

47-23091-02
03037140

47-25363-02
03038751

47-25566-01
03035744

47-25581-02
03038704

JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
David G. Heiman (admitted *pro hac vice*)
Carl E. Black (admitted *pro hac vice*)
Thomas A. Wilson (admitted *pro hac vice*)

HUNTON & WILLIAMS LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200
Facsimile: (804) 788-8218
Tyler P. Brown (VSB No. 28072)
J.R. Smith (VSB No. 41913)
Henry P. (Toby) Long, III (VSB No. 75134)
Justin F. Paget (VSB No. 77949)

47-30927-01
03036608

47-35156-01
03038750

Attorneys for Debtors and Debtors in Possession

K-4

**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)

**NOTICE OF CLOSING AND ASSIGNMENT OF PURCHASER
INTERESTS IN CONNECTION WITH SALE OF THE PLR ASSETS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. PLR Sale Order. On May 26, 2016, the United States Bankruptcy Court for the Eastern District of Virginia (the "Court") entered the *Order Authorizing: (I) the Sale of the Debtors' Oil and Gas Assets in Pennsylvania, Free and Clear of Liens, Claims and Encumbrances, Pursuant to the terms of Asset Purchase Agreement and Sections 105 and 363 of the Bankruptcy Code; and (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, Pursuant to Section 365 of the Bankruptcy Code* (Docket No. 2550) (the "PLR Sale Order").¹ The PLR Sale Order authorized the sale of assets comprising the Debtors' natural gas business in Southwestern Pennsylvania (collectively, the "PLR Assets"),² including oil and gas assets owned by Debtor Pennsylvania Land Resources, LLC ("PLR"), to Vantage Energy Appalachia II, LLC ("Original Buyer") or its permitted assignee.

¹ Capitalized terms not otherwise defined herein will have the meanings given to them in the PLR Sale Order.

² The PLR Assets are described in more detail in the Vantage PLR Transaction Documents.

REC'D IN LAT

588670, 588671, 588672
588674, 588677, 588678

NMSS/RGN1 MATERIALS-002

2. Closing of the Sale of the PLR Assets. On June 2, 2016, the Debtors closed the sale of the PLR Assets under the terms of the Vantage PLR Transaction Documents approved pursuant to the PLR Sale Order (the "Closing").

3. Buyer of PLR Assets. Pursuant to Section 12.10 of the Vantage PLR APA, the Original Buyer was permitted to assign its rights under the Vantage PLR APA subject to certain conditions, including the prior written consent of PLR. In connection with the Closing and with the consent of PLR (after consultation with the Consultation Parties), the Original Buyer assigned its obligations, responsibilities and duties under the Vantage PLR APA to Vantage Energy II Alpha LLC (the "Assignee"). As such, at Closing, the Assignee was designated as the purchaser under the Vantage PLR Transaction Documents. Notwithstanding the foregoing assignment, the Original Buyer remains liable to PLR and the other applicable Debtors and their permitted assigns for all obligations, responsibilities and duties under the Vantage PLR APA.

Dated: June 4, 2016
Richmond, Virginia

Respectfully submitted,

/s/ Justin F. Paget

Tyler P. Brown (VSB No. 28072)
J.R. Smith (VSB No. 41913)
Henry P. (Toby) Long, III (VSB No. 75134)
Justin F. Paget (VSB No. 77949)
HUNTON & WILLIAMS LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200
Facsimile: (804) 788-8218

David G. Heiman (admitted *pro hac vice*)
Carl E. Black (admitted *pro hac vice*)
Thomas A. Wilson (admitted *pro hac vice*)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212

ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
David G. Heiman (admitted *pro hac vice*)
Carl E. Black (admitted *pro hac vice*)
Thomas A. Wilson (admitted *pro hac vice*)

HUNTON & WILLIAMS LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200
Facsimile: (804) 788-8218
Tyler P. Brown (VSB No. 28072)
J.R. Smith (VSB No. 41913)
Henry P. (Toby) Long, III (VSB No. 75134)
Justin F. Paget (VSB No. 77949)

JACKSON KELLY PLLC
1600 Laidley Tower
Post Office Box 553
Charleston, West Virginia 25322
Telephone: (304) 340-1000
Facsimile: (304) 340-1080
William F. Dobbs, Jr. (admitted *pro hac vice*)
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 AUTHORIZING: (I) THE SALE OF THE DEBTORS' OIL AND GAS ASSETS IN PENNSYLVANIA, FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, PURSUANT TO THE TERMS OF ASSET PURCHASE AGREEMENT AND SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE; AND (II) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

This matter coming before the Court on the *Debtors' Omnibus Motion for Entry of:*

(I) an Order Establishing Bidding and Sale Procedures for the Potential Sale of Certain Mining Properties and Related Assets; (II) One or More Orders Approving the Sale of Such Assets;

(III) an Order Approving Settlements Related to Unencumbered Assets and the Pre-Petition Lenders' Diminution Claims; and (IV) an Order Approving Amendments to Certain Case Milestones in Connection with the DIP Credit Agreement (Docket No. 1464) (the "Sale Motion"), filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") seeking authority, among other things, for Debtor Pennsylvania Land Resources, LLC (the "Seller") to sell certain oil and gas properties and related assets (as further defined in the Vantage PLR APA described below, the "Purchased Assets"); the Court having entered an order approving bidding and sale procedures (the "Bidding Procedures" and the process for implementing the Bidding Procedures, the "Bidding Process") and granting certain related relief on March 11, 2016 (Docket No. 1754) (the "Bidding Procedures Order"); the Debtors having filed a motion (Docket No. 2055) (the "PLR Motion")¹ for an order (i) designating Rice Drilling B LLC, a Delaware limited liability company (the "PLR Stalking Horse"), as the stalking horse bidder for the purchase of the Purchased Assets, substantially on the terms described in the PLR Motion, pursuant to the Bidding Procedures previously approved by the Court and subject to higher or better bids thereunder, (ii) approving and authorizing certain bid protections in favor of the PLR Stalking Horse, including the Break-Up Fee and Expense Reimbursement (the "Bid Protections") and (iii) granting related relief as more fully described in the PLR Motion; the Court having entered an order granting the PLR Motion, including the approval of the Bid Protections (Docket No. 2237) (the "Bid Protections Order"); an auction having been conducted on May 16, 2016 in accordance with the Bidding Procedures Order (the "Auction"); Vantage Energy Appalachia II LLC (as further defined below, the "Buyer" or "Vantage") having submitted the highest and best offer for the Purchased Assets pursuant to the Bidding Procedures

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Sale Motion, the PLR Motion, the Bidding Procedures Order, or the Vantage PLR APA, as applicable.



established in the Bidding Procedures Order on the terms set forth in the Asset Purchase Agreement (the "Vantage PLR APA") and other transaction documents attached hereto collectively as Exhibit A (collectively, as amended, supplemented or modified from time to time, the "Vantage PLR Transaction Documents");² the Court having reviewed (a) the Sale Motion, (b) the PLR Motion, (c) the Vantage PLR Transaction Documents, (d) the Declaration of Charles Delo (Docket No. 2522) (the "Declaration") in support of the sale of the Purchased Assets to the Buyer pursuant to the Vantage PLR APA (the "Vantage PLR Sale Transaction"), (e) the Notice of Successful Bid with respect to the Vantage PLR Sale Transaction (Docket No. 2445) (the "Transaction Notice"), (f) the objections, responses and reservations of rights filed with respect to the Vantage PLR Sale Transaction (e.g., Docket Nos. 2360, 2363, 2397) (the "Objections"), and (g) all other papers filed with the Court relating thereto; the Court having considered the statements of counsel with respect to the relief granted herein and the evidence adduced at a hearing conducted on May 26, 2016 (the "Sale Hearing"); and the Court having determined that the legal and factual bases set forth in the Sale Motion, the Declaration and the other papers filed by the Debtors and at the Sale Hearing establish just cause to grant the relief granted herein;

IT IS HEREBY FOUND AND DETERMINED THAT:

Jurisdiction, Venue and Final Order

A. This Court has jurisdiction and authority to hear and determine the request to approve the Vantage PLR Sale Transaction and grant the other relief set forth herein pursuant to 28 U.S.C. §§ 1334 and 157(b)(2)(A), (N) and (O). Venue of these cases in this District is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein

² As used herein "Buyer" or "Vantage" means Vantage Energy Appalachia II, LLC or its permitted assignee under section 12.10 of the Vantage PLR APA (permitting assignment on certain terms and conditions with the prior written consent of the Seller).

are sections 105, 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006 and Local Rule 6004-2, and all other applicable law.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

Notice of Sale Hearing, Vantage PLR APA, Auction and Cure Costs

C. As evidenced by the affidavits of service and publication filed with the Court, proper, timely, adequate and sufficient notice of the Sale Motion, the relief granted herein and the Sale Hearing has been provided in accordance with sections 102(1), 363(b) and 365 of the Bankruptcy Code; Bankruptcy Rules 2002, 6004, 6006, 9006, 9007, 9008 and 9014; Local Rule 6004-2; the Bidding Procedures Order; the Bid Protections Order; and the Case Management Order (Docket No. 111), including notice to all counterparties to Assigned Contracts (as defined below) and creditors who have or could assert Liens and Claims (as defined below). Such notice was good and sufficient, and appropriate under the circumstances. No other or further notice of the Sale Motion, the relief granted herein, the Sale Hearing or the entry of this Order is necessary or shall be required. To the extent that the amount of notice given to any party entitled to notice is less than the number of days required under the applicable rules, the notice actually given to any such party is hereby deemed to be sufficient and adequate by the Court, and the notice to any and all such parties is hereby ordered to be shortened to the notice actually given.

D. The Debtors filed Assumption and Assignment Notices with respect to the Debtors' sale of their assets, including the Vantage PLR Sale Transaction (Docket Nos. 1811, 1856, 2386, 2416, 2515, 2520) (collectively, as amended or supplemented, the "Cure Notice"), identifying (among other things) the costs required to cure defaults under the Assigned Contracts pursuant to section 365 of the Bankruptcy Code ("Cure Costs"). The Debtors served the Cure

Notice on each of the nondebtor counterparties to the Assigned Contracts (as defined below). (Docket Nos. 1903, 1906, 2265, 2172, 2173 and 2174). The service of the Cure Notice was sufficient under the circumstances and in full compliance with the Bidding Procedures Order, and no further notice needs to be provided in respect of the assumption and assignment of the Assigned Contracts or the proposed Cure Costs related thereto, if any. Nondebtor counterparties to the Assigned Contracts have had an adequate opportunity to object to the assignment and assumption of the Assigned Contracts and the associated Cure Costs.

Marketing Process

E. As demonstrated by the Declaration and the evidence proffered or adduced at the Sale Hearing and the representations of counsel at the Sale Hearing, the Debtors and their professionals, agents and other representatives have complied in all respects with the Bidding Procedures Order and the Bid Protections Order. Under the circumstances, the Debtors and their professionals, agents and other representatives have adequately and appropriately marketed the Purchased Assets. The Bidding Procedures and the Auction were duly noticed and conducted in a diligent, non-collusive, fair and good faith manner, and the Bidding Procedures afforded a full, fair and reasonable opportunity for any person or entity to qualify as a bidder, participate in the Bidding Process and the Auction and to make a higher or otherwise better offer to purchase the Purchased Assets. The Debtors and their professionals, agents and other representatives: (1) provided potential purchasers, upon request, sufficient information to enable them to make an informed judgment on whether to bid on the Purchased Assets; and (2) faithfully executed their duties in considering all offers and bids throughout the Bidding Process and in determining that Buyer is the Successful Bidder for the Purchased Assets.

F. The Buyer is the Successful Bidder for the Purchased Assets in accordance with the Bidding Procedures Order.

G. Pursuant to the Bidding Procedures, the Debtors determined in their reasonable business judgment that PLR Stalking Horse (the "Back-Up Bidder") submitted the Next Best Bid in the form of the Asset Purchase Agreement attached to the *Notice of Filing of Modifications to PLR Transaction Documents* (Docket No. 2220), with the modified purchase price as described in the Notice of Successful Bid (the "Back-Up APA").

Highest and Best Offer, Business Judgment

H. The Debtors have demonstrated a sufficient basis to enter into the Vantage PLR APA, sell the Purchased Assets on the terms outlined therein and in the other Vantage PLR Transaction Documents and assume and assign the Assigned Contracts under sections 363 and 365 of the Bankruptcy Code, and all such actions are appropriate exercises of the Debtors' business judgment and in the best interests of the Debtors, their creditors and their estates.

I. The offer of the Buyer, upon the terms and conditions set forth in the Vantage PLR APA and the other Vantage PLR Transaction Documents, including the form and the total consideration to be realized by the Seller thereunder: (1) is the highest and best offer received by the Seller after extensive marketing, including through the Bidding Procedures and the Auction; (2) is fair and reasonable; (3) is in the best interest of the Debtors, their creditors and their estates; and (4) constitutes full and adequate consideration and reasonably equivalent value for the Purchased Assets.

J. The Seller's determination that the Vantage PLR Sale Transaction set forth in the Vantage PLR APA constitutes the highest and best offer for the Purchased Assets is a valid and sound exercise of the Seller's business judgment. The Debtors have determined that the sale of the Purchased Assets under the terms set forth in the Vantage PLR APA and the other

obligations under 28 USC § 959(b) or releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability by a government unit against any Debtor (including, but not limited to, liability under the Clean Water Act, the Clean Streams Law, the Oil and Gas Act and the Dam Safety Act) with respect thereto. Nothing in this Order shall authorize the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements under police or regulatory law.

29. No provision of the Bidding Procedures Order, this Order or the Vantage PLR APA (or any other purchase/sale agreement) shall be a ruling or is intended to be construed as a ruling on whether the Buyer is a successor to the debtors for purposes of registration and reporting under the federal securities laws (including relevant rules and regulations promulgated thereunder) (the "Federal Securities Laws"); and the Buyer's obligation, if any, to file periodic public reports with the United States Securities and Exchange Commission (the "SEC") shall be governed by applicable provisions of the Federal Securities Laws. Nothing in the Bidding Procedures Order, this Order, the Vantage PLR APA or any other agreement executed in connection therewith shall relieve or excuse the Debtors, the Buyer or any other party from complying with any and all applicable Federal Securities Laws. Further, the Vantage PLR APA and this Order are not binding upon the SEC with respect to enforcement of its police or regulatory powers and shall not limit the SEC from pursuing any police or regulatory enforcement action.

30. The terms and provisions of the Vantage PLR APA, together with the terms and provisions of this Order, shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, the Debtors' estates and the Debtors' creditors, the Buyer and its

affiliates, successors and assigns and any affected third parties and persons or entities asserting a claim against or interest in or lien on the Debtors' estates or any of the Purchased Assets to be sold to the Buyer pursuant to the Vantage PLR APA, notwithstanding any subsequent appointment of any trustee for the Debtors under any chapter of the Bankruptcy Code, as to which trustee such terms and provisions likewise shall be binding in all respects. The provisions of this Order and any actions taken pursuant hereto shall survive any order of this Court (a) confirming a chapter 11 plan, (b) converting these cases to cases under chapter 7 of the Bankruptcy Code, (c) appointing a trustee or examiner or (d) dismissing these cases.

31. The Vantage PLR APA, the other Vantage PLR Transaction Documents and any other related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, *provided* that any such modification, amendment or supplement is not material and written notice of such modification, amendment or supplement is provided to counsel to the DIP Agents and the Creditors' Committee.

32. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order. For the avoidance of doubt, and in furtherance of the intent and purposes of this Order and the relief granted hereby, no actions or decisions taken or omitted to be taken by the officers, directors, employees or other agents of Debtors, the Buyer or any affiliate of any of the foregoing (collectively, the "Covered Parties") in seeking this Order and the relief granted herein, pursuing implementation of the relief granted herein (including, but not limited to, the terms of the Vantage PLR APA and the other Vantage PLR Transaction Documents) or otherwise acting in accordance with applicable law and consistent with the objectives of the Sale approved hereby may be the basis of any claims, suits,

liabilities, penalties or other proceedings asserted by any creditor, stakeholder, governmental agency or other party against any Covered Party.

33. The failure specifically to reference any particular provision of the Vantage PLR APA in this Order shall not diminish or impair the efficacy of such provision. In the event of a conflict between the term of this Order and the Vantage PLR APA or any other Vantage PLR Transaction Document, this Order shall govern. To the extent that any term, provision or condition of a subsequent chapter 11 plan with respect to the Vantage PLR Sale Transaction is inconsistent with this Order, this Order shall govern in all respects.

34. Notwithstanding anything to the contrary in the Sale Motion, this Order or the PLR Transaction Documents, no insurance policies issued by ACE American Insurance Company, Westchester Fire Insurance Company, Westchester Surplus Lines Insurance Company, Insurance Company of North America, Indemnity Insurance Company of North America or Federal Insurance Company (collectively, and together with their respective affiliates and successors, the "Chubb Companies") or any agreements related thereto, shall be sold, assigned or otherwise transferred to the Buyer. For the avoidance of doubt, the PLR Assets do not and shall not include any insurance policies or related agreements issued by the Chubb Companies, or any collateral related thereto.

35. The Debtors and the Buyer are hereby authorized to take all actions reasonably necessary to effectuate the terms of the Vantage PLR APA and the other Vantage PLR Transaction Documents, the transactions contemplated thereunder and the provisions of this Order, all without the necessity of any further order of the Bankruptcy Court.

36. Any net proceeds received by the Debtors from the sale of the PLR Assets shall be deposited in the PLR Operating Account (as defined in the final cash management order

in these cases) (Docket No. 624). Such net proceeds shall remain segregated and shall not be used by the Debtors absent further order of the Court.

37. The provisions of Bankruptcy Rules 6004(g) and 6006(d) shall not apply to stay consummation of the sale of the Purchased Assets to the Buyer under the Vantage PLR APA, as contemplated in the Sale Motion and approved by this Order, and the Seller and the Buyer are hereby authorized to consummate the transactions contemplated and approved herein immediately upon entry of this Order.

38. If the Buyer does not close the Vantage PLR Sale Transaction contemplated by the Vantage PLR APA and the other Vantage PLR Transaction Documents in accordance with terms of the Vantage PLR APA, then the Debtors are authorized, but not required, to close a sale of the Purchased Assets with the Back-Up Bidder on the terms of the Back-Up APA and the terms hereof without further order of the Court. In such case, the Back-Up Bidder shall be entitled to the rights and protections of the Buyer hereunder.

39. This Court retains exclusive jurisdiction to (a) enforce and implement the terms and provisions of the Vantage PLR APA, the other Vantage PLR Transaction Documents, all amendments thereto, any waivers thereunder and any other agreements executed in connection therewith; (b) resolve any disputes arising under or related to the Vantage PLR APA and transactions contemplated thereby; and (c) interpret, implement and enforce the provisions of this Order. Notwithstanding the foregoing, nothing in this Order or the Vantage PLR APA divests any tribunal of any jurisdiction it may have under police or regulatory law.

Dated: Richmond, Virginia

_____, 2016
May 26 2016

/s/ Kevin R Huennekens
UNITED STATES BANKRUPTCY JUDGE

Entered on Docket: 5/26/16

WE ASK FOR THIS:

Respectfully submitted,

/s/ Henry P. (Toby) Long, III
Tyler P. Brown (VSB No. 28072)
J.R. Smith (VSB No. 41913)
Henry P. (Toby) Long, III (VSB No. 75134)
Justin F. Paget (VSB No. 77949)
HUNTON & WILLIAMS LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200
Facsimile: (804) 788-8218

and

William F. Dobbs, Jr. (admitted *pro hac vice*)
JACKSON KELLY PLLC
1600 Laidley Tower
Post Office Box 553
Charleston, West Virginia 25322
Telephone: (304) 340-1000
Facsimile: (304) 340-1080

David G. Heiman (admitted *pro hac vice*)
Carl E. Black (admitted *pro hac vice*)
Thomas A. Wilson (admitted *pro hac vice*)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
Attorneys for the 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