

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**OMNIBUS ORDER APPROVING THE REJECTION OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND THE
ABANDONMENT OF CERTAIN EXPENDABLE PROPERTY**

Upon the notice of rejection [ECF No. 501] (the “**Notice**”)¹ of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) filed on August 31, 2012 pursuant to the Court’s Order dated August 16, 2012 Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases and for the Abandonment of Personal Property [ECF No. 370] (the “**Rejection Procedures Order**”); and the Court having jurisdiction to consider the Notice and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Notice and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Notice having been provided in accordance with the Rejection

¹ Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Notice.

Procedures Order; and it appearing that no other or further notice need be provided; and the relief requested in the Notice being in the best interests of the Debtors and their respective estates and creditors; and rejecting the Contracts and Leases and abandoning the Expendable Property to the extent set forth herein representing a prudent exercise of the Debtors' business judgment; and the Court having reviewed the Notice; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the relief requested in the Notice is hereby granted solely with respect to the Lease Agreements (as defined below) and as set forth herein; and it is further

ORDERED that pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006 and Local Rule 6006-1, the Debtors' rejection of the Contracts and Leases set forth in Schedule 1 hereto (the "**Lease Agreements**") is hereby approved and shall be effective as of August 31, 2012; and it is further

ORDERED that pursuant to section 554(a) of the Bankruptcy Code and Bankruptcy Rule 6007 and Local Rule 6007-1, the Debtors' abandonment of the Expendable Property related to the Lease Agreements is hereby approved and shall be effective as of August 31, 2012; and it is further

ORDERED that claims arising out of any rejections or abandonments effected pursuant to this Order must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which claims arising before the Petition Date must be filed (the "**Bar Date**"), on or before the later of (i) the

Bar Date and (ii) 30 days after the date hereof, and that absent a timely filing, such claim will be irrevocably barred; and it is further

ORDERED that if a counterparty to the Lease Agreements does not retrieve or otherwise take control of the relevant Expendable Property by October 3, 2012 or such later date as agreed with the Debtors, then the counterparty shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including the cost of insuring the relevant Expendable Property. If the counterparty does not remove its Expendable Property or make timely payments for storage and other costs, the Debtors may file a motion to compel removal of the Expendable Property and/or payment to the Debtors of storage and other attendant costs, including, without limitation, all legal fees; and it is further

ORDERED that notice of the Notice and the relief requested therein with respect to the Lease Agreements satisfy Bankruptcy Rules 6006 and 6007 and Local Bankruptcy Rule 6006-1; and it is further

ORDERED that the description of Expendable Property related to the Lease Agreements contained in the Notice, coupled with the information contained in Schedule A to the Notice and the notice provisions contained therein satisfy Local Bankruptcy Rule 6007-1; and it is further

ORDERED that the notice procedures set forth in the Notice with respect to the Lease Agreements are good and sufficient notice and satisfy Bankruptcy Rule 9014

by providing the counterparties to the Lease Agreements with notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that the relief granted herein is without prejudice to the Debtors' rights to reject any Contracts or Leases set forth in Schedule A to the Motion that are not set forth in Schedule 1 hereto; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: September 27, 2012
New York, New York

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

Schedule 1²

| Title of Agreement/ Contract Type | Debtor Parties to the Contracts and Leases to be Rejected | Counterparties to the Contracts and Leases to be Rejected | Date of Contract or Lease | Location of Real Property that is the Subject of a Lease to be Rejected | Description and Location of Expendable Property* | Rejection Effective Date | <u>If Applicable:</u> | |
|--------------------------------------|---|---|---------------------------|---|---|--------------------------|---|---|
| | | | | | | | Affected Mining or Related Permit(s) and License(s) (and Surety Provider(s), if applicable) | Description of Known Environmental Contamination Requiring Reporting to Governmental Unit |
| Copier Lease | Patriot Coal Corporation | Gibbs Technology Leasing, LLC | 7/21/10 | N/A | 308 School House Road Seth, WV 25181 Sharp MX-M503 Copier 05011885 | 8/31/12 | N/A | N/A |
| Copier Lease | Patriot Coal Corporation | Gibbs Technology Leasing, LLC | 7/21/10 | N/A | 308 School House Road Seth, WV 25181 Sharp MX-M503 Copier 05011875 | 8/31/12 | N/A | N/A |

² The Leases are being rejected pursuant to this Notice only to the extent of the lease of Expendable Property specified in this Schedule 1, and any Leases between the Debtors and any Counterparty or Lessor are otherwise unaffected by this Notice.

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|--------------------------------------|---|---|---------------------------|---|---|--------------------------|---|---|
| | | | | | | | Affected Mining or Related Permit(s) and License(s) (and Surety Provider(s), if applicable) | Description of Known Environmental Contamination Requiring Reporting to Governmental Unit |
| Copier Lease | Patriot Coal Corporation | Gibbs Technology Leasing, LLC | 7/21/10 | N/A | 96 Quincy Dock Road Belle, WV 25015 Sharp MX-M283 Copier 05013025 | 8/31/12 | N/A | N/A |
| Equipment Lease | Patriot Leasing Company LLC | SG Equipment Finance | 6/3/11 | N/A | 1100 Workmans Branch Road Wharton, WV 25208 Personnel Carrier - 13 Man 9693 | 8/31/12 | N/A | N/A |
| Equipment Lease | Patriot Leasing Company LLC | SG Equipment Finance | 6/3/11 | N/A | 1100 Workmans Branch Road Wharton, WV 25208 Joy Shuttle Car 10SC32- 56ABH-5 ET17886 | 8/31/12 | N/A | N/A |

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|--------------------------------------|---|---|---------------------------|---|--|--------------------------|---|---|
| | | | | | | | Affected Mining or Related Permit(s) and License(s) (and Surety Provider(s), if applicable) | Description of Known Environmental Contamination Requiring Reporting to Governmental Unit |
| Equipment Lease | Patriot Leasing Company LLC | SG Equipment Finance | 12/8/11 | N/A | 1100 Workmans Branch Road Wharton, WV 25208 Fairchild Powered Scoop 35C- WH2-25 T339-642 | 8/31/12 | N/A | N/A |

* Expendable Property will be abandoned to the lessor or sublessor party to the Lease associated with such Expendable Property unless otherwise specified here.