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

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-[ ] (\_\_\_)**

**(Jointly Administered)**

**DEBTORS' MOTION FOR AN ORDER AUTHORIZING (i) DEBTORS TO  
CONTINUE TO USE EXISTING CASH MANAGEMENT SYSTEM AND  
MAINTAIN EXISTING BANK ACCOUNTS AND  
BUSINESS FORMS AND (ii) FINANCIAL INSTITUTIONS  
TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in  
possession in these proceedings (collectively, the "**Debtors**") respectfully represent:

**Relief Requested**

1. By this motion (the "**Motion**"), the Debtors request entry of an order in  
the form attached hereto as Exhibit A (the "**Interim Order**") authorizing the Debtors,

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

pursuant to sections 105(a), 345, 363(c)(1) and 364(a) of the Bankruptcy Code and Bankruptcy Rule 6003, to (a) continue to operate their prepetition cash management system with respect to intercompany cash management and obligations, including the continuation of the investment of their cash in accordance with their Investment Guidelines (as defined below), as further described below (the “**Cash Management System**”), (b) fund the operations of affiliates and subsidiaries, (c) maintain the Debtors’ existing bank accounts (and, together with any accounts opened after the Petition Date, the “**Bank Accounts**”)<sup>2</sup> located at various banks and financial institutions (the “**Banks**”) and (d) maintain the Debtors’ existing business forms. Without the requested relief, the Debtors would be unable to maintain their operations, which would cause grievous harm to the Debtors and their estates. The requested relief is required by and consistent with the proposed order granting the Debtors’ Motion for (i) authorization to obtain DIP financing and utilize cash collateral, (ii) authorization to grant adequate protection to prepetition secured parties and (iii) scheduling of final hearing on the financing.

### **Background and Jurisdiction**

2. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

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<sup>2</sup> A non-exclusive list of the Bank Accounts (with account numbers partly redacted) is attached hereto as Exhibit B.

3. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

4. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, which is incorporated herein by reference.

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

### **Discussion**

6. Pursuant to the Cash Management System, the Debtors collect, concentrate, invest in overnight accounts, and disburse funds generated by the Debtors’ operations. The Cash Management System also enables the Debtors to perform cash reporting, monitor the collection and disbursement of funds and maintain control over intercompany obligations and the administration of their Bank Accounts. The Cash Management System is not entirely automated: the Debtors’ employees are required to monitor the system and manage the proper collection and disbursement of funds.

7. The Cash Management System has four main components: (i) cash collection, (ii) cash concentration, (iii) cash disbursement and (iv) investments. To provide a general overview of the movement of cash through the Debtors’ Cash

Management System, the Debtors have attached hereto as Exhibit C a chart illustrating the flow of funds through the Cash Management System.

### **Cash Collection and Concentration**

8. The Debtors generate and receive funds from a wide variety of sources, including (i) revenue from coal supply agreements with various customers, including electricity generators, industrial users, steel mills and independent coke producers, (ii) revenue from certain ancillary operations, such as the lease of land and equipment and (iii) financing from private and public sources.

9. The majority of these funds are collected in the Debtors' main operating account with Bank of America (the "**Main Operating Account**"). Funds received from other sources including, without limitation, wire transactions and electronic fund transfers, are generally deposited directly into the Main Operating Account.

### **Cash Disbursements**

10. Receipts concentrated in the Main Operating Account are used by the Debtors to satisfy their financial obligations and fund investment opportunities. These disbursements are mainly made through two disbursement accounts the Debtors' maintain with PNC Bank (the "**Disbursement Accounts**"). In addition, for each of the Debtors' local operations, the Debtors maintain a local working account at a local bank (the "**Local Accounts**"), from which minor expenses incurred by the respective operation are paid. The Main Operating Account and all of the Disbursement Accounts and Local Accounts are insured by the Federal Deposit Insurance Corporation ("**FDIC**").

11. Funds are transferred between the Disbursements Accounts and the Main Operating Account through a manual wire transfer daily, so that the balance of the

Disbursement Accounts will be *de minimis*. The Local Accounts are replenished as and when needed through automated clearinghouse transfers (“**ACH Transfers**”), keeping them at a low balance, generally no more than \$5,000 to \$10,000. Funds remaining in the Main Operating Account are either invested in money market securities (see Investments section below), swept into an overnight investment vehicle with the bank or left in the account to accrue earnings credits against bank fees.

12. One of the Disbursement Accounts is used by the Debtors for funding payroll. A large portion of the Debtors’ workforce is paid using conventional paychecks drawn against the relevant Disbursement Account. The remainder of the Debtors’ workforce is paid from the relevant Disbursement Account through direct deposit. The other Disbursement Account is used by the Debtors for paying their accounts payable.

13. Although they are held in the name of Patriot Coal Corporation, the Main Operating Account and the two Disbursement Accounts are used for meeting the funding requirements of all of the Debtors. Payments to be made by a certain Debtor and receipts received on behalf of a certain Debtor are recorded as such in the Debtors’ books and records and are added to their respective intercompany balance.

14. The Debtors also maintain a Mastercard purchasing card program (the “**Purchase Card Program**”) with Citibank. The Purchase Card Program was collateralized under the Debtors’ prepetition credit facility and it is expected that the Purchase Card Program will continue to be collateralized under the Debtors’ postpetition financing. The Purchase Card Program is used by the Debtors to pay authorized expenses incurred by the Debtors’ employees and for minor company purchases and

expenses. Based on historical averages, the Debtors estimate that approximately \$250,000 is outstanding as of the Petition Date.

### **Investments**

15. The Debtors invest their money according to the procedures set forth in the Debtors' investment guidelines (the "**Investment Guidelines**") for the purpose of protecting capital, maintaining liquidity and earning an appropriate return considering the safety of the investment. Investments are not made for speculative purposes.

16. For investments with institutional money market funds and other investment transactions, the Main Operating Account is used. Cash that is not otherwise invested is deposited in overnight interest-bearing accounts via overnight "time deposits" with Sovereign Bank/Santander, The Private Bank, Reich&Tang/Natixis, Comerica Bank and Bank of America. All of these banks, except Reich&Tang/Natixis, are on the list of Authorized Bank Depositories Southern District Of New York maintained by the U.S. Trustee (revision May 7, 2012). As at the Petition Date, the account at Reich&Tang/Natixis holds a zero balance and the Debtors do currently not intend to transfer any funds into the account going forward.

17. Under the Investment Guidelines, the Debtors may only invest in:

(a) Fixed income securities, including U. S. and foreign government issues, U.S. and foreign corporation issues, and asset-backed securities. U.S. government securities may include U.S. Treasury obligations and obligations of certain U. S. government agencies. Corporate obligations may include bonds, notes, debentures and debt convertible into another security. Eligible securities are investment grade securities, those rated in the four highest rating categories by

a major rating agency, or determined to be of equivalent quality, as well as non-rated and below investment grade bonds;

(b) Cash and cash equivalents, including cash equivalent securities, collective funds or money market mutual funds. Cash equivalent securities will be within the three highest rating categories by a major rating agency or, if unrated, determined to be of equivalent quality. Cash equivalent securities may include U.S. Treasury Bills, U.S. government agency discount notes, commercial paper, bankers acceptances and certificates of deposit.

18. Over the month of May 2012, the Debtors' investments have had an average daily balance of approximately \$30–35 million and have virtually all been invested in U.S. government-backed securities or deposit accounts.

**Continuing the Centralized Cash Management  
System Is in the Best Interests of the Debtors,  
Their Creditors and All Other Parties in Interest**

19. The Debtors hereby seek authority to continue using their current centralized, integrated Cash Management System. Given the Debtors' operations, as well as the goal of preserving and enhancing their respective going concern values, a successful reorganization of the Debtors' businesses simply cannot be accomplished if there is substantial disruption in the Cash Management System, including the intercompany transfers made thereunder. It is essential that the Debtors be permitted to continue to consolidate the management of their cash and transfer monies from entity to entity as necessary and appropriate to continue the operation of their businesses. If the Debtors were required to dismantle the Cash Management System, it would wreak havoc

in their day-to-day operations and their accounting practices and impair the Debtors' ability to generate timely reports of transactions and balances.

20. The widespread use of similar cash management systems is attributable to the numerous benefits they provide, including the ability to tightly control corporate funds, ensure cash availability and reduce administrative expenses by facilitating the expeditious movement of funds and the development of timely and accurate account balance and presentment information. These controls are particularly important here, given the significant amount of cash that flows through the Cash Management System on an annual basis.

21. In addition, it would be very time consuming, difficult and costly for the Debtors to establish an entirely new system of accounts and a new cash management system, and doing so would disrupt the Debtors' relationships with their key customers and suppliers. For example, if the Debtors were required to open separate accounts as debtors in possession and rearrange their Cash Management System, it would necessitate closing and re-opening approximately 25 bank accounts. The attendant delays from opening new accounts, revising cash management procedures and instructing customers to redirect payments would negatively impact the Debtors' ability to operate their businesses while pursuing these arrangements. Under the circumstances, maintenance of the Cash Management System is essential and clearly in the best interest of the Debtors' estates. Furthermore, preserving the "business as usual" atmosphere and avoiding the unnecessary and costly distractions that would inevitably be associated with any substantial disruption in the Cash Management System obviously will facilitate the Debtors' reorganization efforts.



22. The Debtors will also maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtors before the commencement of these chapter 11 cases. As a result, the Debtors will be able to document and record the transactions occurring within the Cash Management System for the benefit of all parties in interest. As a part thereof, each Debtor will record in its books and records any transfer made by such Debtor to or for the benefit of any other Debtor that occurs on or after the Petition Date (a “**Postpetition Transfer**”). Any Debtor that makes a Postpetition Transfer to or for the benefit of another Debtor should be granted a superpriority administrative expense claim as provided for in section 507(b) of the Bankruptcy Code, junior and subordinate to the superpriority administrative claims granted pursuant to any order of this Court authorizing, inter alia, the Debtors to obtain postpetition financing and granting adequate protection (including any carve-out).

23. The Debtors further seek authority to maintain and continue to use their Purchase Card Program consistent with its terms, including the payment of any obligations thereunder whether arising prior or subsequent to the Petition Date and the posting of any collateral in connection therewith.

24. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without undue oversight by creditors or the court. *Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *In re Enron Corp.*, 2003 Bankr. LEXIS 2111 (Bankr. S.D.N.Y.

Mar. 21, 2003); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of section 363(c) is a debtor's ability to continue the "routine transactions" necessitated by a debtor's cash management system. *Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, disbursement and investment of cash pursuant to their Cash Management System described above.

25. The Bankruptcy Code also provides a debtor in possession the freedom to obtain unsecured credit and incur unsecured debt in the ordinary course of business without notice and a hearing. 11 U.S.C. § 364(a); *In re Amdura Corp.*, 75 F.3d at 1453; *LNC Inv., Inc. v. First Fidelity Bank*, 247 B.R. 38, 45 (S.D.N.Y. 2000); *Mulligan v. Sobiech*, 131 B.R. 917, 921 (S.D.N.Y. 1991). The Debtors seek authorization, to the extent necessary, to obtain unsecured credit or incur unsecured debt in the ordinary operation of their Cash Management System.

26. The Court may exercise its equitable powers to grant the relief requested herein. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Continuing the Debtors' Cash Management System without interruption is vital to the Debtor's survival. The Cash Management System is the complex mechanism whereby the Debtors are able to transfer their revenue toward the payment of their obligations and without which the Debtors' reorganization would fail. It

is well within the Court's equitable power under section 105(a) to approve the continued use of the Cash Management System.

27. As noted, these procedures are similar to those employed by comparable corporate enterprises. Moreover, the relief requested herein to maintain the Debtors' existing cash management system is routinely granted in chapter 11 cases by courts in this district. *See, e.g., In re Pinnacle Airlines Corp.*, Case No. 12-11343 (REG) (Bankr. S.D.N.Y. Apr. 2, 2012); *In re Hostess Brands, Inc.*, Case No. 12-22052 (RDD) (Bankr. S.D.N.Y. Jan. 27, 2012); *In re Eastman Kodak Company*, Case No. 12-10202 (ALG) (Bankr. S.D.N.Y. Jan. 20 2012); *In re AMR Corp.*, Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Nov. 29, 2011); *In re Mesa Air Group, Inc.*, Case No. 10-10018 (MG) (Bankr. S.D.N.Y. Jan. 5, 2010); *In re Star Tribune Holdings Corp.* Case No. 09-10244 (RDD) (Bankr. S.D.N.Y. Jan. 16, 2009); *In re Lyondell Chemical Co.*, Case No. 09-10023 (REG) (Bankr. S.D.N.Y. Jan. 8, 2009); *In re Frontier Airlines Holdings, Inc.*, Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. May 2, 2008); *In re PLVTZ, Inc.*, Case No. 07-13532 (REG) (Bankr. S.D.N.Y. Nov. 9, 2007); *In re Dana Corp.*, Case No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006); *In re Calpine Corp.*, Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan 26, 2006); *In re Delphi Corp.*, Case No. 05-44481 (RDD) (Bankr. S.D.N.Y. Nov. 4, 2005); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sept. 16, 2005); *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Jul. 22, 2002); *In re Adelpia Bus. Solutions, Inc.*, Case No. 02-11389 (REG) (Bankr. S.D.N.Y. Mar. 27, 2002); *In re Global Crossing Ltd.*, Case No. 02-40188 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001).

**Cause Exists to Approve the Debtors' Current Investment Guidelines**

28. Section 345 of the Bankruptcy Code governs a debtor's deposit and investment of cash during a chapter 11 case, and authorizes deposits or investments of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) requires the estate to obtain, from the entity with which the money is deposited or invested, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, unless the Court, for cause, orders otherwise. The Debtors currently have virtually all of their cash in fully FDIC-insured accounts or invested in accounts holding mainly government-backed securities, which the Debtors submit substantially complies with section 345 of the Bankruptcy Code without the need to obtain any bond.

29. The Debtors believe that their current Investment Guidelines provide the protection contemplated by section 345(b) of the Bankruptcy Code, notwithstanding the absence of a "corporate surety" requirement. The Investment Guidelines permit the Debtors to invest only in prudent investments that will provide the greatest amount of return for the Debtors while taking into account the safety of the investments. Generally, the Debtors have invested cash in money market funds and U.S. money market securities, in accordance with the goals of the protection of principal, the provision of liquidity and the maintenance of yield. The Debtors submit that the Investment Guidelines provide

sufficient protection for their cash and that it would be in the best interest of their estates and creditors for the Debtors to continue to follow the Investment Guidelines.

30. To the extent that section 345 of the Bankruptcy Code would require the posting of a surety bond, strict compliance would not be practical in these chapter 11 cases. Any corporate surety that might be obtained to guarantee the safety of an investment would not likely have significantly greater strength than the financial institution in which the Debtors would invest under the Investment Guidelines. Moreover, a bond secured by the undertaking of a corporate surety would be prohibitively expensive, if such bond is available at all, and could offset much of the financial gain derived from investing in private deposit accounts. Also, the yield on investments and available liquidity would be greater under the Investment Guidelines than if the Debtors were restricted to direct investment solely in government securities.

31. The Debtors believe that as long as their investments are restricted in accordance with the Investment Guidelines, no corporate surety is required to afford protection to creditors. Bankruptcy courts in this district have granted relief similar to that requested herein. *See, e.g., In re AMR Corp.*, Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Feb. 7, 2011); *In re Mesa Air Group, Inc.*, Case No. 10-10018 (MG) (Bankr. S.D.N.Y. Jan. 5, 2010); *In re Star Tribune Holdings Corp.* Case No. 09-10244 (RDD) (Bankr. S.D.N.Y. Feb. 6, 2009); *In re Frontier Airlines Holdings, Inc.*, Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. May 2, 2008); *In re PLVTZ, Inc.*, Case No. 07-13532 (REG) (Bankr. S.D.N.Y. Nov. 9, 2007) (Interim Order); *In re Dana Corp.*, Case No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006); *In re Calpine Corp.*, Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan. 26, 2006); *In re Delphi Corp.*, Case No.

05-44481 (RDD) (Bankr. S.D.N.Y. Nov. 4, 2005); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sept. 16, 2005); *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Jul. 22, 2002); *In re Adelphia Bus. Solutions, Inc.*, Case No. 02-11389 (REG) (Bankr. S.D.N.Y. Mar. 27, 2002); *In re Global Crossing Ltd.*, Case No. 02-40188 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001).

**Maintenance of the Debtors' Existing  
Bank Accounts and Business Forms is Warranted**

32. To avoid delays in payments to administrative creditors, to ensure as smooth a transition into chapter 11 as possible with minimal disruption, and to aid in the Debtors' efforts to reorganize, it is important that the Debtors be permitted to continue to maintain the Bank Accounts with the same account numbers following the commencement of these cases, subject to a prohibition against honoring checks issued or dated before the Petition Date absent a prior order of the Court.

33. By preserving business continuity and avoiding the disruption and delay to the Debtors' disbursement obligations that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors and customers, will be best served. The benefit to the Debtors, their business operations and all parties in interest will be considerable, in view of the fact that the Debtors maintain approximately 35 Bank Accounts. The confusion that would result absent the relief requested herein would ill-serve the Debtors' rehabilitative efforts.

34. Courts in this district have recognized that, in complex chapter 11 cases, strict enforcement of the requirement that a debtor in possession close its bank accounts and open new bank accounts in accordance with the U.S. Trustee's "Operating

Guidelines and Financial Reporting Requirements” does not serve the rehabilitative purpose of chapter 11. Accordingly, this Court and others have waived this requirement and replaced it with more effective procedures similar to those requested by this Motion. *See, e.g., In re AMR Corp.*, Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Nov. 29, 2011); *In re Star Tribune Holdings Corp.* Case No. 09-10244 (RDD) (Bankr. S.D.N.Y. Jan. 16, 2009); *In re Frontier Airlines Holdings, Inc.*, Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. Apr. 11, 2008); *In re PLVTZ, Inc.*, Case No. 07-13532 (REG) (Bankr. S.D.N.Y. Nov. 9, 2007); *In re Dana Corp.*, Case No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006); *In re Calpine Corp.*, Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan 26, 2006); *In re Delphi Corp.*, Case No. 05-44481 (RDD) (Bankr. S.D.N.Y. Nov. 4, 2005); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sept. 16, 2005); *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Jul. 22, 2002); *In re Adelphia Bus. Solutions, Inc.*, Case No. 02-11389 (REG) (Bankr. S.D.N.Y. Mar. 27, 2002); *In re Global Crossing Ltd.*, Case No. 02-40188 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); *In re Enron Corp.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001). Similar authorization is appropriate in these chapter 11 cases.

35. The Debtors also seek an order granting the Banks authority to continue to treat, service and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all postpetition checks, drafts, wires, or ACH Transfers drawn on the Bank Accounts by the holders or makers thereof, as the case may be, to the extent the Debtors have good funds standing to their credit with such Bank.

36. Notwithstanding anything to the contrary in any other order of this Court, the Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH Transfers should be honored or dishonored consistent with any order of this Court and governing law, whether such checks, drafts, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures.

37. The Debtors also request that, in accordance with current practice and the agreements governing the Bank Accounts, the Banks be authorized to "charge back" to the Debtors' accounts any amounts incurred by the Banks resulting from returned checks or other returned items, and the Debtors be authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items.

38. The Debtors further request that any payment from a Bank Account at the request of the Debtors made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of any Debtor pursuant to a "midnight deadline" or otherwise, be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition.



39. To minimize expenses, the Debtors further request they be authorized to continue to use their correspondence and business forms, including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, checks and other business forms (collectively, the “**Business Forms**”), substantially in the forms existing immediately before the Petition Date, without reference to their status as debtors in possession, *provided, however*, that as soon as reasonably practicable, the Debtors shall mark “Debtor in Possession” and the chapter 11 case number under which these cases are being jointly administered on any newly printed check stock. As a result of the press releases issued by the Debtors and other press coverage, parties doing business with the Debtors undoubtedly will be aware of the Debtors’ status as debtors in possession. In the absence of such relief, the Debtors’ estates will be required to bear a potentially significant expense that the Debtors respectfully submit is unwarranted.

40. If the Debtors are not permitted to maintain and use their Bank Accounts and continue to use their existing Business Forms as set forth herein, the resulting prejudice will include (a) disruption of the ordinary financial affairs and business operations of the Debtors, (b) delay in the administration of the Debtors’ estates, (c) compromise of the Debtors’ internal controls and accounting system, and (d) cost to the estates to set up new systems and open new accounts and print new business forms.

**The Debtors Seek Authorization to  
Open and Close Bank Accounts**

41. Pursuant to this Motion, the Debtors also seek authorization to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account as they may deem necessary and appropriate. The Debtors request that the Court authorize the Banks

to honor the Debtors' requests to open or close, as the case may be, such bank accounts or additional bank accounts, *provided, however*, that, unless otherwise ordered by this Court, any new bank account shall be with (i) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (ii) a bank designated as an Authorized Depository under the U.S. Trustee Guidelines, or (iii) any other bank, as the Debtors may determine upon consultation with the U.S. Trustee.

42. The Debtors further request that nothing contained in the order granting the relief requested herein shall prevent Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

#### **Interim Order**

43. The Debtors seek the relief requested in this Motion in the form of the Interim Order. Within three business days of the entry of the Interim Order, the Debtors will serve a copy of the Interim Order and this Motion on (a) the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**"), (b) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors' estates on a consolidated basis, (d) attorneys for the administrative agents for the Debtors' proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney's Office for the Southern District of New York and (i) the domestic Banks.

44. The Debtors request that the deadline to file an objection (“**Objection**”) to the Motion shall be 4:00 p.m. (prevailing Eastern Time) on a date established by the Court that is at least seven calendar days prior to any hearing scheduled by the Court with respect to the relief sought herein on a final basis (the “**Objection Deadline**”). An Objection shall be considered timely only if, on or prior to the Objection Deadline, it is (a) filed with the Court and (b) served upon and actually received by (i) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (ii) proposed counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Brian M. Resnick, (iii) attorneys for the administrative agents for the Debtors’ proposed postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Marcia Goldstein and Joseph Smolinsky, and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (iv) the attorneys for any official committee of unsecured creditors then appointed in these cases.

45. Unless otherwise ordered by the Court, a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two business days before the date of the applicable hearing.

46. If no Objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order granting the relief requested herein, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded to any party. If an Objection is timely filed, a hearing will be held at a date and time to be established by the Court.

47. The foregoing notice procedures satisfy Bankruptcy Rule 9014 by providing the counterparties with notice and an opportunity to object and be heard at a hearing. *See, e.g., In re Drexel Burnham Lambert*, 160 B.R. 729, 734 (S.D.N.Y. 1993) (an opportunity to present objections satisfies due process); *In re Colorado Mountain Cellars, Inc.*, 226 B.R. 244, 246 (D. Colo. 1998) (a hearing is not required to satisfy Bankruptcy Rule 9014). Furthermore, the proposed notice procedures protect the due process rights of the parties in interest without unnecessarily exposing the Debtors' estates to unwarranted administrative expenses.

#### **Necessity for Immediate Relief**

48. Bankruptcy Rule 6003 provides that “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, issue an order granting . . . (b) a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition . . . .” If the Debtors are not permitted to continue to use their Cash Management System in its current form, it would cause immediate and irreparable harm by causing operational chaos, disabling the Debtors from paying for goods and services received postpetition or otherwise approved by this Court and disrupting the collection of receivables. Accordingly, the interim relief requested herein is consistent with Bankruptcy Rule 6003 and the Court should authorize the Debtors' continued use of the Cash Management System.

#### **Request for Waiver of Stay**

49. In addition, by this Motion, the Debtor seeks a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h),

“[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” As set forth above, the immediate continued use of the Bank Accounts, Cash Management System and Business Forms is essential to prevent potentially irreparable damage to the Debtors’ operations, value and ability to implement its chapter 11 strategy. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

**Notice**

50. No trustee, examiner or creditors’ committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on (a) the Office of the United States Trustee for the Southern District of New York, (b) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors’ estates on a consolidated basis, (d) attorneys for the administrative agents for the Debtors’ proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency and (h) the United States Attorney’s Office for the Southern District of New York.

**No Previous Request**

51. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief  
requested herein and such other and further relief as is just and proper.

Dated: New York, New York  
July 9, 2012

By: /s/ Damian S. Schaible

Marshall S. Huebner  
Damian S. Schaible  
Brian M. Resnick  
Michelle M. McGreal

DAVIS POLK & WARDWELL LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Facsimile: (212) 607-7983

*Proposed Counsel to the Debtors  
and Debtors in Possession*

**SCHEDULE 1**  
(Debtor Entities)

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

# **Exhibit A**



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

**In re:**

**PATRIOT COAL CORPORATION, *et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 12-[ ] (\_\_\_)**

**(Jointly Administered)**

**INTERIM ORDER AUTHORIZING (i) DEBTORS TO CONTINUE TO USE  
EXISTING CASH MANAGEMENT SYSTEM AND MAINTAIN  
EXISTING BANK ACCOUNTS AND  
BUSINESS FORMS AND (ii) FINANCIAL INSTITUTIONS  
TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”)<sup>2</sup> of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”), for an order authorizing (i) the Debtors to continue to use their existing cash management system and maintain existing bank accounts and business forms and (ii) financial institutions to honor and process related checks and transfers pursuant to sections 105(a), 345, 363(c)(1) and 364(a) of the Bankruptcy Code and Bankruptcy Rule 6003 as more fully described in the Motion; consideration of the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed in support of the Debtors’ first-day pleadings; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and

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

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

1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided to (a) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), (b) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors’ estates on a consolidated basis, (d) attorneys for the administrative agents for the Debtors’ proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency and (h) the United States Attorney’s Office for the Southern District of New York; and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that the relief requested is necessary to avoid immediate and irreparable harm; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, pursuant to sections 105(a), 345, 363(c)(1) and 364(a) of the Bankruptcy Code and Bankruptcy Rule 6003, the relief requested in the Motion is hereby granted on an interim basis as set forth herein; and it is further

ORDERED that the Debtors are authorized and empowered, pursuant to sections 105(a) and 363(c)(1) of the Bankruptcy Code, to continue to maintain, operate and make transfers under their Cash Management System as described in the Motion; and it is further

ORDERED that, in accordance with their prepetition practices, the Debtors shall maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtors before the commencement of these chapter 11 cases. As a part thereof, each Debtor shall record in its books and records any transfer made by such Debtor to or for the benefit of any other Debtor that occurs on or after the Petition Date (a “**Postpetition Transfer**”); and it is further

ORDERED that any Debtor that makes a Postpetition Transfer to or for the benefit of another Debtor shall be granted a superpriority administrative expense claim as provided for in section 507(b) of the Bankruptcy Code, junior and subordinate to the superpriority administrative claims granted pursuant to any order of this Court authorizing, inter alia, the Debtors to obtain postpetition financing and granting adequate protection (including any carve-out); and it is further

ORDERED that, pursuant to section 364(a) of the Bankruptcy Code, the Debtors are authorized, in connection with the ordinary course operation of their Cash Management System, to obtain unsecured credit and incur unsecured debt in the ordinary course of business without any further notice or hearing; and it is further

ORDERED that the Debtors are authorized to continue to maintain the Bank Accounts with the same account numbers following the commencement of these cases; and it is further

ORDERED that, unless otherwise ordered by the Court or agreed by the U.S. Trustee, during these chapter 11 cases the Debtors shall not maintain a balance in any FDIC-insured Bank Account that exceeds the applicable FDIC insurance limit; and it is further

ORDERED that, unless otherwise ordered by the Court or agreed by the U.S. Trustee, during these chapter 11 cases the Debtors shall not maintain any funds in the Debtors' overnight account with Reich & Tang/Natixis; and it is further

ORDERED that the Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course and to receive, process and honor and pay any and all postpetition checks, drafts, wires, or automated clearing house transfers (“**ACH Transfers**”) drawn on the Bank Accounts by the holders or makers thereof, as the case may be to the extent the Debtors have good funds standing to their credit with such Bank; and it is further

ORDERED that, notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or ACH Transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, wires or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an

order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court; and it is further

ORDERED that the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures; and it is further

ORDERED that, in accordance with current practice and the agreement governing the Bank Accounts, the Banks are authorized to "charge back" to the Debtors' accounts any amounts incurred by the Banks resulting from returned checks or other returned items, and the Debtors are authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items; and it is further

ORDERED that any payment from a Bank Account at the request of the Debtors made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of any Debtor pursuant to a "midnight deadline" or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition; and it is further

ORDERED that the Debtors are authorized to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account as they may deem necessary and appropriate; *provided* that the Debtors shall, as soon as practicable, provide notice to the

relevant Bank and the Office of the U.S. Trustee of any opening or closing of any Bank Accounts or other bank accounts; and it is further

ORDERED that the Banks are authorized to honor the Debtors' requests to open or close, as the case may be, such bank accounts or additional bank accounts; *provided, however,* that, unless otherwise ordered by this Court, any new bank account shall be with (i) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (ii) a bank designated as an Authorized Depository under the U.S. Trustee Guidelines, or (iii) any other bank, as the Debtors may determine upon consultation with the U.S. Trustee; and it is further

ORDERED that nothing contained herein shall prevent Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services; and it is further

ORDERED that the Debtors are authorized to continue to use their correspondence and business forms, including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, checks and other business forms (collectively, the "**Business Forms**") substantially in the forms existing immediately before the Petition Date, without reference to their status as debtors in possession; *provided, however,* that as soon as reasonably practicable, the Debtors shall mark "Debtors in Possession" and the chapter 11 case number under which these cases are being jointly administered on any newly printed check stock; and it is further

ORDERED that the Debtors are, in their sole discretion, authorized to maintain and continue to use their Purchase Card Program consistent with its terms, including the payment of any obligations thereunder whether arising before or after the Petition Date

and the posting of any collateral in connection therewith; *provided* that, prior to entry of an order granting the relief requested in the Motion on a final basis, the Debtors will not pay any prepetition obligation under the Purchase Card Program before the applicable due date; and it is further

ORDERED that the Debtors are authorized to invest and deposit their cash and cash equivalents in accordance with the Investment Guidelines in addition to the investments permitted by section 345 of the Bankruptcy Code; *provided* that, unless otherwise ordered by the Court or agreed by the U.S. Trustee, during these chapter 11 cases the Debtors shall continue to invest, consistent with their prepetition practices, substantially in U.S. government-backed securities or deposit accounts; and it is further

ORDERED that the Investment Policies may be amended by order of the Court from time to time upon motion by the Debtors or any party in interest; and it is further

ORDERED that the Debtors' compliance with the Investment Guidelines shall be deemed to constitute compliance with section 345 of the Bankruptcy Code, and the Debtors are relieved from the obligations under section 345(b) to obtain a bond from any entity with which money is deposited or invested in accordance with the Investment Guidelines; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the interim or final order approving the proposed debtor in possession financing, if and when entered, and this Interim Order, the terms of the interim or final order approving the proposed debtor in possession financing, as applicable, shall govern; and it is further

ORDERED that within three business days of the entry of this Interim Order, the Debtors shall serve a copy of the Interim Order and this Motion on (a) the U.S. Trustee, (b) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (c) those creditors holding the 50 largest unsecured claims against the Debtors' estates on a consolidated basis, (d) attorneys for the administrative agents for the Debtors' proposed postpetition lenders, (e) the Internal Revenue Service, (f) the Securities and Exchange Commission, (g) the United States Environmental Protection Agency, (h) the United States Attorney's Office for the Southern District of New York and (i) the domestic Banks; and it is further

ORDERED that any objection to the relief requested in the Motion on a permanent basis must, by 4:00 p.m. (prevailing Eastern Time) on \_\_\_\_\_ (the "**Objection Deadline**"), be: (a) filed with the Court and (b) actually received by (i) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (ii) proposed counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Brian M. Resnick, (iii) attorneys for the administrative agents for the Debtors' proposed postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Marcia Goldstein and Joseph Smolinsky, and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (iv) the attorneys for any official committee of unsecured creditors then appointed in these cases; and it is further



ORDERED that a reply to an Objection may be filed with the Court and served on or before 12:00 p.m. (prevailing Eastern Time) on the day that is at least two days before the date of the applicable hearing; and it is further

ORDERED that if timely objections are received there shall be a hearing held on \_\_\_\_\_, 2012, at \_\_\_\_\_ (prevailing Eastern Time) to consider the timely objections to the Motion; and it is further

ORDERED that if no objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of this Interim Order, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party, and the Motion shall be approved *nunc pro tunc* to the date of the commencement of these chapter 11 cases; and it is further

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rules 6003 and 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

Dated: New York, New York

\_\_\_\_\_, 2012

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UNITED STATES BANKRUPTCY JUDGE

## **Exhibit B**

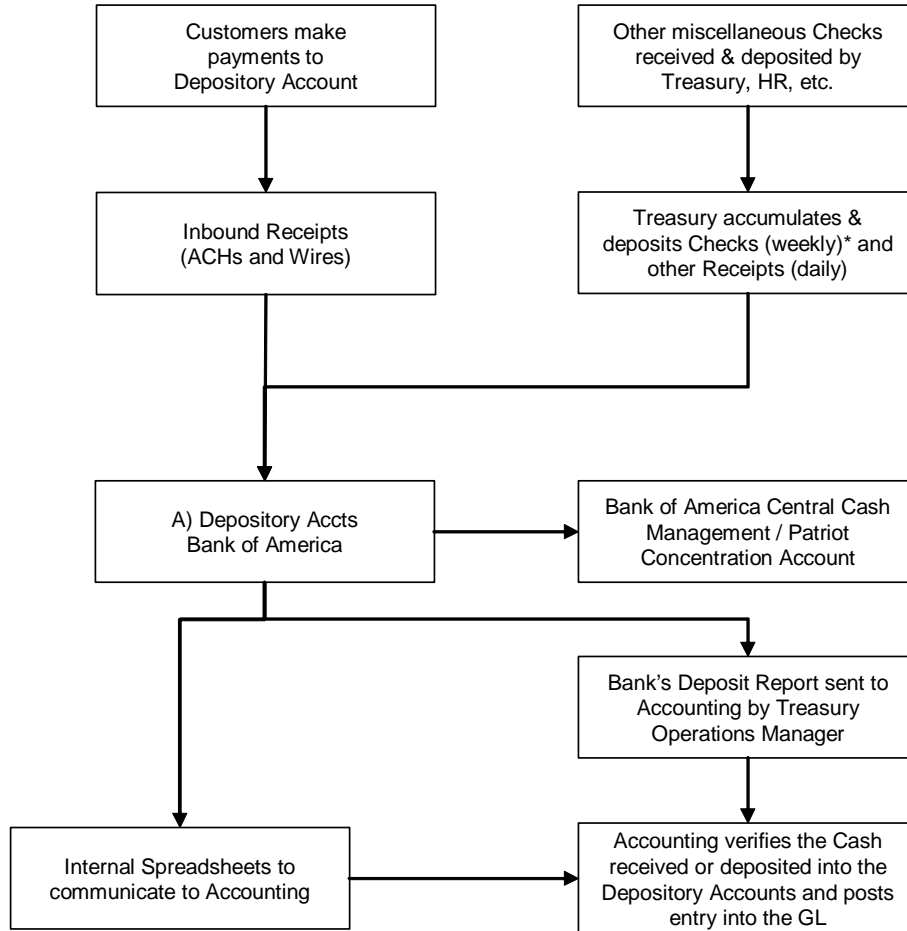
**Bank Accounts**

DEBTOR	FINANCIAL INSTITUTION	ACCOUNT NUMBER	ACCOUNT DESCRIPTION
Appalachia Mine Services LLC	Boone County Bank	100009760	Working Fund
Dodge Hill Mining Company LLC	Old National Bank	397374618	Working Fund
Eastern Associated Coal	Boone County Bank	260012203	Working Fund
Eastern Associated Coal	Clear Mountain Bank	2843650	Working Fund
Eastern Associated Coal	PNC Bank	1008971332	Lockbox
Emerald Processing	TruPoint Bank	50007076	AP
Emerald Processing	TruPoint Bank	44393	Payroll
Highland Mining Company	Old National Bank	103093346	Working Fund
JCD Corporation (on behalf of Logan Fork Coal Company)	US Bank	152302059950	Escrow
Kanawha Eagle Coal LLC	BB&T	1280000365	Escrow
Kanawha Eagle Coal LLC	Whitesville State Bank	119116	Working Fund
Magnum Coal Sales LLC	Huntington Bank	1221214836	Escrow
Newtown Energy Inc.	TruPoint Bank	50007068	AP
Newtown Energy Inc.	TruPoint Bank	44628	Payroll
Patriot Coal Company LP	Ohio Valley National Bank	6039129	Working Fund
Patriot Coal Corporation	Bank of America	4426467867	Concentration
Patriot Coal Corporation	Bank of America	4426481665	Depository
Patriot Coal Corporation	Bank of America	5S402R69	Securities Account Fund
Patriot Coal Corporation	Bank of America	401872	Internal Investment/CD
Patriot Coal Corporation	BB&T	1280000285	PennVA Trust/Escrow
Patriot Coal Corporation	Comerica Bank	1852680469	Business Deposits
Patriot Coal Corporation	LaSalle Global Trust Services	432747.1	Escrow
Patriot Coal Corporation	PNC Bank	1028860808	Concentration

DEBTOR	FINANCIAL INSTITUTION	ACCOUNT NUMBER	ACCOUNT DESCRIPTION
Patriot Coal Corporation	PNC Bank	1028860744	AP
Patriot Coal Corporation	PNC Bank	1028860736	Payroll
Patriot Coal Corporation	Reich & Tang	6060688	RNT Natixis Liquid Prime – Treasurer Class
Patriot Coal Corporation	Sovereign/Santander	2582000078	Commercial Money Market
Patriot Coal Corporation	The Private Bank & Trust	2290847	Business Checking
Patriot Coal Corporation	The Private Bank & Trust	3219577	Business Money Market
PCX Enterprises	Capital One	7527073612	General Account
Heritage Coal Company LLC	Old National Bank	17439523	Working Fund
Pine Ridge Coal Company	Whitesville State Bank	0106286	Working Fund
Squaw Creek Coal Company	PNC Bank	1019280895	General Account
Tecumseh Coal Corporation	PNC Bank	1019280887	General Account

## **Exhibit C**

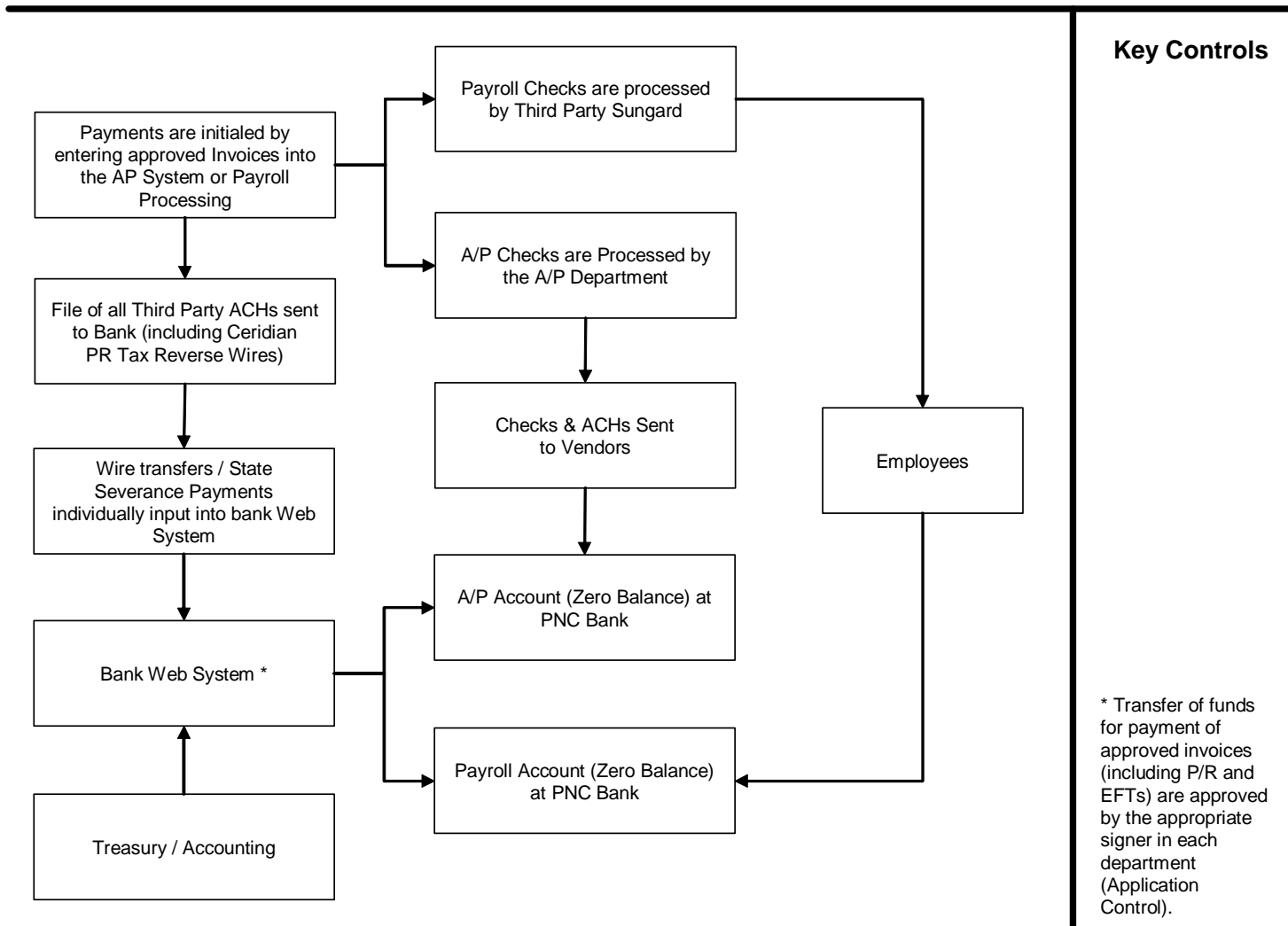
Patriot Coal  
Cash Management System  
*Deposit Processing*



**Key Controls**

\* Scanned remotely for Deposit into Bank of America Account

Patriot Coal  
Cash Management System  
Payment Processing



**Key Controls**

\* Transfer of funds for payment of approved invoices (including P/R and EFTs) are approved by the appropriate signer in each department (Application Control).