

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In re:

WALTER ENERGY, INC., *et al.*,

Debtors.

Chapter 11

Case No. 15-02741-TOM11

Jointly Administered

NOTICE OF COMMENCEMENT OF CHAPTER 11 BANKRUPTCY CASES

On July 15, 2015, Walter Energy, Inc. and its affiliated debtors and debtors-in-possession (each a "Debtor" and, collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the U.S. Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"). The Debtors, their respective chapter 11 case numbers (collectively, the "Chapter 11 Cases"), and the last four digits of their respective federal tax identification numbers are: Atlantic Development and Capital, LLC, 15-2747, 8121; Atlantic Leaseco, LLC, 15-2773, 5308; Blue Creek Coal Sales, Inc., 15-2750, 6986; Blue Creek Energy, Inc., 15-2752, 0986; J.W. Walter, Inc., 15-2755, 0648; Jefferson Warrior Railroad Company, Inc., 15-2759, 3200; Jim Walter Homes, LLC, 15-2762, 4589; Jim Walter Resources, Inc., 15-2743, 1186; Maple Coal Co., LLC, 15-2764, 6791; Sloss-Sheffield Steel & Iron Company, 15-2766, 4884; SP Machine, Inc., 15-2746, 9945; Taft Coal Sales & Associates, Inc., 15-2751, 8731; Tuscaloosa Resources, Inc., 15-2753, 4869; V Manufacturing Company, 15-2754, 9790; Walter Black Warrior Basin LLC, 15-2756, 5973; Walter Coke, Inc., 15-2744, 9791; Walter Energy Holdings, LLC, 15-2758, 1596; Walter Energy, Inc., 15-2741, 9953; Walter Exploration & Production LLC, 15-2757, 5786; Walter Home Improvement, Inc., 15-2760, 1633; Walter Land Company, 15-2761, 7709; Walter Minerals, Inc., 15-2763, 9714; and Walter Natural Gas, LLC, 15-2765, 1198. The location of the Debtors' corporate headquarters and the Debtors' service address is: 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244.

COMMENCEMENT OF CASES AND INFORMATION. The Debtors filed petitions under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Alabama (the "Court"). All documents filed in the Chapter 11 Cases are available at www.alnb.uscourts.gov and through the website of Kurtzman Carson Consultants LLC ("KCC"), at <http://www.kccllc.net/walterenergy>, or by contacting KCC at (866) 967-0679 or, if calling from outside the U.S. or Canada, at (310) 751-2679.

MEETING OF CREDITORS. The Bankruptcy Administrator (the "B.A.") has scheduled the initial meeting of creditors for August 20, 2015 at 1 p.m. CDT at the U.S. Bankruptcy Court, Robert S. Vance Federal Building, 1800 Fifth Avenue North, Birmingham, Alabama 35203 (the "Initial 341"). The B.A., the Debtors' representative, and the Debtors' local counsel will appear at the Initial 341 and the B.A. will announce that the meeting of creditors is continued to **SEPTEMBER 10, 2015 AT 1 P.M. CDT**. There will be no questioning of the Debtors' representative at the Initial 341.

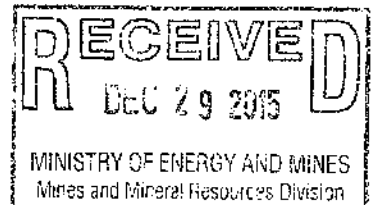
There will be questioning allowed at the continued meeting of creditors on **SEPTEMBER 10, 2015 AT 1 P.M. CDT, U.S. BANKRUPTCY COURT, ROBERT S. VANCE FEDERAL BUILDING, 1800 FIFTH AVENUE NORTH BIRMINGHAM, ALABAMA 35203.** The meeting of creditors may be further continued or adjourned from time-to-time by notice at the meeting, without further written notice to the creditors.

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. Under the Bankruptcy Code, the Debtors are granted certain protections against creditors. If unauthorized actions are taken by a creditor against the Debtors, the Court may penalize that creditor. A creditor which is considering taking action against the Debtors or their property should review section 362 of the Bankruptcy Code and may wish to seek legal advice. **The staff of the Clerk's Office and the Debtors' proposed counsel are not permitted to give legal advice.**

PROOFS OF CLAIM. A Proof of Claim is a signed statement describing a creditor's claim. Parties can obtain a Proof of Claim form at any bankruptcy clerk's office. Creditors may look at the schedules that will be filed at the bankruptcy clerk's office or at <http://www.kccelle.net/walterenergy>. If a creditor's claim is scheduled and is not listed as disputed, contingent, or unliquidated, it will be allowed in the amount scheduled unless the creditor files a Proof of Claim or is sent further notice about the claim. Whether or not a creditor's claim is scheduled, the creditor is permitted to file a Proof of Claim. If a creditor's claim is not listed at all or if the creditor's claim is listed as disputed, contingent, or unliquidated, then the creditor must file a Proof of Claim or the creditor might not be paid any money on the creditor's claim and may be unable to vote on a plan. The Court has not yet set a deadline to file a Proof of Claim. If a deadline is set, the Debtors will provide further notice. A secured creditor retains rights in its collateral regardless of whether that creditor files a Proof of Claim. Filing a Proof of Claim submits the creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a Proof of Claim may surrender important nonmonetary rights, including the right to a jury trial. **Filing Deadline for a Creditor with a Foreign Address:** The deadline for filing claims will be set in a later court order and will apply to all creditors unless the order provides otherwise. If notice of the order setting the deadline is sent to a creditor at a foreign address, the creditor may file a motion requesting the court to extend the deadline.

DISCHARGE OF DEBTS. Confirmation of a chapter 11 plan may result in a discharge of debts. A discharge means that creditors may never try to collect the debt from the Debtors, except as provided in the plan. The deadline to file a complaint to determine the dischargeability of certain debts is the date that is sixty (60) days after the first scheduled meeting of creditors pursuant to section 341 of the Bankruptcy Code. If a creditor believes that a debt owed to it is not dischargeable under section 1141(d)(6)(A) of the Bankruptcy Code, the creditor must start a lawsuit by filing a complaint in the bankruptcy clerk's office by the deadline in the previous sentence. The bankruptcy clerk's office must receive the complaint and any required filing fee by that deadline.

PROPOSED COUNSEL FOR THE DEBTORS. PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP, Ann K. Young, Michael S. Rudnick, 1285 Avenue of the Americas, New York, NY 10019, Phone (212) 373-3000; and BRADLEY ARANT BOULT CUMMINGS LLP, Patrick Darby, Jay Bender, Cathleen Moore, James Bailey, One Federal Place, 1819 Fifth Avenue North, Birmingham, AL 35203, Phone (205) 521-8000.



IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

IN RE:)	BANKRUPTCY CASE NO.:
)	
WALTER ENERGY INC., et al.,)	15-02741
Jointly Administered)	
)	
DEBTORS.)	(CHAPTER 11 CASE)

NOTICE


On July 15, 2015, a chapter 11 bankruptcy case was filed for Walter Energy, Inc. and its affiliated debtors. The Debtors have filed a motion asking the Bankruptcy Court to allow them to sell by auction substantially all of their assets to a company called Coal Acquisition, LLC or to bidders with the highest or otherwise best bids. The unsecured creditors, the unions, and the retirees affected by this bankruptcy case all have attorneys acting on behalf of their interests. However, any employee, retiree, or other individual who wishes to file his or her own objection, separate from any objection that may be filed by the attorneys representing his or her interests, is welcome to file an objection.

IF YOU WISH TO OBJECT OR OTHERWISE BE HEARD regarding the motion described above, you must object in writing, sign the objection, print your name and full mailing address on the objection, including zip code, and said objection must be **MAILED OR DELIVERED** in time to be **RECEIVED** by the Clerk of the United States Bankruptcy Court, 1800 5th Avenue North, Birmingham, Alabama, 35203, no later than 4:00 o'clock p.m. central time on Thursday, December 17, 2015. A hearing on the Debtors' motion and any objections shall be held on Wednesday, January 6, 2016, at 9:00 a.m. central time, in Courtroom 3 of the Robert S. Vance Federal Building, 1800 5th Avenue North, Birmingham, Alabama, 35203.

Dated: November 25, 2015

By:

Joseph E. Bulgarella, Clerk
United States Bankruptcy Court



Walter Energy, Inc.
c/o KCC
2335 Alaska Ave
El Segundo, CA 90245

PRF 73536 12131716

003592

MINISTRY OF ENERGY,
MINES AND PETROLEUM
PO BOX 9320, STN PROV GOVT
VICTORIA BC V8W 9N3
CANADA

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

-----	X
In re:	: Chapter 11
	: :
WALTER ENERGY, INC., <u>et al.</u> ,	: Case No. 15-02741-TOM11
	: :
Debtors. ¹	: Jointly Administered
	: :
-----	X

NOTICE OF BIDDING PROCEDURES, AUCTION DATE, AND SALE HEARING

PLEASE TAKE NOTICE THAT:

1. On November 5, 2015 Walter Energy, Inc. (the "**Company**") and its affiliated debtors and debtors in possession in the above-captioned bankruptcy cases (collectively with the Company, the "**Debtors**" or "**Sellers**") filed their Motion (the "**Motion**") for (A) an Order (I) Establishing Bidding Procedures for the Sale(s) of All, or Substantially All, of the Debtors' Assets; (II) Approving Bid Protections; (III) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Approving Form and Manner of the Sale, Cure and Other Notices; and (V) Scheduling an Auction and a Hearing to Consider the Approval of the Sale(s); (B) Order(s) (I) Approving the Sale(s) of the Debtors' Assets Free and Clear of Claims, Liens and Encumbrances; and (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Certain Related Relief.² By the Motion, the Debtors seek, *inter alia*, to sell (the "**Sale(s)**") all or substantially all of their assets (the "**Subject Assets**") and to assume and assign certain executory contracts and unexpired leases (the "**Available Contracts**") to Coal Acquisition LLC (the "**Stalking Horse Purchaser**") pursuant to a stalking horse asset purchase agreement by and among the Sellers and the Stalking Horse Purchaser (the "**Stalking Horse Agreement**"), subject to higher or otherwise better offers, and/or one or more Successful Bidder(s) at the Auction, as applicable.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors' corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.

² Capitalized terms used herein but not otherwise defined in this notice (the "**Notice**") shall have the meanings ascribed to them in the Motion.

2. On November 25, 2015, pursuant to the Motion, the Court entered an Order (the "**Bidding Procedures Order**") approving auction and bidding procedures (the "**Bidding Procedures**") in connection with the proposed Sale(s). A copy of the Motion, the Bidding Procedures Order and the Bidding Procedures can be obtained free of charge on <http://www.kccilc.net/walterenergy>.

3. The Auction shall take place on **January 5, 2016 at 10:00 a.m. (prevailing Central Time)** at the offices of Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, or such other place and time as the Debtors shall notify all Qualified Bidders, the Consultation Parties and each of their respective counsel and advisors.

4. A hearing to approve the Sale(s) (the "**Sale Hearing**"), including the assumption and assignment of certain Available Contracts, will be held on **January 6, 2016 at 9:00 a.m. (prevailing Central Time)**, at the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, 1800 Fifth Avenue North Birmingham, Alabama 35203, before the Honorable Tamara O. Mitchell. The Sale Hearing may be adjourned or, if there is more than one Successful Bidder, bifurcated by the Debtors, in consultation with the Consultation Parties, from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment or bifurcation in open court on the date scheduled for the Sale Hearing, or by filing a notice on the docket of the Debtors' Chapter 11 Cases.

5. Pursuant to the Bidding Procedures Order, any objections to the Sale(s) ("**Sale Objections**") must be set forth in writing and must state with particularity the grounds for such objections or other statements of position. Sale Objections must be filed with the Clerk and served on (a) counsel to the Debtors, Paul, Weiss, Riskind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Kelley A. Cornish (kcornish@paulweiss.com) and Stephen J. Shimshak (sshimshak@paulweiss.com), and Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Patrick J. Darby (pdarby@babco.com); (b) counsel to the Steering Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention: Ira Dizengoff (idizengoff@akingump.com) and Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, NW, Washington, DC 20036, Attention: James Savin (jsavin@akingump.com); (c) counsel to the UCC, Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019, Attention: Brett H. Miller (brettmiller@mof.com), Lorenzo Marinuzzi (lmarinuzzi@mof.com), and Jennifer L. Marines (jmarines@mof.com); (d) counsel to the Section 1114 Committee, Jenner & Block LLP, 353 North Clark Street, Chicago, IL 60654, Attention: Catherine Steege (csteegc@jenner.com) and Melissa Root (mroot@jenner.com); and (e) the Bankruptcy Administrator, 1800 5th Avenue North, Birmingham, Alabama 35203, Attention: Tom Corbett (Thomas.Corbett@alnb.uscourts.gov) (collectively, the "**Notice Parties**") by **4:00 p.m. (prevailing Central Time) on December 17, 2015**; provided that objections to the conduct of the Auction or selection of the Successful Bid(s) or Back-Up Bid(s) shall be in writing, filed with the Clerk, together with proof of service, and served so as to be received by the Notice Parties on or before **thirty (30) minutes prior to the commencement of the Sale Hearing**. **UNLESS AN OBJECTION IS TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY**

THE COURT AND THE COURT MAY GRANT THE RELIEF REQUESTED WITHOUT FURTHER HEARING AND NOTICE.

6. This Notice is subject to the fuller terms and conditions of the Motion and the Bidding Procedures Order, which shall control in the event of any conflict, and the Debtors encourage parties-in-interest to review such documents in their entirety.

Dated: November 25, 2015
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

By: /s/ Patrick Darby
Patrick Darby
Jay Bender
Cathleen Moore
James Bailey
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Telephone: (205) 521-8000
Email: pdarby@babco.com, jbender@babco.com,
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- and -

PAUL, WEISS, RIFKIND, WHARTON &
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Stephen J. Shimshak (*pro hac vice*)
Kelley A. Cornish (*pro hac vice*)
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mrudnick@paulweiss.com

*Counsel to the Debtors and
Debtors-in-Possession*



Metcalfe, Megan MEM:EX

From: Meade, Laurie MEM:EX
Sent: Tuesday, December 8, 2015 5:55 PM
To: Cullen, Heather J MEM:EX
Cc: Hoffman, Al MEM:EX; Morel, David P MEM:EX; Howe, Diane J MEM:EX; Bellefontaine, Kim MEM:EX; Mah-Paulson, May MEM:EX; Thorpe, Rolly MEM:EX
Subject: Re: Walter Energy

Yes, I have their working alone plan and reviews it with Al Kangas and Derek Blackwell in a face to face last month. Their closure plan will help define the level of security needed. The Willow site has extensive buildings and infrastructure just off the highway. At present Willow mine original gate is unlocked from 04:30 to 19:00 to allow loggers access to the FSR. The new security gate is at the entrance to wash plant, warehouse and offices. All sites are manned 24 hours by a least one person 8 of the 14 are OFA 3's and the remainder are OFA 1's. The ambulances and rescue equipment is being maintained and checked daily.

I believe Jackie Caldwell is working with Jennifer on what is needed for a closure plan. In early spring I will be attending all 3 site to have a look at waste dumps and haul roads for signs of erosion and failure.

Laurie Meade

Sr. Inspector of Mines H&S

250-614-9592

Sent from my iPhone

On Dec 8, 2015, at 5:24 PM, Cullen, Heather J MEM:EX <Heather.Cullen@gov.bc.ca> wrote:

I agree that the health and safety needs to be considered especially if there is people on site working alone. Laurie is aware of the current safety procedures.

Also as I mentioned on the call, Jen McConnachie is working on requesting needed closure management plans

Sent from my iPhone

On Dec 8, 2015, at 5:11 PM, Hoffman, Al MEM:EX <Al.Hoffman@gov.bc.ca> wrote:

We also need a health and safety perspective. The mine will have to secure buildings and other hazards to the public. The May need continuous onsite security until these risks are mitigated

Al

Sent from my iPhone

On Dec 8, 2015, at 3:31 PM, Morel, David P MEM:EX <David.Morel@gov.bc.ca> wrote:

KPMG as receiver for Walter wants to meet with us on Tuesday to discuss CCEA procedure for Walter's mines. Their intent is to have a sale process for the mine. Not sure who needs to be at meeting on call. Be helpful to get a list of potential issues and recommendation for who should be involved.

Thanks

David

McKnight, Elaine L MEM:EX

From: McKnight, Elaine L MEM:EX
Sent: Tuesday, December 8, 2015 7:24 AM
To: Morel, David P MEM:EX; Petrie, Cynthia MEM:EX
Cc: Haslam, David GCPE:EX
Subject: FW: Walter Energy CCAA Proceedings

Fyi

Elaine

From: Kangas, Al [<mailto:al.kangas@waltereenergy.com>]
Sent: Tuesday, December 8, 2015 7:22 AM
To: McKnight, Elaine L MEM:EX
Cc: Cochrane, Marlene MEM:EX; Anthony Tillman CPA,CA,CIRP (atillman@kpmg.ca)
Subject: RE: Walter Energy CCAA Proceedings

Ms. McKnight,

Further to my earlier email, please be advised that Walter Canada has obtained CCAA protection by order of the BC Supreme Court issued today. Please see the following link for the press release issued by Walter Canada's US parent this afternoon in relation to the CCAA proceedings.

Al

http://www.prnewswire.com/news-releases/walter-energy-announces-ccaa-filing-to-pursue-sale-of-walter-canada-assets-300189277.html?tc=eml_cleartime

From: Kangas, Al
Sent: Monday, December 07, 2015 10:39 AM
To: 'Elaine.mcknight@gov.bc.ca'
Cc: 'Marlene.cochrane@gov.bc.ca'; Anthony Tillman CPA,CA,CIRP (atillman@kpmg.ca)
Subject: Walter Energy CCAA Proceedings

Dear Ms. McKnight,

I am writing on behalf of Walter Energy Canada Holdings, Inc. and its various subsidiaries to let you know that later this morning Walter will be in BC Supreme Court seeking insolvency protection under the *Companies' Creditors Arrangement Act*. Walter is taking this step for a number of reasons, including a desire to find another party that may be interested in the Brule, Willow Creek and Wolverine Mines. If you are amenable, I would be happy to have a conversation with you

(and/or Minister Bennett) later today, or in the next couple of days, to provide you with additional information and to discuss our plans in relation to the CCAA proceedings.

I invite you to share this note with Minister Bennett and any other Deputy Ministers as you wish. I will also ensure your office and Minister Bennett's office are provided a copy of our related media release upon issuance. The court materials will be available on the Monitor's website for the proceedings www.kpmg.com/ca/walterenergycanada in the next few days.

Sincerely,



Al Kangas, P.Eng.
General Manager NEBC Operations
Ph: 250-242-3764 x 2009
Cell: 250-242-8505

This e-mail and any attachments may contain privileged and/or confidential information. If you are not the intended recipient, any dissemination, distribution or copying is prohibited. If you received this email in error, please immediately notify the sender and permanently delete all copies. Thank you.