

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

Hearing Date: February 25, 2014

Hearing Time: 10:00 a.m. Central

Location: Courtroom 7-N, St. Louis

**REORGANIZED DEBTORS' OBJECTION TO CLAIMS FILED BY
OHIO DEPARTMENT OF NATURAL RESOURCES**

Patriot Coal Corporation and its affiliates (the "Debtors" or the "Reorganized Debtors"), pursuant to 11 U.S.C. § 502 and Fed. R. Bankr. P. 3007, respectfully file this Objection to Claims Filed by the Ohio Department of Natural Resources (the "Objection"). In support of this Objection, the Reorganized Debtors show the Court as follows:

Relief Requested

1. By this Objection, the Reorganized Debtors object to two claims filed by the Ohio Department of Natural Resources, numbered 3769-1 and 3770-1 on the Court's register (GCG Claim Nos. 3899 and 3900) (the "Claims"), because the Claims have not been discharged, are payable (to the extent they are valid) by the Reorganized Debtors, and thus are not properly payable by the Debtors' bankruptcy estates. The treatment of the Claims is specified in the Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") and the Amended Order Confirming Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [ECF No. 5169] (the "Confirmation Order"). The

Reorganized Debtors request entry of an order, pursuant to Section 502 of the Bankruptcy Code and Fed. R. Bankr. P. 3007, disallowing the Claims.

2. **Parties receiving this Objection should locate their names on the attached exhibit.** Any response to this Objection should include, among other things, (i) an appropriate caption, including the title and date of this Objection; (ii) the name of the claimant, both the EDMO and GCG claim numbers of the claim that the Reorganized Debtors are seeking to disallow, and a description of the basis for the amount claimed; (iii) a concise statement setting forth the reasons why the Court should not sustain this Objection, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection; (iv) copies of any documentation and other evidence which the claimant will rely upon in opposing this Objection at a hearing; and (v) the name, address, telephone number and facsimile number of a person authorized to reconcile, settle or otherwise resolve the claim on the claimant's behalf. A claimant that cannot timely provide such documentation and other evidence should provide a detailed explanation as to why it is not possible to timely provide such documentation and other evidence.

Jurisdiction

3. This Court has jurisdiction over this Objection under 28 U.S.C. § 1334. Venue of this proceeding is proper pursuant to 28 U.S.C. § 1409. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. Ninety-nine of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on July 9, 2012 in the United States Bankruptcy Court for the Southern District of New York.

6. On December 19, 2012, these Debtors' cases were transferred to the United States Bankruptcy Court for the Eastern District of Missouri [Dkt. No. 1789].

7. The bar date for filing proofs of claim against these Debtors was December 14, 2012 [Dkt. No. 1388].

8. On March 1, 2013, the Court entered its Order Establishing Procedures for Claims Objections [Dkt. No. 3021].

9. Debtors Brody Mining, LLC and Patriot Ventures LLC filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on September 23, 2013 in this Court. The bar date for filing proofs of claim against these Debtors was October 24, 2013.

10. On December 17, 2013, the Court confirmed the Debtors' Fourth Amended Plan of Reorganization (the "Plan") [Dkt. No. 5169]. The Effective Date occurred on December 18, 2013.

Objection and Argument

11. The Reorganized Debtors object to the Claims because the enforceability of the Claims is governed by the Plan and the Confirmation Order. Because the Debtors' bankruptcy estates are not liable for the Claims, the Claims should be disallowed.

12. Each of the Claims has been asserted as a contingent claim in the amount of \$9,431,820.00, as well as unliquidated amounts, for certain alleged environmental obligations.

13. Pursuant to the Plan and the Confirmation Order, a Governmental Unit,¹ including the Ohio Department of Natural Resources, may continue to assert a cause of action or Claim against an appropriate Reorganized Debtor for liability or obligations to a Governmental Unit under any applicable Environmental Law. Confirmation Order ¶ 71.

14. The Ohio Department of Natural Resources has full recourse to the appropriate Reorganized Debtors with respect to any valid claim under any Environmental Law. It is not appropriate for the Ohio Department of Natural Resources also to recover from the Debtors' bankruptcy estates at the expense of other creditors.

15. In the alternative, the Reorganized Debtors request that the Court estimate the Claims, pursuant to Section 502(c) of the Bankruptcy Code, at \$0.00 for purposes of allowance, because fixing or liquidating the Claims would unduly delay the administration of these bankruptcy cases, and no basis exists for any argument that the appropriate Reorganized Debtors will not pay obligations to the Ohio Department of Natural Resources if and when they come due.

WHEREFORE, the Reorganized Debtors respectfully request that this Court:

- (a) disallow the Claims, or, in the alternative, estimate the Claims at \$0.00 for purposes of allowance; and
- (b) grant such other and further relief as is just and proper.

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Plan and Confirmation Order.

Dated: January 28, 2014
St. Louis, Missouri

Respectfully submitted,
BRYAN CAVE LLP

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