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Attorneys for Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

Alpha Natural Resources, Inc., et al.,

Debtors.

Chapter 11

Case No. 15-33896 (KRH)

(Jointly Administered)

**ORDER ESTABLISHING PROCEDURES FOR
THE POTENTIAL SALE OF SHARES OF RICE ENERGY, INC.**

This matter coming before the Court on the *Motion of Debtor Foundation PA Coal Company, LLC for an Order Establishing Procedures for the Potential Sale of Shares of Rice Energy, Inc.* (Docket No. 1036) (the "Motion"),¹ filed by Foundation PA Coal Company, LLC ("Foundation Coal"), one of the above-captioned debtors and debtors in possession (collectively, the "Debtors"); the Court having reviewed the Motion and having considered the statements of counsel with respect to the Motion at a hearing before the Court (the "Hearing"); the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.



28 U.S.C. § 157(b), (c) venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409 and (d) notice of the Motion and the Hearing was sufficient under the circumstances; and the Court having determined that (a) the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; (b) a sound business purpose exists to grant the relief requested herein; and (c) there is good cause to waive the 14-day stay imposed by Bankruptcy Rule 6004(h);

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Stock Disposition Procedures, as set forth in the Motion and herein, are approved.
3. The Stock Disposition Procedures shall apply to any sale of Rice Shares. All sales will be market transactions with unrelated third party buyers for cash consideration. No sales shall be made for less than the then-current trading price on the NYSE; *provided that*, any block sale of the remainder of the Rice Shares may include a negotiated discount typical in such transactions to account for market volatility risk (a "Block Trade Risk Adjustment").
4. Subject to the terms below, five business days prior to each calendar quarter or as soon thereafter as is practicable, Foundation Coal shall serve a notice (a "Quarterly Notice") describing the parameters (the "Sale Parameters") for potential sales of the Rice Shares for the quarter (each, a "Proposed Sale") by email on: (a) Davis Polk & Wardwell LLP and McGuireWoods LLP, as co-counsel to Citibank, N.A. and Citicorp North America, Inc, as administrative and collateral agents under the DIP Financing and the Prepetition Credit Agreement; (b) Kirkland & Ellis LLP and Kutak Rock LLP, as co-counsel to the Second Lien Noteholder Group; (c) Stroock & Stroock & Lavan LLP, as counsel to the indenture trustee under the Second Lien Notes Indentures; and (d) Milbank, Tweed, Hadley & McCloy LLP and

Sands Anderson PC as co-counsel to the Creditors' Committee (collectively, the "Interested Parties"). The initial Quarterly Notice may be issued immediately and shall cover the remainder of December 2015 in addition to the first quarter of 2016.

5. The Quarterly Notice, at a minimum, must include the following information with respect to the Sale Parameters:

- (a) the number (or range) of Rice Shares potentially to be disposed of through Proposed Sale(s), which may be accomplished in multiple transactions or in a single transaction;
- (b) the minimum share price for any Potential Sale;
- (c) the maximum potential Block Trade Risk Adjustment;
- (d) the amount of any anticipated Sales Fees;
- (e) any other relevant terms, conditions or limitations on Potential Sales during the quarter; and
- (f) instructions regarding the procedures to assert objections to the proposed Sale Parameters ("Objections").

6. During the course of any calendar quarter, Foundation Coal may modify the Sale Parameters by serving an amended Quarterly Notice on the Interested Parties (an "Amended Notice"), including the same information and subject to the same objection procedures as a Quarterly Notice. If no Objections to the Amended Notice are properly and timely asserted prior to expiration of the Notice Period or if any Objection is resolved, Foundation Coal may consummate sales of the Rice Shares for the remainder of the calendar quarter based on the revised Sale Parameters.

7. The Interested Parties will have four business days after the date of service of the Quarterly Notice or an Amended Notice (the "Notice Period"), to object to the Sale Parameters. If no Objections are properly and timely asserted prior to expiration of the Notice Period or if any Objection is resolved, Foundation Coal will be authorized (but not required)

during the applicable calendar quarter, without further notice and without further approval, to

(a) consummate one or more Proposed Sales in its discretion and in accordance with its business judgment provided that each Proposed Sale is consistent with the approved Sale Parameters and

(b) take such other actions as are necessary to close the transaction and collect the proceeds of such sale, including, without limitation, payment of any Sales Fees. In addition, Foundation Coal may consummate a Proposed Sale prior to expiration of the applicable Notice Period or outside of the then-applicable Sale Parameters if each Interested Party consents in writing (including by email) to the Proposed Sale.

8. Any Objections to a Quarterly Notice or an Amended Notice must be

(a) in writing and (b) received by Foundation Coal and the Debtors' counsel (including by email) prior to expiration of the Notice Period.

9. Each Objection must state with specificity the grounds for objection. If an Objection to a Quarterly Notice or an Amended Notice is properly and timely delivered, the Debtors may not proceed with any Proposed Sale absent (a) withdrawal of the Objection by written notice to the Debtors' counsel (including by email) or (b) the entry of an order of the Court. Objections may be resolved by agreement of the parties and will not be filed with the Court.

10. If an Objection cannot be resolved and Foundation Coal wishes to proceed with any Proposed Sales, it may schedule an expedited hearing on any unresolved Objection on not less than three business days' notice. Foundation Coal may file any court filings related to the Sale Parameters or a Proposed Sale under seal and any related hearing may be held *in camera*. In addition, Interested Parties must file any related papers under seal.

11. Buyers of any Rice Shares sold pursuant to the Stock Disposition Procedures shall take title to such Rice Shares free and clear of liens, claims, encumbrances and other interests, pursuant to section 363(f) of the Bankruptcy Code. All valid liens, claims, encumbrances and other interests, if any, shall attach to the net proceeds of the sale, to the same extent with the same validity and priority as with respect to the Rice Shares.

12. Sales or transfers of the Rice Shares pursuant to the terms of this Order shall be deemed arm's length transactions and buyers shall be entitled to the protections of section 363(m) of the Bankruptcy Code.

13. Foundation Coal is hereby authorized to pay, without further approval, Sales Fees in connection with any sales of Rice Shares under the Stock Disposition Procedures.

14. Within 30 days after the end of each calendar month, Foundation Coal shall provide a written report or reports to each of the Interested Parties and to the U.S. Trustee, concerning any sales or transfers of the Rice Shares. No such reports must be provided for any month where there are no such sales or transfers. This reporting requirement may be satisfied by Foundation Coal providing broker confirmation sheets. In addition, upon entering into any agreement providing for a Block Trade Risk Adjustment, the Debtors shall provide a copy to the Interested Parties.

15. Any net proceeds obtained by Foundation Coal from any sales of the Rice Shares shall be deposited in the Rice Proceeds Account in accordance with the procedures and subject to the terms set forth in the Cash Management Order. Such net proceeds shall be used or held consistent with the terms of the agreements governing the DIP Financing Agreements, the DIP Order, the Cash Management Order and other applicable orders of the Court.

16. Nothing herein shall prejudice the rights of the Creditors' Committee or the Prepetition Lenders with respect to determining the validity, nature and extent of any liens claimed on the Rice Shares or the proceeds thereof.

17. The 14-day stay otherwise imposed by Bankruptcy Rule 6004(h) is hereby waived with respect to each Proposed Sale conducted in accordance with this Order, and the Debtors may close Proposed Sales as set forth herein without applicability of such stay.

18. The requirement under Local Bankruptcy Rule 9013-1(G) to file a memorandum of law in connection with the Motion is hereby waived to the extent necessary.

19. Each of the Debtors is authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

20. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Dated: Dec 22 2015, 2015
Richmond, Virginia

/s/ Kevin R. Huennekens
UNITED STATES BANKRUPTCY JUDGE

Entered on Docket:12/22/15

WE ASK FOR THIS:

Respectfully submitted,

/s/ Henry P. (Toby) Long, III
Tyler P. Brown (VSB No. 28072)
J.R. Smith (VSB No. 41913)
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*Attorneys for Debtors
and Debtors in Possession*

**CERTIFICATION OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)**

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Henry P. (Toby) Long, III