereof are hereby ratified, confirmed and approved in all respects;

RESOLVED, that the omission from these resolutions of any agreement, document or other arrangement contemplated by any of the agreements, documents or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Officers to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by, and the intent and purposes of, the foregoing resolutions; and

RESOLVED, that this Unanimous Written Consent may be executed, by facsimile or otherwise, by the undersigned, in counterparts, each of which shall be an original, but all of which together shall constitute but one and the same document.

[Signature Pages Follow]

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ J. Joe Adorjan

Name: J. Joe Adorjan

Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Bobby R. Brown
Name: Bobby R. Brown
Title: Director

[Signature page to Patriot Coal Corporation Resolutions]

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Irl F. Engelhardt

Name: Irl F. Engelhardt

Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Michael P. Johnson

Name: Michael P. Johnson

Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Janiece M. Longoria
Name: Janiece M. Longoria
Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ John E. Lushefski
Name: John E. Lushefski
Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Michael M. Scharf

Name: Michael M. Scharf

Title: Director

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

/s/ Robert O. Viets

Name: Robert O. Viets

Title: Director