

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

)	
In re:		)	Chapter 11
)	
WESTMORELAND COAL COMPANY, <i>et al.</i> , ¹		)	Case No. 18-35672 (MI)
)	
Debtors.		)	(Joint Administration Requested)
		)	(Emergency Hearing Requested)

**DEBTORS’ EMERGENCY MOTION FOR ENTRY
OF INTERIM AND FINAL ORDERS AUTHORIZING
THE PAYMENT OF CERTAIN PREPETITION TAXES AND FEES**

THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE. A HEARING WILL BE HELD ON THIS MATTER ON OCTOBER 9, 2018, AT 2:30 P.M. (CT) BEFORE THE HONORABLE DAVID R. JONES, 515 RUSK STREET, COURTROOM 400, HOUSTON, TEXAS 77002.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”)² respectfully state the following in support of this motion (this “Motion”).

¹ Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent in these chapter 11 cases at www.donlinrecano.com/westmoreland. Westmoreland Coal Company’s service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

² A detailed description of the Debtors’ businesses and the reasons for commencing the chapter 11 cases is set forth in the *Declaration of Jeffrey S. Stein, Chief Restructuring Officer of Westmoreland Coal Company, in Support of Chapter 11 Petitions and First Day Pleadings*, to be filed in connection herewith (the “First Day”).

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “Interim Order” and the “Final Order,” respectively), authorizing the Debtors to remit and pay prepetition taxes and fees that will become payable during the pendency of these chapter 11 cases. In addition, the Debtors request a final hearing within approximately 25 days of the commencement of these chapter 11 cases to consider approval of this Motion on a final basis.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012 (the “Amended Standing Order”). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a), 363(b), 507(a)(8), 541, and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Bankruptcy Rules 6003 and 6004, and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

Declaration”). The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

Background

4. Westmoreland Coal Company and its Debtor and non-Debtor affiliates operate the sixth-largest coal-mining enterprise in North America, including 19 coal mines in six states and Canada. The Debtors primarily produce and sell thermal coal to investment grade power plants under long-term, cost-protected contracts, as well as to industrial customers and barbecue charcoal manufacturers. Headquartered in Englewood, Colorado, the Debtors and their non-Debtor subsidiaries employ approximately 2,971 individuals. The Debtors' revenue for the twelve-month period that ended August 31, 2018, totaled approximately \$850 million. As of the Petition Date, the Debtors' aggregate prepetition indebtedness totaled approximately \$1.1 billion.

5. On the date hereof (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Debtors' Tax and Fee Obligations

6. The Debtors collect, withhold, and incur sales and use, income, franchise, production, withholding, property, and excise taxes as well as other environmental and business taxes and regulatory fees, fines, penalties and similar charges, and assessments (collectively, the "Taxes and Fees"). The Debtors remit the Taxes and Fees to various federal, state, and local governments, including taxing and licensing authorities (collectively, the "Authorities"). A schedule identifying the Authorities is attached as **Exhibit 1** attached to each of the Interim Order and Final Order.³ As summarized below, the Debtors estimate that they will have

³ Although **Exhibit 1** attached to each of the Interim Order and the Final Order is intended to be comprehensive, the Debtors may have inadvertently omitted Authorities from **Exhibit 1** attached to each of the Interim and

approximately \$53 million in accrued but unpaid prepetition Taxes and Fees accrued as of the Petition Date, of which approximately \$13 million will become payable within 25 days after the Petition Date.

Category	Description	Approximate Amount Accrued but Unpaid as of Petition Date	Approximate Amount Due Within 25 Days
Sales and Use Taxes	The Debtors incur, collect, and remit sales taxes to the Authorities in connection with the sale and distribution of their coal production. In addition, the Debtors purchase a variety of equipment, materials, and supplies necessary for the operation of their businesses from vendors who may not operate in the state where the property is to be delivered and, therefore, do not charge the Debtors sales tax in connection with such purchases. In these cases, applicable law generally requires the Debtors to subsequently pay use taxes on such purchases to the applicable Authorities. The Debtors generally remit sales and use taxes on a monthly basis.	\$226,000	\$195,000
Income and Withholding Taxes	The Debtors incur state and federal income taxes. The Debtors pay income taxes on a quarterly basis.	\$65,500	\$0
Franchise Taxes	The Debtors are required to pay various state franchise taxes in order to continue conducting their businesses pursuant to state laws. The Debtors typically pay the franchise taxes on account of their incorporated entities on a quarterly basis and they pay franchise taxes on account of limited liability companies on a monthly basis.	\$110,500	\$65,000
Property Taxes	State and local laws in the jurisdictions in which the Debtors operate generally grant Authorities the power to levy property taxes against the Debtors' real and personal property. To avoid the imposition of statutory liens on their real and personal property, the Debtors typically pay property taxes in the ordinary course of business on a monthly, quarterly, or annual basis.	\$3,236,000	\$0

Final Order. The Debtors request relief with respect to Taxes and Fees payable to all Authorities, regardless of whether such Authority is specifically identified on the applicable **Exhibit 1**.

Category	Description	Approximate Amount Accrued but Unpaid as of Petition Date	Approximate Amount Due Within 25 Days
Production Taxes	The Debtors incur a variety of taxes, assessments, and fees related to coal production. A number of the jurisdictions in which the Debtors operate impose severance taxes, which are a tax on “severing” natural resources, such as coal, from the land or waters within a state or jurisdiction. Severance taxes vary by state, but typically are calculated as a percentage of either the gross value of coal severed, processed, or some combination thereof. The Debtors pay severance taxes on either a monthly or quarterly basis. In addition, under the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. § 1201 <i>et seq.</i> , the Debtors must remit to the federal government certain fees based on the amount of coal severed and produced. The Debtors also pay certain Black Lung and Workers Compensation taxes, which are included in these estimates.	\$12,162,000	\$10,310,000
Environmental and Business Taxes	The Debtors incur a variety of taxes, assessments, and fees related to, among other items, environmental, safety, and conservation laws and regulations. These environmental obligations include federal reclamation taxes, state reclamation taxes, penalty assessments, business licensing fees, annual report fees, permitting fees under the Surface Mining Control and Reclamation Act and corresponding state laws, and regulatory fees. ⁴ For the avoidance of doubt, these environmental and business Taxes and Fees include certain assessments for alleged violations of environmental, health, and safety laws before the Petition Date, which have not yet been remitted to the applicable Authorities. The Debtors remit almost all of these Taxes and Fees to the relevant Authorities on an annual or quarterly basis.	\$245,000	\$10,500
Excise Taxes	The Debtors incur taxes associated with but indirectly connected to coal production and natural resource extraction.	\$37,000,000	\$2,500,000
Approximate Total		\$53,045,000	\$13,080,500

7. The Debtors pay the Taxes and Fees to the Authorities on a periodic basis, remitting them monthly, quarterly, semiannually, or annually depending on the nature and

⁴ The Debtors also have posted various bonds to secure their compliance with state and federal environmental reclamation obligations under the Surface Mining Control and Reclamation Act of 1977 (“SMCRA”) and similar state regulations. A detailed description of the Debtors’ environmental surety bonds is contained in the *Debtors’ Emergency Motion for Entry of Interim and Final Orders Approving Continuation of Surety Bond Program*, to be filed contemporaneously herewith.

incurrence of a particular Tax or Fee.⁵ Although the Debtors believe that they are substantially current with respect to their payment of Taxes and Fees, the Debtors seek authority pursuant to this Motion to make such payments where: (a) Taxes and Fees accrue or are incurred postpetition; (b) Taxes and Fees accrued or were incurred prepetition but were not paid prepetition, or were paid in an amount less than actually owed; (c) Taxes and Fees paid prepetition by the Debtors were lost or otherwise not received in full by any of the Authorities; or (d) Taxes and Fees incurred for prepetition periods may become due after the commencement of these chapter 11 cases. In addition, the Debtors collect and hold certain outstanding tax liabilities in trust for the benefit of the applicable Authorities, and these funds may not constitute property of the Debtors' estates.

8. The Debtors believe that failing to pay the Taxes and Fees could materially disrupt the Debtors' business operations in several ways. **First**, the failure to pay certain of the Taxes and Fees, particularly franchise taxes, likely would cause the Debtors to lose their ability to conduct business in certain jurisdictions. **Second**, the Authorities could initiate audits, suspend operations, file liens, or seek to lift the automatic stay, which would unnecessarily divert the Debtors' attention from the reorganization process. **Third**, the failure to pay Taxes and Fees potentially could subject certain of the Debtors' directors and officers to claims of personal liability, which likely would distract those key persons from their duties related to the Debtors' restructuring. **Fourth**, unpaid Taxes and Fees may result in penalties, the accrual of interest, or both, which could negatively impact the Debtors' businesses or the reorganization process. Moreover, the Debtors collect and hold certain outstanding tax liabilities in trust for the benefit of the applicable Authorities, and these funds may not constitute property of the Debtors' estates.

⁵ The Debtors remit and pay the Taxes and Fees through checks and electronic funds transfers that are processed through their banks and other financial institutions.

In addition, certain unpaid Taxes and Fees will need to be paid as part of a plan of reorganization in these cases.

Basis for Relief

I. Certain of the Taxes and Fees May Not Be Property of the Debtors' Estates.

9. Many of the Taxes and Fees are collected or withheld by the Debtors on behalf of the applicable Authorities and are held in trust by the Debtors. *See, e.g.*, 26 U.S.C. § 7501; Tex. Tax Code Ann. § 111.016(a) (Vernon 2007) (“Any person who receives or collects a tax or any money represented to be a tax from another person holds the amount so collected in trust for the benefit of the state and is liable to the state for the full amount collected plus any accrued penalties and interest on the amount collected.”). As such, these Taxes and Fees are not property of the Debtors’ estates under section 541 of the Bankruptcy Code. *See, e.g., Begier v. Internal Revenue Serv.*, 496 U.S. 53, 59 (1990); *Matter of Al Copeland Enters., Inc.*, 991 F.2d 233, 237 (5th Cir. 1993) (noting that a debtor holds state sales tax revenues in trust for the state); *In re Equalnet Commc’ns Corp.*, 258 B.R. 368, 370 (Bankr. S.D. Tex. 2000) (“[C]ertain prepetition tax claims, such as sales taxes, could be trust fund claims.”). Because the Debtors may not have an equitable interest in funds held on account of such “trust fund” taxes, the Debtors respectfully submit that they should be permitted to pay those funds to the Authorities as they become due.⁶

II. Certain of the Taxes and Fees May Be Secured or Priority Claims Entitled to Special Treatment Under the Bankruptcy Code.

10. Claims for certain of the Taxes and Fees are or may be priority claims entitled to payment before general unsecured claims. *See* 11 U.S.C. § 507(a)(8) (describing taxes entitled to priority treatment). Moreover, to the extent that such amounts are entitled to priority

⁶ For the avoidance of doubt, the Debtors hereby request authority to pay the Taxes and Fees as provided herein regardless of whether such Taxes and Fees constitute trust fund obligations.

treatment under the Bankruptcy Code, the respective Authorities may attempt to assess fees, interest, and penalties if such amounts are not paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting eighth priority status to “a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss.”).

11. In addition, certain of the Taxes and Fees may be the subject of tax liens. Arguably, the relation back of a tax lien to the assessment or tax status date does not affect the enforceability of the tax lien against a debtor or violate the automatic stay imposed by section 362(a) of the Bankruptcy Code. *See* 11 U.S.C. § 362(b)(3). In fact, the creation and perfection of such a lien may not violate the automatic stay—even if the lien arises under applicable law for taxes due after the Petition Date. *See* 11 U.S.C. § 362(b)(18) (automatic stay does not act as a stay of “the creation or perfection of a statutory lien for an *ad valorem* property tax, or a special tax or special assessment on real property whether or not *ad valorem*, imposed by a governmental unit, if such tax or assessment comes due after the date of the filing of the petition.”); *see also In re Gifaldi*, 207 B.R. 54, 56 n.1 (Bankr. W.D.N.Y. 1997) (noting that section 362(b)(18) reversed case law that had held that the creation of a statutory lien for *ad valorem* property taxes violated the automatic stay). Thus, the Debtors’ failure to pay certain taxes may inadvertently increase the amount of administrative priority claims held against the Debtors’ estates.

12. Claims entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code must be paid in full under a confirmable plan pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Therefore, payment of certain of the Taxes and Fees at this time only affects the timing of the payment for the amounts at issue and will not unduly prejudice the rights and recoveries of junior creditors. *See In re Equalnet Commc’ns Corp.*, 258 B.R. at 369

("[C]ertain types of claims enjoy a priority status in addition to being sometimes critical to the ongoing nature of the business. For instance, employee wage claims and certain tax claims are both priority claims in whole or in part. The need to pay these claims in an ordinary course of business time frame is simple common sense.").

III. Payment of the Taxes and Fees Is a Sound Exercise of the Debtors' Business Judgment and Is Required by the U.S. Trustee.

13. Courts in the Fifth Circuit and other circuits also have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept."); *Armstrong World Indus., Inc. v. James A. Phillips, Inc.*, (*In re James A. Phillips, Inc.*), 29 B.R. 391, 398 (S.D.N.Y. 1983). In doing so, these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

14. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) provides "broad flexibility" to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the "implied duty . . . to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ*, 273 B.R. at 497). Moreover, under section

105(a) of the Bankruptcy Code, “the [C]ourt may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a); *In re CoServ*, 273 B.R. at 497 (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor-in-possession to pay prepetition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor’s business). The above-referenced sections of the Bankruptcy Code therefore authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor’s estate, as is the case here. *See, e.g., In re CoServ*, 273 B.R. at 497 (“[I]t is only logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.”). Further, the U.S. Trustee requires that debtors pay all tax obligations arising after the filing of the petition in full when due. *See, e.g., Region 7 Guidelines for Debtors-in-Possession*.

15. Here, the Debtors’ ability to pay the Taxes and Fees is critical to their continued and uninterrupted operations. If certain Taxes and Fees remain unpaid, the Authorities may seek to recover such amounts directly from the Debtors’ directors, officers, or employees, thereby distracting such key personnel from the administration of these chapter 11 cases. *See, e.g., Tex. Tax Code Ann. § 111.016* (Vernon 2007) (persons who hold money paid as a tax for the benefit of the state are liable to the state for the full amount); *In re Tex. Pig Stands, Inc.*, 610 F.3d 937, 941 (5th Cir. 2010) (noting that corporate officers may be held responsible for payment of certain corporate taxes).

16. Any collection action on account of such claims, and any potential ensuing liability, would distract the Debtors and their personnel to the detriment of all parties-in-interest.

The dedicated and active participation of the Debtors' officers and employees is integral to the Debtors' continued operations and essential to the orderly administration of and, ultimately, the success of these chapter 11 cases.

17. Furthermore, the Debtors' obligation to pay the Taxes and Fees ultimately may result in increased tax liability for the Debtors if interest and penalties accrue on the Taxes and Fees claims, which amounts may also be entitled to priority treatment. *See, e.g.*, Tex. Tax Code Ann. § 111.016(a) (Vernon 2007). Such a result would be contrary to the best interests of the Debtors' estates and all stakeholders. As noted above, many of the Taxes and Fees may be entitled to priority status pursuant to section 507(a)(8)(C) of the Bankruptcy Code. As priority claims, these obligations must be paid in full before any general unsecured obligations of the Debtors may be satisfied. *See In re Equalnet Commc'ns Corp.*, 258 B.R. at 370 (noting that paying priority tax claim in the ordinary course of business is "simple common sense"). To the extent that the Debtors are not able to timely pay the prepetition Taxes and Fees, they ultimately may be required to pay those amounts with additional interest and penalties. The Debtors' failure to pay the prepetition Taxes and Fees as they come due may therefore increase the amount of priority claims held by the Authorities against the Debtors' estates to the detriment of the Debtors' general unsecured creditors and the Debtors' ability to finalize a chapter 11 plan during these cases. *See* 11 U.S.C. § 507(a)(8)(C), (G). Accordingly, the Court should grant the Debtors authority to pay the prepetition Taxes and Fees as provided herein.

18. Courts in this district routinely approve relief similar to that requested herein. *See, e.g., In re iHeart Media, Inc.*, No. 18-31274 (MI) (Bankr. S.D. Tex. Mar. 15, 2018) (authorizing debtor to pay prepetition taxes); *In re EXCO Res., Inc.*, No. 18-30155 (MI) (Bankr. S.D. Tex. Jan. 18, 2013); *In re Cobalt Int'l Energy, Inc.*, No. 17-36709 (MI) (Bankr. S.D. Tex.

January 11, 2018); *In re Seadrill Ltd.*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. September 13, 2017); *In re Sandridge Energy, Inc.*, No. 16-32488 (DRJ) (Bankr. S.D. Tex. May 18, 2016) (same); and *In re Linn Energy LLC*, No. 16-60040 (DRJ) (Bankr. S.D. Tex. May 13, 2016) (same).⁷

Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers

19. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral and postpetition financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Taxes and Fees. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Emergency Consideration

20. Pursuant to Bankruptcy Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the

⁷ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

viability of their operations and that any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases could severely disrupt the Debtors' operations at this critical juncture and imperil the Debtors' restructuring. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

The Requirements of Bankruptcy Rule 6003 Are Satisfied

21. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, granting the relief requested herein is integral to the Debtors' ability to transition their operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtors to operate their businesses in the ordinary course and preserve the ongoing value of the Debtors' operations and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

22. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

23. Nothing contained herein is intended or shall be construed as: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay a prepetition claims; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (g) concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

Notice

24. The Debtors will provide notice of this Motion to the following parties or their respective counsel (collectively, the "Notice Parties"): (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) the indenture trustee under the WLB Debtors' 8.75% senior secured notes due 2022; (d) the ad hoc group of lenders under the WLB Debtors' prepetition term loan facility due 2020 and the WLB Debtors' 8.75% senior secured notes due 2022; (e) the administrative agent under the WLB Debtors' prepetition term loan facility due 2020; (f) the administrative agent under the WLB Debtors' bridge loan facility due 2019; (g) the administrative agent under the WMLP Debtors' term loan facility due 2018; (h) the ad hoc committee of certain lenders under the WMLP Debtors' term loan facility due 2018; (i) the administrative agent under the WLB Debtors' proposed debtor-in-possession financing

facility; (j) the lenders under the WLB Debtors' proposed debtor-in-possession financing facility; (k) any statutory committee appointed in these cases; (l) the United States Attorney's Office for the Southern District of Texas; (m) the Internal Revenue Service; (n) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (o) the offices of the attorneys general for the states in which the Debtors operate; (p) the Securities and Exchange Commission; (q) the Pension Benefit Guaranty Corporation; (r) the Authorities; and (s) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

25. No prior Motion for the relief requested herein has been made to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
October 9, 2018

/s/ Patricia B. Tomasco

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

Certificate of Service

I certify that on October 9, 2018, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Patricia B. Tomasco

Patricia B. Tomasco

Exhibit A

Proposed Interim Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
	)	Chapter 11
WESTMORELAND COAL COMPANY, <i>et al.</i> , ¹	)	Case No. 18-35672 (MI)
Debtors.	)	(Joint Administration Requested)
)	
	)	Re: Docket No. __

**INTERIM ORDER AUTHORIZING THE
PAYMENT OF PREPETITION TAXES AND FEES**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), authorizing the Debtors to remit and pay prepetition taxes and fees that will become payable during the pendency of these chapter 11 cases, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 157 and 1334; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice

¹ Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent in these chapter 11 cases at www.donlinrecano.com/westmoreland. Westmoreland Coal Company’s service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion. The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2018, at ___:___ .m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on _____, 2018, and shall be served on: (a) the Debtors, Westmoreland Coal Company, 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112, Attn.: Jennifer Grafton; (b) proposed counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Gregory F. Pesce and Timothy R. Bow; (c) proposed co-counsel for the Debtors, Jackson Walker L.L.P., 1401 McKinney Street, Suite 1900, Houston, Texas 77010, Attn.: Patricia B. Tomasco, Matthew D. Cavanaugh, and Jennifer F. Wertz; (d) counsel to the indenture trustee under the WLB Debtors' 8.75% senior secured notes due 2022; (e) counsel to the ad hoc group of lenders under the WLB Debtors' prepetition term loan due 2020 and the WLB Debtors' 8.75% senior secured notes due 2022, Kramer Levin Naftalis & Frankel, LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn.: Thomas Moers Mayer and Stephen Zide; (f) co-counsel to the ad hoc group of lenders under the WLB Debtors' prepetition term loan due 2020 and the WLB Debtors' 8.75% senior secured notes due 2022, Porter Hedges LLP, 1000

Main Street, Houston, Texas 77002, Attn.: John F. Higgins; (g) counsel to the administrative agent under the WLB Debtors' prepetition term loan facility due 2020; (h) counsel to the administrative agent under the WLB Debtors' bridge loan facility; (i) counsel to the administrative agent under the WMLP Debtors' term loan facility due 2018; (j) counsel to the ad hoc committee of certain lenders under the WMLP Debtors' term loan facility due 2018, Schulte Roth & Zabel, 919 Third Avenue, New York, NY 10022, Attn.: David M. Hillman and Kristine Manoukian; (k) counsel to the lenders under the WLB Debtors' proposed debtor-in-possession financing, (l) counsel to the administrative agent under the WLB Debtors' proposed debtor-in-possession financing facility, Kramer Levin Naftalis & Frankel, LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn.: Thomas Moers Mayer and Stephen Zide; (m) co-counsel to the administrative agent under the WLB Debtors' proposed debtor-in-possession financing facility, Porter Hedges LLP, 1000 Main Street, Houston, Texas 77002, Attn.: John F. Higgins; (n) counsel to the Conflicts Committee of the Board of Directors for Westmoreland Resource Partners GP, LLC, Jones Day, 77 W. Wacker Dr., Chicago, Illinois 60601, Attn.: Timothy Hoffman, Jones Day, 901 Lakeside Ave E, Cleveland, OH 44114 Attn.: Heather Lennox; (o) counsel to any statutory committee appointed in these cases; and (p) Office of the United States Trustee, 515 Rusk Street Houston, Texas 77002. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized in their sole discretion to pay or remit the Taxes and Fees that become payable during the pendency of these chapter 11 cases in the ordinary course at such time when the Taxes and Fees are payable.

4. Nothing in this Interim Order authorizes the Debtors to accelerate any payments not otherwise due prior to the date of the Final Hearing.

5. Solely with respect to the WMLP Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WMLP Debtors under any orders authorizing the WMLP Debtors' use of cash collateral (in each case, the "Cash Collateral Order"), including any budget in connection therewith (the "WMLP Budget"); and (b) to the extent there is any inconsistency between the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order and the WMLP Budget shall control.

6. Solely with respect to the WLB Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WLB Debtors under the WLB Debtors' postpetition financing agreement (including with respect to any budgets governing or relating therewith, the "DIP Documents") and any orders (in each case, the "DIP Order") approving the DIP Documents and governing the WLB Debtors' use of cash collateral; and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and DIP Documents shall control.

7. Every four weeks, the WLB Debtors will provide the advisors to the Required Consenting Stakeholders (as defined in the Restructuring Support Agreement, attached to the First Day Declaration), the advisors to the lenders for the WLB Debtors' proposed postpetition secured debtor-in-possession financing (the "DIP Financing"), counsel to the administrative agent for the WLB Debtors' DIP Financing, counsel to the ad hoc committee of certain lenders under the WMLP Debtors' prepetition term loan facility due 2018 (only to the extent that the

relief herein affects the WMLP Debtors), and counsel to any statutory committee appointed in these chapter 11 cases, with a schedule of payments related to the Taxes and Fees made pursuant to this Interim Order.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

9. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

10. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the

Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

11. The Debtors are authorized to issue postpetition checks, or to affect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Taxes and Fees.

12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: _____, 2018
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Authorities

Authorities

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
BELMONT COUNTY TREASURER	PROPERTY TAX	COURTHOUSE 101 W MAIN ST ST CLAIRSVILLE, OH 43950-1260
BIG HORN COUNTY TREASURER	PROPERTY TAX	121 W 3RD STREET, RM 204 HARDIN, MT 59034
BILL BIAS, ATHENS COUNTY TREASURER	PROPERTY TAX	15 S COURT STREET RM 334 ATHENS, OH 45701
BUFFALO I.S.D.	PROPERTY TAX	CAROLYN BALLARD 708 CEDAR CREEK RD. BUFFALO, TX 75831
BUREAU OF INDIAN AFFAIRS	SEVERANCE TAXES	2021 4TH AVE N BILLINGS, MT 59101
COLORADO DEPARTMENT OF REVENUE	STATE INCOME TAX	1375 SHERMAN STREET DENVER, CO 80203
COLUMBIANA COUNTY TREASURER	PROPERTY TAX	105 S. MARKET ST. SUITE 8 LISBON, OH 44432
COMMONWEALTH OF KENTUCKY	ENVIRONMENTAL & BUSINESS TAXES	DEPARTMENT OF REVENUE 501 HIGH ST FRANKFORT, KY 40620
COMMONWEALTH OF KENTUCKY	STATE INCOME TAX	DEPARTMENT OF REVENUE 501 HIGH ST FRANKFORT, KY 40620
COSHOCTON COUNTY TREASURER JANETTE DONAK	PROPERTY TAX	349 MAIN ST. COSHOCTON, OH 43812
DAWN M HOSOM TREASURER	PROPERTY TAX	155 EAST MAIN ST SUITE 153 MCCONNELSVILLE, OH 43756
DELAWARE SECRETARY OF STATE	FRANCHISE TAX	JEFFREY W. BULLOCK CARVEL STATE BUILDING 820 N. FRENCH ST. WILMINGTON, DE 19801
DEPARTMENT OF ENVIRONMENTAL PROTECTION DIVISION WATER AND WASTE	ENVIRONMENTAL & BUSINESS TAXES	601 57TH STREET, S.E. CHARLESTON, WV 25304
DEPARTMENT OF ENVIRONMENTAL QUALITY	ENVIRONMENTAL & BUSINESS TAXES	ATTN: LEGAL DEPT. 1520 E SIXTH AVE HELENA, MT 59620-0901
DEPARTMENT OF INTERIOR	RECLAMATION TAX	BUREAU OF LAND MGMT - WYOMING 5353 YELLOWSTONE ROAD CHEYENNE, WY 82009
DEPARTMENT OF LABOR & INDUSTRY	ENVIRONMENTAL & BUSINESS TAXES	ATTN: LEGAL DEPT. WALT SULLIVAN BUILDING 1315 LOCKEY AVENUE HELENA, MT 59601
DEPARTMENT OF NATURAL RESOURCES	ENVIRONMENTAL & BUSINESS TAXES	AIRPORT BUSINESS PARK-1371 RIMTOP DR BILLINGS, MT 59105
DEQ WATER PROTECTION BUREAU	ENVIRONMENTAL & BUSINESS TAXES	ATTN: LEGAL DEPT. 1520 E. 6TH AVENUE HELENA, MT 59601
DOUGLAS COUNTY TREASURER	PROPERTY TAX	JOHN W. EWING, JR. 100 3RD STREET, CASTLE ROCK CASTLE ROCK, CO 80104

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
FREESTONE COUNTY TAX ASSESSOR COLLECTOR	PROPERTY TAX	ATTN: LEGAL DEPT. 112 E MAIN ST, FAIRFIELD FAIRFIELD, TX 75840
GEORGIA DEPARTMENT OF REVENUE	STATE INCOME TAX	1800 CENTURY BOULEVARD, NE ATLANTA, GA 30345
HALIFAX COUNTY TAX COLLECTOR	PROPERTY TAX	DORIS HAWKINS, TAX COORDINATOR/COLLECTOR 357 FERRELL LN HALIFAX, NC 27839
HARRISON COUNTY TREASURER VICKI SEFSICK	PROPERTY TAX	100 WEST MARKET ST CADIZ, OH 43907
HOLMES LIMESTONE INC	PROPERTY TAX	ATTN: LEGAL DEPT. 4255 STATE ROUTE 39 MILLERSBURG, OH 44654
INDIANA DEPARTMENT OF REVENUE	STATE INCOME TAX	100 N. SENATE IGCN RM N105 INDIANAPOLIS, IN 46204
INTERNAL REVENUE SERVICE	BLACK LUNG DEPOSIT	ATTN: CC:PA:LPD:DRU ASSOCIATE CHIEF COUNSEL WASHINGTON, DC 20044
INTERNAL REVENUE SERVICE	EXCISE TAX	ATTN: LEGAL DEPT. JFK FEDERAL BUILDING 15 NEW SUDBURY ST. BOSTON, MA 2203
INTERNAL REVENUE SERVICE - BLACK LUNG	TAX & BLACK LUNG DEPOSIT	C. ASHLEY BULLAR, MANAGER 550 MAIN ST CINCINNATI, OH 45202
INTERNAL REVENUE SERVICE - BLACK LUNG EXCISE TAX	EXCISE TAX	201 W. RIVER CENTER BLVD. STOP 312, TE/GE COVINGTON, KY 41011
JEFFERSON COUNTY OHIO TREASURER	PROPERTY TAX	RAYMOND M AGRESTA 301 MARKET STREET FIRST FLOOR STEBENVILLE, OH 43952
KENTUCKY DEPARTMENT OF REVENUE	SALES AND USE TAXES	PO BOX 181 FRANKFORT, KY 40602-0181
KENTUCKY DEPARTMENT OF REVENUE	SEVERANCE TAXES	ATTN: LEGAL DEPT. 501 HIGH STREET FRANKFORT, KY 40601
KENTUCKY DEPARTMENT OF REVENUE	STATE INCOME TAX	ATTN: LEGAL DEPT. 501 HIGH STREET FRANKFORT, KY 40601
KENTUCKY WORKERS COMPENSATION FUNDING	WORKERS COMPENSATION	SWANSBURG, MICHAEL, GENERAL COUNSEL 657 CHAMBERLIN AVENUE FRANKFORT, KY 40601-4220
LEON COUNTY TAX ASSESSOR COLLECTOR	PROPERTY TAX	ATTN: ROBIN SHAFER 155 N. CASS STREET CENTERVILLE, TX 75833.
LEON I.S.D. TAX ASSESSOR COLLECTOR	PROPERTY TAX	ATTN: JAMIE WATSON 12168 HWY 79 W JEWETT, TX 75846-0157

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
LINCOLN COUNTY TREASURER	PROPERTY TAX	925 SAGE AVE, SUITE 102 KEMMERER, WY 83101
LINCOLN COUNTY TREASURER	ENVIRONMENTAL & BUSINESS TAXES	925 SAGE AVE, SUITE 102 KEMMERER, WY 83101
MELISSA WALTERS, PERRY COUNTY TREASURER	PROPERTY TAX	105 NORTH MAIN STREET NEW LEXINGTON, OH 43764
MERCER COUNTY TREASURER	PROPERTY TAX	DARBIE BERGER 1021 ARTHUR ST STANTON, ND 58571
MINNESOTA REVENUE	STATE INCOME TAX	ATTN: LEGAL DEPT. 600 NORTH ROBERT ST. ST. PAUL, MN 55146
MISSOURI DEPARTMENT OF REVENUE	STATE INCOME TAX	HARRY S TRUMAN STATE OFFICE BUILDING 301 WEST HIGH STREET JEFFERSON CITY, MO 65101
MONTANA DEPARTMENT OF ENVIRONMENTAL	ENVIRONMENTAL & BUSINESS TAXES	ED HAYES, DEPUTY CHIEF LEGAL COUNSEL 1371 RIMTOP DR. BILLINGS, MT 59105
MONTANA DEPARTMENT OF REVENUE	RITT TAX	ATTN: LEGAL DEPT. MITCHELL BUILDING 125 N. ROBERTS, 3RD FLOOR HELENA, MT 59601-4558
MONTANA DEPARTMENT OF REVENUE	SEVERANCE TAXES	ATTN: LEGAL DEPT. MITCHELL BUILDING 125 N. ROBERTS, 3RD FLOOR HELENA, MT 59601-4558
MONTANA DEPARTMENT OF REVENUE	STATE INCOME TAX	ATTN: LEGAL DEPT. MITCHELL BUILDING 125 N. ROBERTS, 3RD FLOOR HELENA, MT 59601-4558
MONTANA STATE TREASURER	RITT TAX	TIM FOX, ATTORNEY GENERAL 125 NORTH ROBERTS STREET HELENA, MT 59601
MUSKINGUM COUNTY TREASURER	PROPERTY TAX	401 MAIN ST. ZANESVILLE, OH 43701
NEW JERSEY DIVISION OF TAXATION	STATE INCOME TAX	ATTN: LEGAL DEPT. 50 BARRACK STREET TRENTON, NJ 8608
NEW MEXICO TAXATION AND REVENUE	STATE INCOME TAX	1100 SOUTH ST FRANCIS DRIVE SANTA FE, NM 87504
NEW YORK STATE - DEPARTMENT OF TAXATION AND FINANCE	STATE INCOME TAX	HARRIMAN CAMPUS RD ALBANY, NY 12226
NM MINING AND MINERALS DIVISION	ENVIRONMENTAL & BUSINESS TAXES	1220 SOUTH ST FRANCIS DRIVE SANTA FE, NM 87505
NOBLE COUNTY TREASURER	PROPERTY TAX	290 COUNTY COURTHOUSE CALDWELL, OH 43724
NORTH CAROLINA DEPARTMENT OF REVENUE	STATE INCOME TAX	ATTN: LEGAL DEPT. 501 NORTH WILMINGTON STREET RALEIGH, NC 27604

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
OFFICE OF STATE TAX COMMISSIONER	SALES AND USE TAXES	STATE CAPITOL 600 E. BOULEVARD AVE., DEPT. 127 BISMARCK, ND 58505-0599
OFFICE OF STATE TAX COMMISSIONER	SEVERANCE TAXES	STATE CAPITOL 600 E. BOULEVARD AVE., DEPT. 127 BISMARCK, ND 58505-0553
OFFICE OF STATE TAX COMMISSIONER	STATE INCOME TAX	600 E. BOULEVARD AVE., DEPT. 127 BISMARCK, ND 58505-0599
OFFICE OF SURFACE MINING	ENVIRONMENTAL & BUSINESS TAXES	ENFORCEMENT 1999 BROADWAY DENVER, CO 80202
OFFICE OF SURFACE MINING	RECLAMATION TAX	ATTN: LEGAL DEPT. 1999 BROADWAY DENVER, CO 80202
OFFICE OF SURFACE MINING	RECLAMATION TAX	RECLAMATION AND ENFORCEMENT 1401 AIRPORT PARKWAY SUITE 230 CHEYENNE, WY 82001
OFFICE OF SURFACE MINING AND RECLAMATION AND ENFORCEMENT	RECLAMATION TAX	1849 C STREET NM WASHINGTON, DC 20240
OFFICE OF SURFACE MINING RECLAMATION	RECLAMATION TAX	ATTN: LEGAL DEPT. 1999 BROADWAY ST., SUITE 3320 DENVER, CO 80202-3050
OHIO DEPARTMENT OF AGRICULTURE	ENVIRONMENTAL & BUSINESS TAXES	DIVISION OF WEIGHTS & MEASURES 8995 EAST MAIN ST REYNOLDSBURG, OH 43068
OHIO DEPARTMENT OF COMMERCE	ENVIRONMENTAL & BUSINESS TAXES	JAQUEELINE T. WILLIAMS, DIRECTOR 77 SOUTH HIGH STREET, 23RD FLOOR COLUMBUS, OH 43215-6123
OHIO DEPARTMENT OF REVENUE	SEVERANCE TAXES	ATTN: LEGAL DEPT. 4485 NORTHLAND RIDGE BLVD. COLUMBUS, OH 43229
OHIO DEPARTMENT OF TAXATION	ENVIRONMENTAL & BUSINESS TAXES	ATTN: LEGAL DEPT. 4485 NORTHLAND RIDGE BLVD. COLUMBUS, OH 43229
OHIO TREASURER OF STATE	ENVIRONMENTAL & BUSINESS TAXES	JOSH MANDEL, TREASURER OF OHIO 30 E. BROAD STREET - 9TH FLOOR COLUMBUS, OH 43215
OLIVER COUNTY TREASURER	PROPERTY TAX	TERI SCHULTE, TAX DIRECTOR 115 WEST MAIN CENTER, ND 58530-0188
OREGON DEPARTMENT OF REVENUE	STATE INCOME TAX	955 CENTER ST NE SALEM, OR 97301-2555
PENNSYLVANIA DEPARTMENT OF REVENUE	STATE INCOME TAX	1133 STRAWBERRY ST HARRISBURG, PA 17128
PERRY COUNTY COURT	PROPERTY TAX	ATTN: LEGAL DEPT. 105 NORTH MAIN STREET NEW LEXINGTON, OH 43764
PERRY COUNTY TREASURER	PROPERTY TAX	MELISSA WALTERS 105 NORTH MAIN STREET NEW LEXINGTON, OH 43764

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
RAILROAD COMMISSION OF TEXAS - #2	ENVIRONMENTAL & BUSINESS TAXES	1701 NORTH CONGRESS AUSTIN, TX 78711-2967
RICHLAND COUNTY TREASURER	GROSS PROCEEDS TAX	201 WEST MAIN SIDNEY, MT 59270
ROSEBUD COUNTY TREASURER	ENVIRONMENTAL & BUSINESS TAXES	KRISTINE WHITE, ROSEBUD COUNTY ATTORNEY 1200 MAIN ST FORSYTH, MT 59327
ROSEBUD COUNTY TREASURER	GROSS PROCEEDS TAX	KRISTINE WHITE, ROSEBUD COUNTY ATTORNEY 1200 MAIN ST FORSYTH, MT 59327
SAN JUAN COUNTY TREASURER	PROPERTY TAX	MARK DUNKAN 100 SOUTH OLIVER DRIVE AZTEC, NM 87410
SECRETARY OF STATE	ENVIRONMENTAL & BUSINESS TAXES	STATE OF NORTH DAKOTA 600 E BOULEVARD AVENUE DEPT 108 BISMARCK, ND 58505-0500
STATE OF DELAWARE	FRANCHISE TAX	SECRETARY OF STATE, DE DEPT. OF JUSTICE CARVEL STATE BUILDING 820 N. FRENCH ST. WILMINGTON, DE 19801
STATE OF NEW MEXICO	SEVERANCE TAXES	MAGGIE TOULOUSE OLIVER, SECRETARY OF STATE NEW MEXICO CAPITOL ANNEX NORTH 325 DON GASPAR, SUITE 300 SANTA FE, NM 87501
STATE OF NORTH DAKOTA	ENVIRONMENTAL & BUSINESS TAXES	PUBLIC SERVICE COMMISSION RECLAMATION DIVISION BISMARCK, ND 58505-0480
STATE OF WYOMING DEQ/LQD	ENVIRONMENTAL & BUSINESS TAXES	200 WEST 17TH STREET STE 10 CHEYENNE, WY 82002
STATE TREASURER OF OHIO	ENVIRONMENTAL & BUSINESS TAXES	30 E BROAD STREET 9TH FLOOR COLUMBUS, OH 43215
STATE TREASURER OF OHIO	IFTA FUEL TAX	30 E BROAD STREET 9TH FLOOR COLUMBUS, OH 43215
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	SALES AND USE TAXES	ATTN: LEGAL DEPT. LYNDON B. JOHNSON STATE OFFICE BUILDING 111 EAST 17TH STREET AUSTIN, TX 78774
TEXAS STATE COMPTROLLER	STATE INCOME TAX	111 E. 17TH STREET AUSTIN, TX 78774-0100
TREASURE COUNTY TREASURER	PROPERTY TAX	TREASURER IN HYSHAM MONTANA 307 RAPELJE AVENUE HYSHAM, MT 59038
TREASURER, STATE OF OHIO	CAT TAX	ATTN: GENERAL COUNSEL 30 E. BROAD STREET - 9TH FLOOR COLUMBUS, OH 43215

TAXING AUTHORITY	TYPE OF TAX	ADDRESS
TREASURER, STATE OF OHIO	ENVIRONMENTAL & BUSINESS TAXES	ATTN: GENERAL COUNSEL 30 E. BROAD STREET - 9TH FLOOR COLUMBUS, OH 43215
TUSCARAWAS COUNTY TREASURER	PROPERTY TAX	JEFFERY S. MAMARELLA 125 EAST HIGH AVE. NEW PHILADELPHIA, OH 44663
UINTA COUNTY	PROPERTY TAX	TERRY BRIMHALL, COUNTY TREASURER UINTA COUNTY COURTHOUSE 225 9TH STREET EVANSTON, WY 82930-3415
UNITED STATES TREASURY INTERNAL REVENUE	EXCISE TAX	OFFICE OF CHIEF COUNSEL 312 ELM ST # 2300 CINCINNATI, OH 45202
UTAH STATE TAX COMMISSION	STATE INCOME TAX	210 NORTH 1950 WEST SALT LAKE CITY, UT 84116
VILLAGE OF BELLAIRE, OH	STATE INCOME TAX	3197 BELMONT STREET BELLAIRE, OH 43906
VIRGINIA DEPARTMENT OF TAXATION	STATE INCOME TAX	1957 WESTMORELAND STREET RICHMOND, VA 23230
WEST VIRGINIA DEPARTMENT OF REVENUE	STATE INCOME TAX	STATE CAPITOL BUILDING 1, W-300 CHARLESTON, WV 25305
WYOMING AIR QUALITY DIVISION	ENVIRONMENTAL & BUSINESS TAXES	122 WEST 25TH ST (HERSCHLER BLDG 2E) CHEYENNE, WY 82002
WYOMING DEPARTMENT OF REVENUE	SEVERANCE TAXES	122 WEST 25TH STREET HERSCHLER BUILDING CHEYENNE, WY 82002-0110
WYOMING DEPARTMENT OF TRANSPORTATION	FUEL TAX	FUEL TAX ADMINISTRATION 5300 BISHOP BLVD CHEYENNE, WY 82009-3340

Exhibit B

Proposed Final Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
	)	Chapter 11
WESTMORELAND COAL COMPANY, <i>et al.</i> , ¹	)	Case No. 18-35672 (MI)
Debtors.	)	(Joint Administration Requested)
)	
	)	Re: Docket No. __

**FINAL ORDER AUTHORIZING THE
PAYMENT OF PREPETITION TAXES AND FEES**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”), authorizing the Debtors to remit and pay prepetition taxes and fees that will become payable during the pendency of these chapter 11 cases, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the

¹ Due to the large number of debtors in these chapter 11 cases, for which joint administration has been requested, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent in these chapter 11 cases at www.donlinrecano.com/westmoreland. Westmoreland Coal Company’s service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion. The terms “WLB Debtors” and “WMLP Debtors” shall have the meanings ascribed to them in the First Day Declaration.

Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, in their discretion, to pay or remit the Taxes and Fees that become payable during the pendency of these chapter 11 cases in the ordinary course at such time when the Taxes and Fees are payable.
3. Solely with respect to the WMLP Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WMLP Debtors under any orders authorizing the WMLP Debtors' use of cash collateral (in each case, the "Cash Collateral Order"), including any budget in connection therewith (the "WMLP Budget"); and (b) to the extent there is any inconsistency between the Cash Collateral Order and any action taken or proposed to be taken hereunder, the terms of the Cash Collateral Order and the WMLP Budget shall control.
4. Solely with respect to the WLB Debtors, notwithstanding anything to the contrary set forth herein: (a) any payment to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the WLB Debtors under the WLB Debtors' postpetition financing agreement (including with respect to any budgets governing or relating therewith, the "DIP Documents") and any orders (in each case, the "DIP Order") approving the DIP

Documents and governing the WLB Debtors' use of cash collateral; and (b) to the extent there is any inconsistency between the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order and DIP Documents shall control.

5. Every four weeks, the WLB Debtors will provide the advisors to the Required Consenting Stakeholders (as defined in the Restructuring Support Agreement, attached to the First Day Declaration), the advisors to the lenders for the WLB Debtors' proposed postpetition secured debtor-in-possession financing (the "DIP Financing"), counsel to the administrative agent for the WLB Debtors' DIP Financing, counsel to the ad hoc committee of certain lenders under the WMLP Debtors' prepetition term loan facility due 2018 (only to the extent that the relief herein affects the WMLP Debtors), and counsel to any statutory committee appointed in these chapter 11 cases, with a schedule of payments related to the Taxes and Fees made pursuant to this Final Order.

6. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly

reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

7. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Final Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

9. The Debtors are authorized to issue postpetition checks, or to affect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Taxes and Fees.

10. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

14. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Dated: _____, 2018
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE