

Objection Deadline: October 5, 2012 at 4:00 p.m. (prevailing Eastern Time)
Hearing Date (if necessary): October 11, 2012 at 10:00 a.m. (prevailing Eastern Time)

DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017
Telephone: (212) 450-4000
Facsimile: (212) 607-7983
Marshall S. Huebner
Brian M. Resnick
Hayden S. Baker
Michelle M. McGreal

*Counsel to the Debtors
and Debtors in Possession*

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**CERTAIN DEBTORS' MOTION FOR ENTRY OF AN ORDER PURSUANT TO 11
U.S.C. § 362(d) AUTHORIZING LIMITED RELIEF FROM THE AUTOMATIC STAY**

Patriot Coal Corporation (“**Patriot**”), Apogee Coal Company, LLC (“**Apogee**”),
Catenary Coal Company, LLC (“**Catenary**”) and Hobet Mining, LLC (“**Hobet**”, collectively,
the “**Debtor Movants**” or the “**Defendants**”) respectfully represent:

Relief Requested

1. By this motion (the “**Motion**”), the Debtor Movants respectfully move this Court,
pursuant to section 362(d) of the Bankruptcy Code, Rule 4001 of the Federal Rules of

¹ 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.

Bankruptcy Procedure and Rule 4001-1 of the Local Bankruptcy Rules for the Southern District of New York, for entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), granting limited relief from the automatic stay, to the extent applicable to the relief requested herein, solely to the extent necessary to allow the Litigants (as defined below) to comply with a briefing schedule set forth by the United States District Court for the Southern District of West Virginia (the “**West Virginia District Court**”) in *Ohio Valley Envtl. Coal., Inc. v. Hobet Mining, LLC*, No. 3:09-1167 (S.D. W. Va.) and *Ohio Valley Envtl. Coal., Inc. v. Patriot Coal Corp., et al.*, No. 3:11-0115 (S.D. W. Va.) (collectively, the “**Environmental Proceedings**”) in order for the Debtor Movants to request a modification of compliance deadlines under the Prepetition Orders (as defined below) entered in connection with the Environmental Proceedings on the basis that there have been significant changes in the Debtor Movants’ circumstances (including the commencement of these chapter 11 cases) that warrant such modifications, and to allow the West Virginia District Court to determine whether to modify, and to order the modification of, the deadlines in the Prepetition Orders. The extension of these deadlines would aid the Debtor Movants’ restructuring efforts, and the limited relief sought herein will not prejudice any of the parties’ otherwise applicable rights.

Background and Jurisdiction

2. On July 9, 2012 (the “**Petition Date**”), each of the Debtor Movants and their 95 affiliated entities (collectively, the “**Debtors**”) 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.

3. These chapter 11 cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

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, filed on July 9, 2012 [ECF No. 4], 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)(2) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Factual Background

6. The federal Clean Water Act (the “**CWA**”) and corresponding state and local laws and regulations affect coal mining operations by restricting the discharge of pollutants, including dredged or fill materials, into waters of the United States. In particular, the CWA requires effluent limitations and treatment standards for wastewater discharge through the National Pollutant Discharge Elimination System (“**NPDES**”) program. NPDES permits, which are required for both active and historical mining operations and govern the discharge of pollutants into water, set forth performance standards and require regular monitoring and reporting. Each entity discharging pollutants must obtain a NPDES permit.

7. Since as early as 2006, Patriot and various of its subsidiaries have been engaged in litigation, administrative appeals and other disputes with certain non-governmental environmental organizations, including, among others, the Ohio Valley Environmental Coalition,

Inc., the Sierra Club and the West Virginia Highlands Conservancy, Inc. (collectively, the “**Plaintiffs**”, and together with the Debtor Movants, the “**Litigants**”) regarding Patriot and its subsidiaries’ compliance with selenium effluent limits present in several NPDES permits issued to Hobet and other subsidiaries of Patriot. Most of this litigation concerns the large-scale surface mining activities of Debtors Apogee, Catenary and Hobet (collectively, the “**Selenium Debtors**”), each a wholly-owned subsidiary of Patriot, which began mining coal through large-scale surface operations in the 1980s and 1990s under their previous owners. When the mining and the majority of the outfalls that are the subject of the Environmental Proceedings occurred, selenium had not been identified as a parameter of concern for coal mining discharges, and there were no permit conditions or required practices addressing selenium. In many respects, it was only during or after the reclamation of a mining area associated with an outfall that selenium was first identified as an industry-wide water quality issue. The selenium parameters at issue in the Environmental Proceedings are based on water quality criteria protective of fish and other aquatic life.

8. As a result of litigation brought by the Plaintiffs, which was initiated prior to the Petition Date and is currently pending before the Honorable Judge Robert C. Chambers, Jr. in the West Virginia District Court, the Debtor Movants are subject to a number of deadlines under the Prepetition Orders (as defined below) by which they must comply with certain effluent limits for selenium. Specifically, Hobet is subject to a September 1, 2010 Order and an October 8, 2010 Order (both orders together, the “**Hobet 22 Order**”) requiring Hobet, *inter alia*, to construct a system at Hobet’s Mine 22 to treat selenium discharged from Outlet 001 on Hobet’s NPDES Permit WV1022911 and to bring the selenium effluence from one of its mining outfalls into compliance with applicable permit limitations by May 1, 2013. *See* October 8, 2010 Hobet 22

Order ¶ 1, *Ohio Valley Envtl. Coal., Inc. v. Hobet Mining, LLC*, No. 3:09-1167 (S.D. W. Va. Oct. 8, 2010) [ECF Doc. 75] (attached hereto as Exhibit B). The Hobet 22 Order also directs Hobet to maintain an irrevocable standby letter of credit² in the amount of \$45 million in part to ensure compliance with the deadlines imposed by the West Virginia District Court. *See id.* ¶ 4.

9. In addition, the Debtor Movants are parties to a March 15, 2012 Consent Decree with the Plaintiffs (the “**Consent Decree**”, together with the Hobet 22 Order, the “**Prepetition Orders**”) setting similar compliance deadlines for two additional outfalls associated with Hobet’s mining operations, as well as other outfalls at a number of the Selenium Debtors’ mining complexes. *See* Consent Decree ¶¶ 18-33, *Ohio Valley Envtl. Coal., Inc. v. Patriot Coal Corp., et al.*, No. 3:11-0115 (S.D. W. Va. Mar. 15, 2012) (attached hereto as Exhibit C).

10. Patriot and the Selenium Debtors have worked diligently and in good faith to comply with the Prepetition Orders. In particular, they have invested significant time and resources identifying, developing and installing treatment technologies for selenium, and expect to identify and implement even more effective technologies as those technologies develop and improve over time. As a result of these efforts, Patriot and the Selenium Debtors have made significant progress in bringing the relevant mining outfalls into compliance with the required permit conditions. This progress has come at a substantial cost, however, and is complicated by the commencement of these chapter 11 cases. Significantly, compliance with the Prepetition Orders would require the Debtor Movants to expend considerable amounts of their limited resources in order to meet the near-term deadlines for compliance under the Prepetition Orders. Were Judge Chambers to extend these deadlines as requested in the Motion to Modify (as

² This letter of credit is subject to certain requirements that must be met as a condition to its presentment. Nothing in this Motion requests authority to modify the automatic stay in any way to permit the beneficiary to present the letter of credit or to take any action to satisfy the conditions precedent to presentment.

defined below), the Debtor Movants will conserve liquidity over the next 12 to 18 months, and the letter of credit will continue to guarantee that sufficient funds are available to complete the planned construction at Hobet Mine 22.

11. Beginning soon after the Petition Date, the Litigants engaged in discussions regarding a range of options that might be considered during the Debtor Movants' chapter 11 cases. By order dated July 25, 2012, the West Virginia District Court modified the requirements of the Prepetition Orders to extend their compliance deadlines for a short period while the Litigants explored those options. *OVEC v. Hobet*, Civ. Action 3:09-1167, ECF No. 161. At the request of the Litigants, the West Virginia District Court did so again by orders dated August 10, 2012 (ECF No. 165) and August 16, 2012 (ECF No. 167) after the Litigants advised the West Virginia District Court that counsel had reached an agreement in principle, subject to the requisite approvals, which the parties hoped to reduce to an agreed order.

12. Notwithstanding diligent good-faith efforts by all the Litigants, the parties have been unable to finalize a mutually sought "global" settlement agreement that would modify the Prepetition Orders. During a telephonic status conference on September 12, 2012, the Debtor Movants advised the West Virginia District Court that despite such failed discussions, they intend to seek from it a modification of the Prepetition Orders to stay the construction of the selenium treatment system at Hobet's Mine 22, to extend the compliance deadlines under the Prepetition Orders. The Debtor Movants requested that the West Virginia District Court extend the most recent "stay" order of August 16, 2012 (Civ. Action 3:09-1167, Doc. 167; Civ. Action 3:11-0115, Doc. 64) for a short period so that it could consider the Debtor Movants' proposed motion to modify the Prepetition Orders (the "**Motion to Modify**"). Over the Plaintiffs' objections, the West Virginia District Court granted an extension of the existing stay for an

additional 14 days (until September 26, 2012) and entered a briefing schedule for the Motion to Modify, (Civ. Action 3:09-1167, Doc. 167, attached hereto as Exhibit D (the “**Briefing Schedule**”). The Briefing Schedule required the Debtor Movants to file the Motion to Modify by September 17, 2012. At the September 12 status conference, despite the fact that the West Virginia District Court had previously stayed or extended the compliance dates in the Prepetition Orders to accommodate settlement discussions between the Litigants (*see, e.g.*, Civ. Action 3:09-1167, Doc. 170), the Plaintiffs asserted for the first time to the West Virginia District Court that an extension of the compliance deadlines would be subject to the automatic stay under section 362 of the Bankruptcy Code.

13. On September 17, 2012, the West Virginia District Court held another telephonic status conference, during which the Debtor Movants notified the West Virginia District Court of their intent to seek the limited relief described herein and requested that the Litigants be excused from complying with the Briefing Schedule until this Court has an opportunity to consider this Motion. Judge Chambers granted this request and entered an order, attached hereto as Exhibit E, suspending the deadlines in the Briefing Schedule, staying proceedings in the West Virginia District Court and scheduling a conference for October 12, 2012 at 11:30 a.m. in order to discuss this Court’s ruling on this Motion and, if applicable, set forth a new briefing schedule for the Motion to Modify (as defined below).

14. Accordingly, the Debtor Movants are seeking to modify the automatic stay, to the extent applicable to the relief sought herein, for the sole and limited purpose of (i) allowing the Litigants to file and prosecute pleadings with respect to the Motion to Modify in accordance with a briefing schedule set forth by the West Virginia District Court and (ii) allowing the West Virginia District Court to determine whether to modify, and to order the modification of, the

deadlines in the Prepetition Orders. Pursuant to the Proposed Order, the automatic stay, to the extent it otherwise applies to any aspect of the Environmental Proceedings, will otherwise remain in effect for all purposes as to the Environmental Proceedings.

Basis for Relief

15. Courts have authority to modify the automatic stay upon a showing of “cause.” 11 U.S.C. 362(d)(1). “Because neither the Code nor the legislative history provides a specific definition of what constitutes ‘cause’ under § 362(d), courts must determine whether relief is appropriate on a case by case basis, taking into consideration the interests of the debtor, the claimants and the estate.” *See In re MacInnis*, 235 B.R. 255, 259 (S.D.N.Y. 1998). Courts also have broad discretion to fashion an appropriate form of stay relief. *In re Pittsford Polo Club, Inc.*, 188 B.R. 339, 344 (Bankr. W.D.N.Y. 1995); *see also E. Refractories Co.*, 157 F.3d at 172 (“Bankruptcy courts have the plastic powers to modify or condition an automatic stay so as to fashion the appropriate scope of relief.”); *In re Shared Techs. Cellular Inc.*, 293 B.R. 89, 93 (D. Conn. 2003) (“The statutory language clearly grants bankruptcy courts authority to modify or condition the automatic stay, thereby empowering them to shape relief mindful of the particular circumstances of each case.”). This includes limiting stay relief to a particular action within a proceeding. “All proceedings in a single case are not lumped together for purposes of automatic stay analysis.” *Vasile v. Dean Witter Reynolds Inc.*, 20 F. Supp. 2d 465, 499 (E.D.N.Y. 1998) citing *Maritime Elec. Co. v. United Jersey Bank*, 959 F.2d 1194, 1204 (3d Cir. 1992). Rather, “[w]ithin a single case, some actions may be stayed, others not.” *Maritime Elec. Co.*, 959 F.2d at 1204.

16. In *In re Sonnax Industries, Inc.*, the Second Circuit set forth twelve factors to guide a court’s determination regarding whether there is “cause” to modify the automatic stay.

Sonnax Indus., Inc. v. Tri Component Prods. Corp. (In re Sonnax Indus., Inc.), 907 F.2d 1280, 1286 (2d Cir. 1990). Not all of the factors will be relevant or need be considered in a given case. *See id.* (“We believe four of the . . . factors are relevant to the instant case.”). This is particularly the case here, given the unusual situation here where *the Plaintiffs* are threatening to seek to stay their own action by invoking the “fundamental debtor protection” that is the automatic stay. *Grocery Haulers, Inc. v. A&P (In re A&P)*, 467 B.R. 44, 51 (S.D.N.Y. 2012) (quoting *Shugrue v. Air Line Pilots Ass’n, Int’l (In re Ionosphere Clubs, Inc.)*, 922 F.2d 984, 989 (2d Cir. 1990)); *see also* H.R. Rep. No. 595, 95th Cong. § 340 (1977); S. Rep. No. 989, 95th Cong. § 50 (1978), U.S. Code Cong. & Admin. News 5787 (1978)). Six of the *Sonnax* factors are relevant here:

- impact of the stay on the parties and the balance of harms;
- whether relief would result in a partial or complete resolution of the issues;
- whether a specialized tribunal with the necessary expertise has been established to hear the cause of action;
- whether the parties are ready for trial in the other proceeding;
- whether litigation in another forum would prejudice the interests of other creditors; and
- the interests of judicial economy and the expeditious and economical resolution of litigation.

17. Each of these factors as applied to the limited request being made by the Debtor Movants weighs in favor of narrowly modifying the automatic stay, to the extent it applies to the relief sought herein, in order to permit the Debtor Movants to seek to extend the compliance deadlines in the Prepetition Orders and, if the West Virginia District Court is so inclined, for such court to grant such relief and ease the near-term burdens on the Debtor Movants’ estates

resulting from compliance with the Prepetition Orders.³ Moreover, these factors are “non-exclusive”, *Lamarche v. Miles*, 416 B.R. 53, 57 (E.D.N.Y. 2009), permitting this Court to consider independently the fact that the Debtor Movants are seeking relief to benefit the estates.

18. First, the balance of harms strongly favors a limited modification of the automatic stay. Extension of the compliance deadlines would permit the Debtor Movants to seek to delay the installation of costly selenium treatment facilities during this critical period of their chapter 11 cases. If automatic stay relief is denied, the Debtor Movants and their estates may be required to expend significant amounts of their limited resources, particularly cash, in order to meet the upcoming compliance deadlines. Specifically, such compliance would require the Debtor Movants to expend approximately \$17 million in cash in the immediate future in order to meet the compliance deadlines in the Hobet 22 Order, and another approximately \$12 million to meet the compliance deadlines in the Consent Decree. Extending these deadlines would provide the Debtor Movants with the opportunity to conserve valuable resources during their chapter 11 cases and may provide adequate time for the necessary technology to mature before full implementation is required, potentially lowering the Debtor Movants’ ultimate costs of compliance. In total, the Debtor Movants estimate that if the West Virginia District Court modifies the compliance deadlines as requested, the Debtor Movants could defer up to \$29 million in costs through the end of 2013, thereby providing clear tangible benefits to the Debtor Movants’ estates and their creditors.

³ In the event that the relief requested herein is granted and the West Virginia District Court denies the Debtor Movants’ request to extend the deadlines, the Debtors and other parties in interest in these chapter 11 cases intend to evaluate all available options with respect to the Environmental Proceedings and will determine the appropriate next steps in light of the Debtors’ reorganization efforts.

19. By contrast, the Plaintiffs would suffer little harm if the Debtor Movants' requested limited automatic stay relief is granted. This Court would merely be authorizing the Litigants to comply with a new briefing schedule set forth by Judge Chambers and the West Virginia District Court to determine the narrow issue of whether the Prepetition Orders should be modified. Requiring the Plaintiffs to file pleadings in opposition to a motion in a proceeding that they commenced does not constitute cognizable harm to the Plaintiffs, regardless of whether or not the Defendants are debtors under the Bankruptcy Code. Moreover, any substantive relief granted to the Debtor Movants would result solely from the West Virginia District Court, based on reconsideration of the Prepetition Orders in light of changed circumstances, not directly from the granting of limited relief from the automatic stay. In short, during this critical period in the Debtor Movants' chapter 11 cases, permitting the West Virginia District Court to determine whether, and the extent to which, the Prepetition Orders should be modified would provide the Debtor Movants with the benefit of the ability to seek to immediately defer significant costs while imposing no cognizable harm on the Plaintiffs.

20. Second, granting relief from the automatic stay would result in complete resolution of the narrow issue being briefed in the West Virginia District Court, namely whether, and the extent to which, the deadlines in the Prepetition Orders should be modified.

21. Third, the West Virginia District Court is well-positioned to be able to address the narrow issue of whether to modify its prior Prepetition Orders to extend the deadlines.

22. Fourth, the narrow request to extend the deadlines does not require significant litigation in the underlying Environmental Proceedings. To the contrary, the issue is a discrete one with which the West Virginia District Court is already familiar (and as to which it has already set forth the Briefing Schedule).

23. Fifth, granting this limited relief will not prejudice the interests of the Debtor Movants' other creditors. As discussed above, if the Debtor Movants are successful in obtaining the extensions, the Debtor Movants estimate that they will defer millions of dollars in costs through modification of the Prepetition Orders. These immediate cost-deferrals would directly benefit creditors and other parties in interest in these cases by enabling the Debtor Movants to conserve significant amounts of cash, which is essential to their ongoing restructuring efforts, and ultimately enhancing the size of their estates.

24. Sixth, the interests of judicial economy and the expeditious and economical resolution of litigation favors granting the Debtor Movants' limited request for relief from the automatic stay. This Court could undoubtedly become familiar with the Environmental Proceedings; however, on balance, the interests of judicial economy are promoted by allowing the West Virginia District Court to determine the limited narrow issue of whether to modify the Prepetition Orders and to authorize such modifications if appropriate. This will lead to the most "expeditious" resolution of the narrow issue of whether to modify the Prepetition Orders.

25. In sum, all of the relevant *Sonnax* factors weigh in favor of granting relief from the automatic stay for the limited purposes discussed herein. Section 362 was designed to relieve "the financial pressures that drove [debtors] into bankruptcy" by affording the debtors a "breathing spell" from the collection process and enabling them to attempt a repayment or reorganization plan to satisfy existing debt. *E. Refractories Co. Inc. v. Forty Eight Insulations Inc.*, 157 F.3d 169, 172 (2d Cir. 1998) citing H.R. Rep. No. 95-595, at 340 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6296-97. If this limited relief from the automatic stay is denied, and the Debtor Movants are precluded from seeking to modify the Prepetition Orders, the Debtor Movants may face the burdensome financial pressures of attempting to comply with the

upcoming deadlines. This would directly undermine the fundamental purpose of the automatic stay by allowing the Plaintiffs to use a “fundamental debtor protection” to impermissibly gain an advantage at the cost of other creditors of these estates. In contrast, allowing limited relief from the automatic stay to obtain an extension of the deadlines would enable the Debtor Movants’ estates and creditors to obtain the protections afforded by the “breathing spell” intended to be provided by section 362 and enable the Debtor Movants to seek to defer millions of dollars in costs that would facilitate the Debtor Movants’ reorganization efforts and benefit the Debtor Movants and their creditors.

Request for Expedited Relief

26. This Court’s Order Establishing Certain Notice, Case Management and Administrative Procedures entered by the Court on July 16, 2012 (the “**Case Management Order**”) sets forth the procedures for setting hearing dates and objection deadlines for motions filed in these chapter 11 cases. The Debtor Movants respectfully request expedited relief regarding the otherwise applicable timing set forth in the Case Management Order.

27. The Debtor Movants were prepared to file this Motion yesterday – on September 27, 2012 – the otherwise applicable filing deadline under the Case Management Order. However, the Debtor Movants determined that it would be in the best interests of their estates to delay the filing for less than one day and continue negotiations toward a consensual “global” settlement with the Plaintiffs in order to resolve the issues raised in the Motion to Modify. Although settlement discussions continue, the Debtor Movants have determined that it is appropriate to file this Motion at this time in order to provide parties in interest in these cases with the maximum amount of notice.

28. It is critical that this Motion be heard on October 11, 2012 because, as discussed above, there is a conference scheduled in the West Virginia District Court on October 12, 2012 for the purpose of discussing this Court's ruling on this Motion, and, if applicable, setting forth a new briefing schedule for the Motion to Modify.

29. The Debtor Movants submit that no party in interest in these cases will be prejudiced by shortening the otherwise applicable notice period by one day. As described above, the Debtor Movants notified the Plaintiffs on September 17, 2012 that they planned to file this Motion for hearing on October 11, 2012. The Debtor Movants are only seeking to shorten the filing deadline by one day, but the objection deadline will not be shortened and will still be seven days from the date of the filing of this Motion. Accordingly, cause exists to grant expedited relief.

Waiver of Bankruptcy Rule 4001(a)(3)

30. Bankruptcy Rule 4001(a)(3) provides that an "order granting a motion for relief from an automatic stay made in accordance with Rule 4001(a)(1) is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise." In light of the October 12 conference with Judge Chambers, the Debtor Movants request that any order granting the relief requested herein be effective immediately by providing that the 14-day stay under Bankruptcy Rule 4001(a)(3) is waived.

Notice

31. Consistent with the Case Management Order, the Debtor Movants will serve notice of this Motion on (a) the Core Parties, (b) the Non-ECF Service Parties (as those terms are defined in the Case Management Order) and (c) the Plaintiffs. All parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically

receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this Motion and any order approving it will also be made available on the Debtors' Case Information Website (located at www.PatriotCaseInfo.com). In light of the relief requested, the Debtor Movants submit that no further notice is necessary. Pursuant to paragraph 21 of the Case Management Order, if no objections are timely filed and served in accordance therewith, an order granting the relief requested herein may be entered without a hearing.

No Previous Request

32. No previous request for the relief sought herein has been made by the Debtor Movants to this or any other court.

WHEREFORE, the Debtor Movants 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
September 28, 2012

By: /s/ Brian M. Resnick

Marshall S. Huebner
Brian M. Resnick
Hayden S. Baker
Michelle M. McGreal

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

*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.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER PURSUANT TO 11 U.S.C. § 362(d) AUTHORIZING
LIMITED RELIEF FROM THE AUTOMATIC STAY**

Upon the motion (the “**Motion**”)² of Patriot Coal Corporation (“**Patriot**”) and Hobet Mining, LLC (“**Hobet**”, and together with Patriot, the “**Debtor Movants**” or the “**Defendants**”), pursuant to section 362(d) of the Bankruptcy Code, Rule 4001 of the Federal Rules of Bankruptcy Procedure and Rule 4001-1 of the Local Bankruptcy Rules for the Southern District of New York, for entry of an order granting limited relief from the automatic stay, to the extent applicable, to allow for certain actions to be taken in *Ohio Valley Env'tl. Coal., Inc. v. Hobet Mining, LLC*, No. 3:09-1167 (S.D. W. Va.) and *Ohio Valley Env'tl. Coal., Inc. v. Patriot Coal Corp.*, No. 3:11-0115 (S.D. W. Va.) (collectively, the “**Environmental Proceedings**”) for the purpose of modifying orders in such cases through the extension of certain compliance deadlines; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to

¹ 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.

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

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, the Court having found that cause exists to shorten the time set forth in the Case Management Order for all the reasons set forth in the Motions; 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 Debtor Movants 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 upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as set forth herein; and it is further

ORDERED that the automatic stay pursuant to section 362 of the Bankruptcy Code, to the extent applicable to the relief requested in the Motion, is hereby modified pursuant to section 362(d) of the Bankruptcy Code solely for the limited purpose of allowing the Debtor Movants to file the Motion to Modify and the Litigants to file and prosecute pleadings solely with respect to the Motion to Modify in accordance with a briefing schedule set forth by the West Virginia District Court and allowing the West Virginia District Court to determine whether to modify, and to order the modification of, the Prepetition Orders, and for no other purpose; and it is further

ORDERED that, except as set forth herein, the automatic stay under section 362 remains in full force and effect to the extent it otherwise applies to any aspect of the Environmental Proceedings, including, without limitation, to any draw on the letter of credit required to be maintained by the Hobet 22 Order or any action taken to satisfy any of the conditions precedent thereto; and it is further

ORDERED that, notwithstanding anything contained in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, including, without limitation, Bankruptcy Rule 4001(a)(3), the Local Bankruptcy Rules of the Southern District of New York, or the Case Management Order, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that (i) the filing and prosecution by the Debtor Movants of the Motion or any action taken in connection therewith, (ii) the entry of this Order and (iii) the entry, denial or other disposition by the West Virginia District Court of the Motion to Modify, (x) is without prejudice to the rights of the Debtor Movants (and/or any other party in interest in these chapter 11 cases) and the other Litigants to support or oppose any motion by any party, including, but not limited to, the Debtor Movants (and/or any other party in interest in these chapter 11 cases) and the other Litigants, seeking to enforce, or seeking relief from, the automatic stay, (y) shall not constitute a waiver or limitation of the rights of the Debtor Movants (and/or any other party in interest in these chapter 11 cases) and the other Litigants to claim or contest the applicability of the automatic stay to any aspect of the Environmental Proceedings and any action or proceeding related thereto, except as expressly set forth in the second ordered paragraph of this Order and (z) shall not constitute a waiver or limitation of the rights, remedies

and defenses of the Debtor Movants (and/or any other party in interest in these chapter 11 cases) and the other Litigants in or relating to the Environmental Proceedings, except as expressly set forth in the second ordered paragraph of this Order; 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; the Court having found that cause exists to shorten the time set forth in the Case Management Order for all the reasons set forth in the Motion; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: New York, New York

_____, 2012

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE