

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA**

In re:) Chapter 11
)
Blackjewel, L.L.C., *et al.*,) Case No. 19-30289
)
Debtors.¹) (Jointly Administered)

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER
SCHEDULING AN EMERGENCY HEARING ON THE MOTION OF DEBTORS FOR
ENTRY OF ORDER APPROVING THE SALE OF PAX ASSETS TO CONTURA
ENERGY, INC. FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby move this Court for entry of an order, pursuant to Rule 9013-1(f) of the Local Bankruptcy Rules of the U.S. Bankruptcy Court for the Southern District of West Virginia, scheduling an emergency hearing on Wednesday, August 28, 2019 at 1:30 pm (prevailing Eastern Time), on the *Motion of Debtors for Entry of Order Approving the Sale of Pax Assets to Contura Energy, Inc. Free and Clear of Liens, Claims and Encumbrances* [Docket No. 835] (the “Pax Sale Motion”).²

1. As the Court is aware, on July 25, 2019, the Debtors sought an order authorizing, among others things, the sale of substantially all of the Debtors’ assets pursuant to certain Bidding Procedures (as defined herein). In connection with the Bidding Procedures, the Debtors sought to designate Contura as the Stalking Horse Purchaser for the Western Assets and the Pax Assets. On July 26, 2019, the Court entered an order approving the sale process proposed by the Debtors and designating Contura as the Stalking Horse Purchaser [Docket. No. 356] (the “Bidding Procedures”).

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Blackjewel, L.L.C. (0823); Blackjewel Holdings L.L.C. (4745); Revelation Energy Holdings, LLC (8795); Revelation Management Corporation (8908); Revelation Energy, LLC (4605); Dominion Coal Corporation (2957); Harold Keene Coal Co. LLC (6749); Vansant Coal Corporation (2785); Lone Mountain Processing, LLC (0457); Powell Mountain Energy, LLC (1024); and Cumberland River Coal LLC (2213). The headquarters for each of the Debtors is located at 1051 Main Street, Milton, West Virginia 25541-1215.

² All terms not otherwise defined herein shall have the meaning ascribed to them in the Pax Sale Motion.

Order,” and Schedule 1 thereto, the “Bidding Procedures”).

2. Upon entry of the Bidding Procedures Order, the Debtors and their advisors contacted numerous interested parties to solicit bids for the Debtors’ assets. The sale process culminated in an Auction, at the conclusion of which the Debtors declared ten Successful Bidders for certain of the Debtors’ assets, including Contura’s combined bid for the Western Assets and the Pax Assets.³ There were no other bids for the Pax Assets.

3. On August 5, 2019 and August 6, 2019, the Court held a hearing (the “Sale Hearing”) to consider approval of the sale of the Debtors’ assets, including the sale of the Western Assets and Pax Assets to Contura. At the conclusion of the Sale Hearing, the Court approved all of the requested sales, including Contura’s purchase of the Western Assets and Pax Assets, and overruled all objections. The Court’s approval of the sale of the Western Assets and Pax Assets, like all other sales, was subject to the completion of necessary transaction documentation and the entry of an order by the Court approving each specific sale. Since the conclusion of the Sale Hearing, the Debtors have been diligently working to finalize the sale transactions with the various Successful Bidders, including Contura.

4. As evidenced by the sale motion filed on July 25, 2019, the Debtors expected to close simultaneously the sale of the Western Assets and the Pax Assets to Contura. However, the sale of the Western Assets to Contura is conditioned upon obtaining certain governmental approvals. While negotiations with respect to the sale of the Western Assets are ongoing among Contura, the Debtors and various governmental authorities, such parties have not reached an agreement with respect to the terms on which the required governmental approvals will be

³ See *Notices of Auction Results and Selection of Successful Bids and Backup Bids* [Docket Nos. 522 and 529] filed on August 4, 2019.

provided.

5. In light of the ongoing negotiations with respect to the Western Assets, the Debtors and their advisors have determined that it is in the best interests of the Debtors and their estates and creditors to bifurcate the sale of the Western Assets and the Pax Assets. The Debtors thus believe that a sale of the Pax Assets only to Contura, consistent with the terms of the Pax APA and the Pax Sale Order, is in the best interest of the estates and constitutes the best and only opportunity to maximize the value of the Pax Assets. Importantly, a sale of the Pax Assets, separate and apart from the Western Assets, will (i) provide certainty to the Debtors' estates with respect to the Pax Assets, (ii) allow the Debtors to receive payment of a cash purchase price in the amount of \$1,100,000, (iii) allow the application of \$5.05 million of the Purchase Deposit towards the purchase price, and (iv) allow the assumption of reclamation obligations by Contura upon the closing of the sale of the Pax Assets.

6. Accordingly, the Debtors believe that allowing the sale of the Pax Assets to move forward at this time is in the best interest of their estates, creditors, and other stakeholders and that failure to be heard on the Pax Sale Motion on August 28, 2019 at 1:30 p.m. (prevailing Eastern Time) would seriously compromise the proposed sale to Contura, prejudice the Debtors and their estates, and, at a minimum, further delay the return to operation of the Pax Surface Mine and the assumption of reclamation obligations with respect thereto.

WHEREFORE, the Debtors respectfully request that this Court enter an order granting the relief requested and scheduling an emergency hearing with respect to the Pax Sale Motion for August 28, 2019 at 1:30 p.m. (prevailing Eastern Time).

DATED: August 22, 2019

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– and –

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EXHIBIT A

Proposed Order

(Attached)

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Debtors.¹) (Jointly Administered)

**ORDER SCHEDULING EMERGENCY HEARING ON MOTION OF DEBTORS FOR
ENTRY OF ORDER APPROVING THE SALE OF PAX ASSETS TO CONTURA
ENERGY, INC. FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES**

Upon the motion (the “Motion”) of the above-captioned Debtors² for entry of an order scheduling an emergency hearing on the *Motion of Debtors for Entry of Order Approving the Sale of Pax Assets to Contura Energy, Inc. Free and Clear of Liens, Claims and Encumbrances* (the “Pax Sale Motion”), and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this

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² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Pax Sale Motion.

District is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given under the circumstances; and this Court having found that good and sufficient cause exists for the relief granted by this Order;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED

1. The Motion is GRANTED as set forth herein.
2. An expedited hearing on the Pax Sale Motion is scheduled for August 28, 2019, at 1:30 p.m. (prevailing Eastern Time) at the Robert C. Byrd U.S. Courthouse, 300 Virginia Street East, Room 3200, Charleston, West Virginia 25301.
3. Notice of this hearing shall be served as promptly as possible by the Debtors through their claims and noticing agent.
4. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.
5. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Presented By:

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– and –

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/s/ Stephen D. Lerner

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