

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

In re:)	
)	Chapter 11
)	
Patriot Coal Corporation, et al.)	Case No. 12-51502
)	
)	(Jointly Administered)
Debtors.)	

**BLUE EAGLE LAND, LLC'S OBJECTION
TO DEBTORS' MOTION FOR AUTHORIZATION TO (I) ASSUME
OR (II) REJECT UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY**

Blue Eagle Land, LLC ("BEL") hereby objects to Debtors' Motion for Authorization to (i) Assume or (ii) Reject Unexpired Leases of Nonresidential Real Property (the "Motion") and, in support thereof, states as follows:

BEL's Status As RLC's Landlord

1. Ark Land Company, a Delaware corporation, ("Ark") and Robin Land Company, LLC, a Delaware limited liability company, ("RLC"), entered into that certain Coal Mining Lease dated December 31, 2005 (the "Lease") whereby Ark granted RLC the right to conduct coal mining activities on approximately 42,134.4 acres of coal and 33,187.4 acres of surface located in the Big Sandy, Cabin Creek, Elk and Malden Districts of Kanawha County, West Virginia and the Union District of Clay County, West Virginia (the "Blue Creek Property").

2. Contemporaneously with the execution of the Lease, Ark and RLC entered into that certain Option Agreement dated December 31, 2005, as amended by Amendment No. 1 to Option to Purchase dated December 21, 2006 and Amendment No. 2 to Option to Purchase dated March 20, 2007 (collectively, the "Option Agreement").

3. On April 17, 2007, BEL and RLC entered into that certain Option Purchase Agreement (the "OPA"). Pursuant to the closing of the transaction contemplated by the OPA, on May 3, 2007, RLC assigned and BEL assumed all of RLC's rights with respect to the Option Agreement.

4. BEL exercised its right to purchase the Blue Creek Property by serving Ark with that certain Notice of Exercise of Option on May 30, 2007.

5. After receiving notice from BEL of its intent to purchase the Blue Creek Property, Ark (i) granted its interest in the Blue Creek Property to BEL by that certain Special Warranty Deed dated June 27, 2007 and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia in Deed Book 2693 at page 517 and in the office of the Clerk of the County Commission of Clay County, West Virginia in Deed Book 200 at page 755; and (ii) assigned its rights under the Lease to BEL by that certain Assignment and Assumption Agreement dated June 28, 2007.

6. BEL and RLC amended the Lease by that certain First Amendment to Coal Mining Lease dated June 28, 2007 ("Amendment No. 1"), and further amended the Lease by that certain Second Amendment to Coal Mining Lease dated March 16, 2011 ("Amendment No. 2" and together with the Lease and Amendment No. 1, the "Amended Lease").

Property Taxes Under The Amended Lease

7. Section 4 of the Amended Lease states that "Lessor will, in the first instance, pay all the taxes, levies and assessment on or in respect of Lessor's ownership of the property interests leased hereunder, and during the continuance of this Lease Lessee shall reimburse Lessor the full amount of such taxes, levies, and assessments, beginning with those covering the

calendar year in which this Lease is effective, promptly upon receipt of Lessor's statement therefore, such amounts to constitute and be treated as additional rental hereunder."

8. BEL has paid all the taxes, levies and assessment on or in respect of BEL's ownership of the Blue Creek Property, which total Two Hundred Nine Thousand Three Hundred Twenty-One Dollars and Seven Cents (\$209,321.07), and provided RLC with an invoice of such amount on January 16, 2013.

Cure Amount Under The Amended Lease

9. In the Motion, RLC requests authorization from this Court to assume the Amended Lease (Debtors' Contract ID - LND 841), and indicates the cure amount under the Amended Lease as One Hundred Eighty-One Thousand Four Hundred Ninety-Six Dollars and Fifty-Seven Cents (\$181,496.57).

10. Because the cure amount listed in the Motion does not equal the actual amount paid by BEL and invoiced to RLC, BEL objects to RLC's assumption of the Amended Lease; provided, however, BEL shall not object to RLC's assumption of the Amended Lease if (i) RLC amends the cure amount listed in the Motion to the actual amount paid by BEL, and (ii) reimburses BEL for such amount within thirty (30) days after an order is entered authorizing RLC to assume the Amended Lease.¹

11. The agreements referenced in this objection and other documents supporting this objection are voluminous and thus are not attached hereto but can be made available upon request by appropriate parties subject to confidentiality and other protections.

¹ The \$209,321.07 cure amount listed herein does not include amounts that would come due under the Amended Lease after the filing of this objection and before the Court rules on the amount of the cure, and to that extent BEL reserves the right to argue that such later amounts owed are included in the cure.

WHEREFORE, BEL respectfully requests that this Court deny the Motion to the extent that it relates to the Amended Lease on the grounds stated herein, and grant such other relief as this Court deems to be just and appropriate under the given circumstances.

Respectfully submitted,

Dated: January 22, 2013

SHOOK, HARDY & BACON L.L.P.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 22nd day of January, 2013, a true and correct copy of the above and foregoing was served via CM/ECF notification on all parties receiving such notification, and a true and correct copy of the above and foregoing was served via electronic mail to the following parties:

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ECF notification

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