

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
ST. LOUIS DIVISION**

In re:)	
	)	Chapter 11
PATRIOT COAL CORPORATION, <i>et al.</i>,	)	Case No. 12-51502-KASS
	)	(Jointly Administered)
Debtors)	
	)	Objection Deadline:
	)	January 22, 2013, at 4:00 p.m.
)	
	)	Hearing Date:
	)	January 29, 2013
	)	10:00 a.m.
)	
	)	Hearing Location:
	)	Courtroom 7 North, St. Louis
)	
)	

**OBJECTION OF LAWSON HEIRS INCORPORATED TO THE DEBTORS'
PROPOSED CURE AMOUNT IN THEIR MOTION FOR AUTHORIZATION
TO ASSUME OR REJECT UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY**

Lawson Heirs Incorporated (“LHI”) is a creditor in the above-styled matter, which owns real estate located in Logan County, West Virginia, including land leased to Robin Land Company, LLC (“Robin Land”), a wholly-owned subsidiary of Debtor Patriot Coal Corporation, and hereby states its objection to the Debtors’ proposed Cure Amount, as follows:

1. On January 15, 2013, the Debtors filed their Motion for Authorization to Assume or Reject Unexpired Leases of Nonresidential Real Property (the “Motion”) [Docket No. 1995].
2. LHI is a “land company” in the business of owning, managing, and leasing its real properties for the production of coal, oil & gas, timber, and for other purposes, and owns extensive surface and/or mineral properties in Logan County, West Virginia.

3. LHI is vested with title in fee simple absolute to the “Garland Fork Tract”, comprising approximately one thousand, six hundred twenty-eight acres (1,628 ac.), which it leases to the Affiliated Debtor Robin Land pursuant to the terms of a Combined, Amended and Restated Coal Lease, as amended, entered and dated October 31, 1994, and assigned to Robin Land by agreement between Ark Land Company and Robin Land dated December 30, 2005 (the “Robin Land Lease”).

4. Robin Land and its predecessors have maintained mining operations under the Robin Land Lease on the Garland Fork Tract for several decades and continue to maintain and operate mining operations, both directly and through a sub-lessee, to the present day.

5. Section 365(b)(1)(A) of the Bankruptcy Code provides that a debtor in possession may not assume an unexpired lease unless, at the time of assumption of the lease, it cures an existing default, or provides adequate assurance of prompt cure of such default.

6. The Robin Land Lease requires the lessee to make certain minimum royalty payments and certain tonnage royalty payments, and to reimburse LHI for payment of certain real and personal property taxes.

7. In acknowledging on page 35 of Schedule A to the Motion that Robin Land must make a payment of at least \$130,944.53 to cure existing delinquencies, Debtors and LHI agree that the Robin Land Lease is in default, with a Cure Amount of at least \$130,944.53.

8. Upon information and belief, however, this Cure Amount does not include the correct amount of outstanding tonnage royalty payments or reimbursement for real estate taxes as required under the Robin Land Lease.

9. Moreover:

a. To the extent that an assumption of the Robin Land Lease is effective as of January 29, 2013, or any such later date, as proposed in paragraph 11 of the Motion, the Debtors, pursuant to Section 365(d)(3), shall, nonetheless, timely perform all obligations of the debtor arising from and after the date of entry of the order of relief with respect to the Robin Land Lease. LHI objects to any contrary interpretation of the Debtors' duties under the Robin Land Lease.

b. To the extent that the Debtors propose to pay the agreed upon Cure Amount at any time after thirty (30) days after an order is entered with respect to the Robin Land Lease, as is suggested in paragraph 13 of the Motion by the qualified language of "as soon thereafter as reasonably practicable," LHI objects to such extended period for payment of an agreed upon Cure Amount.

10. For these reasons, while LHI does not oppose the Debtors' assumption of the Robin Land Lease, except as otherwise stated above, LHI disputes and objects to the proposed Cure Amount, which LHI believes should be approximately \$225,000.00, with approximately \$10,000.00 in additional tonnage royalty payments and \$84,463.12 in outstanding real estate taxes due from Robin Land beyond the proposed Cure Amount of \$130,944.53.

WHEREFORE, LHI asks that its objection be sustained and that the Court grant it such other and further relief as the Court may deem just and proper.

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10. All creditors and parties in interest that are receiving electronic notice in this case.

/s/ Howard S. Smotkin
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