

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)

EMERGENCY MOTION OF WESTMORELAND RESOURCE PARTNERS, LP AND CERTAIN DEBTOR AFFILIATES FOR THE ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE MLP DEBTORS TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363, (II) GRANTING CERTAIN PROTECTIONS TO PREPETITION LENDERS PURSUANT TO 11 U.S.C. §§ 105 361, 362, 363, AND 507, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) SCHEDULING A FINAL HEARING

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.

THIS IS A MOTION FOR RELIEF FROM THE AUTOMATIC STAY. IF IT IS GRANTED, THE MOVANT MAY ACT OUTSIDE OF THE BANKRUPTCY PROCESS. IF YOU DO NOT WANT THE STAY LIFTED, IMMEDIATELY CONTACT THE MOVING PARTY TO SETTLE. IF YOU CANNOT SETTLE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY AT LEAST 7 DAYS BEFORE THE HEARING. IF YOU CANNOT SETTLE, YOU MUST ATTEND THE HEARING. EVIDENCE MAY BE OFFERED AT THE HEARING AND THE COURT MAY RULE.

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.

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.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Westmoreland Resource Partners, LP (“MLP”) and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “MLP Debtors”)² respectfully state the following in support of this motion (this “Motion”).³

Relief Requested

1. The MLP Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Interim Order”) and a final order (the “Final Order” and, together with the Interim Order, the “Cash Collateral Orders”): (a) authorizing the MLP Debtors’ use of Cash Collateral⁴ on an interim basis pending a final hearing on this Motion (the “Final Hearing”), (b) granting adequate protection to the MLP Secured Parties, (c) modifying the automatic stay, and (d) scheduling the Final Hearing within approximately 25 days of the commencement of these chapter 11 cases to consider entry of the Final Order.

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

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 Declaration”). In support of this Motion, the MLP Debtors respectfully submit the *Declaration of Robert A. Campagna In Support of the Emergency Motion of Westmoreland Resource Partners, LP and Certain Debtor Affiliates for the Entry of Interim and Final Orders (I) Authorizing MLP Debtors to Use Cash Collateral Pursuant to 11 U.S.C. §363, (II) Granting Certain Protections to Prepetition Lenders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 507, and (III) Scheduling Final Hearing*, attached hereto as Exhibit B (the “Campagna Declaration”), to be filed in connection herewith.

³ For the avoidance of any doubt, the term “MLP Debtors” refers, collectively, to MLP, Oxford Mining Company, LLC, Oxford Mining Company-Kentucky, LLC, Daron Coal Company, LLC, Oxford Conesville, LLC, Oxford Resource Finance Corporation, Harrison Resources, LLC, Westmoreland Kemmerer Fee Coal Holdings, LLC, and Westmoreland Kemmerer, LLC. All Debtors that are not MLP Debtors, including Westmoreland Coal Company (“WLB”) are collectively referred to herein as the “WLB Debtors” (the WLB Debtors and the MLP Debtors, collectively, the “Debtors”).

⁴ All defined terms used but not defined herein shall have the meaning ascribed to them in the Interim Order.

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, 361, 362, 363, and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rules 2002, 4001, and 9014, and rules 4001-1, 4002-1, and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

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 barbeque 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 MLP Debtors' Prepetition Capital Structure

6. As of the Petition Date, the MLP Debtors' funded debt is comprised of approximately \$326.8 million in aggregate debt obligations, primarily under the MLP Credit Agreement (as described herein).

7. Pursuant to the Financing Agreement, dated as of December 31, 2014 (as further amended, restated, modified, or supplemented from time to time, the "MLP Credit Agreement," and, together with security agreements, pledge agreements, mortgaged, and the other Loan Documents (as defined in the MLP Credit Agreement), each as amended, restated, supplemented, or otherwise modified, collectively, the "MLP Loan Documents"), among Oxford Mining Company, LLC, as borrower, Westmoreland Resource Partners, LP, as parent guarantor, and the other subsidiaries of MLP as co-guarantors thereto (collectively, the "MLP Guarantors"),⁵ U.S. Bank National Association, as administrative and collateral agent (the "MLP Agent"), and the lenders party thereto (the "MLP Secured Lenders" and, together with the MLP Agent, collectively, the "MLP Secured Parties").

8. Pursuant to the MLP Loan Documents, the MLP Debtors were initially obligors with respect to a \$175.0 million term loan facility. On August 1, 2015, the MLP Debtors exercised their option to incur an additional \$120.0 million in term loan indebtedness pursuant to the MLP Credit Agreement. The MLP Credit Agreement matures on December 31, 2018. The obligations

⁵ The MLP Guarantors are: Harrison Resources, LLC; Oxford Mining Company-Kentucky, LLC; Daron Coal Company, LLC; Oxford Conesville, LLC; and Westmoreland Kemmerer, LLC.

under the MLP Loan Documents, and the guarantees of those obligations, subject to permitted liens, are secured by a first-priority lien on substantially all of the assets of the MLP Guarantors.

**Concise Statement of the
Material Terms of the Interim Order**

9. Pursuant to and in accordance with Bankruptcy Rule 4001(b)(1)(B) and Bankruptcy Local Rule 4001-2(a), the material provisions of the Interim Order, and the location of such provisions therein are summarized below.⁶

Material Terms	Summary of Material Terms	Para(s). of Interim Order
Entities with an Interest in Cash Collateral (Fed. R. Bankr. P. 4001(b)(1)(B)(i))	The MLP Secured Parties.	¶ D
Use of Cash Collateral (Fed. R. Bankr. P. 4001(b)(1)(B)(ii))	The MLP Debtors may use Cash Collateral: (i) to pay fees and expenses incurred in connection with the Chapter 11 Cases; and (ii) for working capital purposes, in each case, in accordance with the Budget.	¶¶ F, 2
Adequate Protection (Fed. Bankr. R. P. 4001(b)(1)(B)(iv))	The MLP Debtors will provide adequate protection for purposes of section 361 of the Bankruptcy Code to the MLP Secured Parties that includes, among other things: <ul style="list-style-type: none"> • current cash payment of the reasonable and documented fees and expenses of members of the MLP Ad Hoc Group, the MLP Agent, and the professionals of the MLP Ad Hoc Group and the MLP Agent; • subject to the Carve Out, a superpriority administrative expense claim against the MLP Debtors and their estates pursuant to section 507(b) of the Bankruptcy Code, with priority in payment over any and all unsecured claims and administrative expense claims against the MLP Debtors now existing and hereinafter arising in the above-captioned chapter 11 cases; • the adequate protection liens, including fully-perfected, non-avoidable first priority and/or replacement liens on, and security interest in, all prepetition and postpetition property, assets 	¶¶ 4, 5, 6, 7

⁶ This summary is qualified in its entirety by the provisions of the Interim Order. To the extent there are any conflicts between this summary and the Interim Order, the terms of the Interim Order shall govern.

Material Terms	Summary of Material Terms	Para(s). of Interim Order
	<p>and interests in property or assets of each of the MLP Debtors and their estates now existing or hereafter acquired;</p> <ul style="list-style-type: none"> • compliance with certain milestones in connection with the sale of all or substantially all of the MLP Debtors' assets consistent with the Sale Protocol set forth on <u>Exhibit B</u> attached to the Interim Order; • compliance with financial reporting requirements set forth in the Interim Order; • the MLP Debtors will provide the MLP Ad Hoc Group with certain inspection and examination rights as detailed in the Interim Order; and • adherence to certain covenants as outlined in the Interim Order. 	
<p>Termination Events (Fed. Bankr. R. P. 4001(b)(1)(B)(iii))</p>	<p>The Interim Order contains termination events that are usual and customary for the use of Cash Collateral, including without limitation, the breach of any Sale Milestone.</p>	¶ 9
<p>Amount of Cash Collateral to be Used (Fed. R. Bankr. P. 4001(b)(1)(B)(iii))</p>	<p>Subject to the terms of the Interim Order and the Budget, the MLP Debtors may use the MLP Secured Lenders' Cash Collateral. Any dispute in connection with the use of Cash Collateral shall be heard by the Court. Notwithstanding anything in the Interim Order to the contrary, the MLP Debtors shall be immediately prohibited from using the Cash Collateral upon the Termination Date.</p>	¶ 9
<p>Budget (Fed. R. Bankr. P. 4001(b)(1)(B)(ii))</p>	<p>The MLP Debtors' use of Cash Collateral is subject to the Budget, a summary form of which is attached to the Interim Order as <u>Exhibit A</u>.</p>	¶ 3
<p>Reporting Information (Fed. R. Bankr. P. 4001(c)(1)(B))</p>	<p>On the fourth calendar day of each week, the MLP Debtors shall deliver a weekly reporting package which should include a qualitative and quantitative variance analysis of: (i) forecast vs. actual for the week; and (ii) cumulative forecast vs. cumulative actual, in each case, by line item, to SRZ and HL.</p>	¶ 7(f)
<p>Variance Covenant (Fed. R. Bankr. P. 4001(c)(1)(B))</p>	<p>The MLP Debtors shall not permit "Net Disbursements" to exceed:</p> <ul style="list-style-type: none"> (i) with respect to the first two weeks after delivery of a Budget, 120% of the budgeted amount for such two week period; or (ii) thereafter, 115% of the cumulative budgeted amount on a cumulative basis for such four week period, tested bi-weekly. <p>The MLP Debtors shall not permit "Payroll Reimbursement", as reimbursed through Net Intercompany Activity, to exceed 110% of the budgeted amount for any two week period, tested on a biweekly basis.</p>	¶ 7(g)

Material Terms	Summary of Material Terms	Para(s). of Interim Order
	<p>The MLP Debtors shall not permit “Other Vendor Related” disbursements, as reimbursed through Net Intercompany Activity, to exceed 110% of the cumulative budgeted amount on a cumulative basis for any such four week period, tested on a biweekly basis.</p> <p>The MLP Debtors shall not permit “Total Net Receipts” (which receipts shall include Net Intercompany Activity receipts) to be less than 85% of the cumulative budgeted amount on a cumulative basis for any such four week period.</p> <p>Other than for Payroll Reimbursement, the MLP Debtors shall not reimburse the WCC Debtors for amounts pursuant to the Shared Services Agreement more frequently than once per month.</p> <p>For the avoidance of doubt, the terms “Net Disbursements”, “Net Intercompany Activity”, “Payroll Reimbursement”, “Other Vendor Related” and “Total Net Receipts” refer to such line items in the Budget</p>	
<p>Sale Milestones Bankruptcy Rule (Fed. R. Bankr. P. 4001(c)(1)(B))</p>	<p>The Interim Order includes standard and customary milestones, including: (a) no later than December 28, 2018, the MLP Debtors shall have reached an agreement with an applicable stalking horse for the relevant MLP Asset(s); (b) no later than January 4, 2019, the MLP Debtors shall have filed motions to (i) approve the bidding procedures, and (ii) approve the sale; (c) no later than February 1, 2019, the MLP Debtors shall have obtained entry of an order approving the bidding procedures motion; (d) to the extent required, no later than March 1, 2019, the MLP Debtors shall have commenced the auction under the bidding procedures; (e) no later than March 6, 2019, the MLP Debtors shall have obtained entry of an order approving the sale motion; and (f) no later than March 15, 2019, the MLP Debtors shall have consummated the sale.</p>	¶ 7(a)
<p>Effect On the Existing Liens of the Adequate Protection (Fed. R. Bankr. P. 4001(b)(1)(B)(iv))</p>	<p>Except as otherwise provided in the Interim Order, the Adequate Protection Liens granted to the MLP Secured Parties pursuant to paragraph 6 of the Interim Order shall not be (i) subject or subordinated to, or made <i>pari passu</i> with any lien, security interest or claim existing as of the Petition Date, or created under sections 363 or 364(d) of the Bankruptcy Code or otherwise or (ii) subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the MLP Debtors’ estates under section 551 of the Bankruptcy Code.</p>	¶ 6
<p>Carve-Out (Fed. R. Bankr. P. 4001(c)(1)(B))</p>	<p>The Interim Order provides a “Carve Out” of certain statutory fees and allowed professional fees of the MLP Debtors and any official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1103 of the Bankruptcy Code.</p>	¶ 8
<p>Provisions that Could Restrict the Rights and Powers of the Debtor In Possession</p>	<p><u>Stipulations and Admissions of the MLP Debtors.</u> The Interim Order contains certain stipulations by the MLP Debtors to, among other things, the amount, validity, priority, and enforceability of the MLP Credit Agreement, the MLP Secured Obligations, and the Prepetition Liens. The Interim Order also includes a release of the MLP Secured Parties and each</p>	¶ D, E, 19, 20

Material Terms	Summary of Material Terms	Para(s). of Interim Order
(Fed. R. Bankr. P. 4001(c)(1)(B)(iii))	<p>of their respective former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest.</p> <p><u>Binding Effect of the MLP Debtors' Stipulations on Third Parties.</u> Except as expressly set forth in the Interim Order and subject in all cases to the MLP Secured Parties Reservation of Rights, the stipulations and admissions set forth in paragraphs D and E in the Interim Order (together, the "<u>Claims Stipulation</u>") and all of the terms and conditions of the Interim Order shall be immediately and irrevocably binding on all persons and entities, subject to a customary investigation period for the Creditors' Committee, if any.</p> <p><u>Limitation on Use of Cash Collateral.</u> The Interim Order provides that no Prepetition Collateral, proceeds thereof, Cash Collateral or any portion of the Carve-Out may be used by any of the MLP Debtors, their estates, any affiliate of the MLP Debtors, any Creditors' Committee, any trustee or examiner appointed in these chapter 11 cases or any chapter 7 trustee, or any other person, party or entity for certain proscribed actions.</p>	

Statement Regarding Significant Provisions

10. The Interim Order contains certain of the provisions (the "Significant Provisions")⁷ identified on Exhibit B to the *United States Bankruptcy Court for the Southern District of Texas Procedures for Complex Chapter 11 Cases* (the "Complex Case Procedures"), as summarized in the Attorney Checklist Concerning Motion and Order Pertaining to Use of Cash Collateral, attached hereto as Exhibit C. The Cash Collateral Orders: (a) bind the estate or any parties in interest with respect to the validity, perfection, or amount of a secured creditor's prepetition lien or debt or the waiver of claims against the secured creditor (subject to certain challenge rights);

⁷ Significant Provisions refer to those provisions that: (a) grant cross-collateralization protection (other than replacement liens or other adequate protection) to prepetition secured creditors; (b) deem prepetition secured debt to be postpetition debt or that use postpetition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt, other than as provided in section 552(b) of the Bankruptcy Code; (c) bind the bankruptcy estates or any parties in interest with respect to the validity, perfection, or amount of the secured creditor's prepetition lien or debt or the waiver of claims against the secured creditor; (d) waive or limit the estate's rights under section 506(c) of the Bankruptcy Code; (e) grant prepetition secured creditors liens on the debtor's claims and causes of action arising under chapter 5 of the Bankruptcy Code; (f) impose deadlines for the filing of a plan or disclosure statement; and (g) grant an administrative claim.

(b) grant superpriority administrative adequate protection claims; (c) subject to entry of the Final Order, waive the MLP Debtors' rights under section 506(c) of the Bankruptcy Code; (d) subject to entry of the Final Order, grant prepetition secured creditors liens on proceeds of the MLP Debtors' claims and causes of action arising under chapter 5 of the Bankruptcy Code; and (e) establish time deadlines in respect of certain actions in these chapter 11 cases, including in respect of the sale contemplated by the Sale Protocol.

11. The explanation for the inclusion of the foregoing Significant Provisions, as required by rule 3(C)(vii) of the Complex Case Procedures, which is made applicable by Bankruptcy Local Rule 1075-1, is that such Significant Provisions were necessary to obtain the MLP Secured Parties' consent to the use of Cash Collateral under the Interim Order and grant of liens thereunder. In light of the foregoing, the Debtors submit that the Significant Provisions are appropriate under the facts and circumstances of these chapter 11 cases. Accordingly, the Significant Provisions in the Interim Order should be approved.

The MLP Debtors' Need to Use Cash Collateral

12. Immediate access to Cash Collateral is critical for the MLP Debtors' successful transition into chapter 11. Among other things, Cash Collateral is essential to (a) meet working capital and business operating needs, (b) fund the administration of these chapter 11 cases, and (c) enable the MLP Debtors to pursue their sale process. Continued access to Cash Collateral will allow the MLP Debtors' to honor employee wages and benefits, procure goods and services integral to their ongoing business operations, fund operational expenses, and allow the MLP Debtors to maintain favorable relationships with their vendors, suppliers, employees, and customers. Failure to obtain access to Cash Collateral will result in immediate and irreparable harm to the MLP Debtors and their stakeholders, and will diminish the value of the MLP Debtors' estates. *See* Campagna Decl. ¶ 9. Thus, the Debtors respectfully request authority to use Cash

Collateral solely on an interim basis subject to the terms and conditions set forth in the Interim Order.

Basis for Relief

I. The Use of Cash Collateral Is Warranted and Should Be Approved.

13. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may not use cash collateral unless “(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2).

14. Here, the MLP Secured Parties have consented to the MLP Debtors’ use of Cash Collateral and/or are otherwise adequately protected pursuant to the terms of the Interim Order and the Budget. Accordingly, the MLP Debtors submit that the use of Cash Collateral satisfies the requirements of section 363(c)(2) of the Bankruptcy Code.

II. The MLP Debtors’ Proposed Adequate Protection is Appropriate.

15. Section 363(c)(2) of the Bankruptcy Code provides that, absent consent, a debtor may use cash collateral where “the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2)(A), (B). Section 363(e) of the Bankruptcy Code requires that the debtor adequately protect the secured creditors’ interest in property to be used by a debtor against any diminution in value of such interest resulting from the debtor’s use of the property during the chapter 11 proceedings. 11 U.S.C. § 363(e).

16. The essential purpose of adequate protection is to protect against the diminution of a secured creditor’s collateral during the period when such collateral is being used by the debtor in possession. *See Contrarian Funds LLC v. Aretex LLC (In re WestPoint Stevens, Inc.)*, 600 F.3d 231, 257 (2d Cir. 2010) (“Adequate protection is generally defined as a method by which a secured

creditor may apply to the Bankruptcy Court to protect its interest in the diminution in value of its security during a bankruptcy proceeding.” (internal quotation marks omitted)); *see also In re WorldCom, Inc.*, 304 B.R. 611, 618-19 (Bankr. S.D.N.Y. 2004) (“The legislative history for section 361 of the Bankruptcy Code, which sets forth how adequate protection may be provided under section 363, makes clear that the purpose is to insure that the secured creditor receives the value for which the creditor bargained for prior to the debtor’s bankruptcy.”); *In re Carbone Cos., Inc.*, 395 B.R. 631, 635 (Bankr. N.D. Ohio 2008) (“The test is whether the secured party’s interest is protected from diminution or decrease as a result of the proposed use of cash collateral.” (citation omitted)). “However, neither the legislative history nor the Bankruptcy Code requires the Court to protect a creditor beyond what was bargained for by the parties.” *WorldCom, Inc.*, 304 B.R. at 619; *see In re Beker Indus. Corp.*, 58 B.R. 725, 736 (Bankr. S.D.N.Y. 1986) (“Adequate protection, not absolute protection, is the statutory standard.”).

17. Generally, what constitutes sufficient adequate protection is decided on a case-by-case basis. *See, e.g., In re Columbia Gas Sys., Inc.*, Nos. 91-803, 91-804 (HSB), 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992); *In re Monroe Park*, 17 B.R. 934 (D. Del. 1982) (noting that adequate protection requires a debtor to propose some form of relief that will preserve the secured creditor’s interest in collateral pending the outcome of the bankruptcy proceedings); *see also In re Martin*, 761 F.2d 472 (8th Cir. 1985); *In re Mosello*, 195 B.R. at 289; *In re Realty Southwest Assocs.*, 140 B.R. 360 (Bankr. S.D.N.Y. 1992). Adequate protection can come in various forms, including the payment of adequate protection fees, payment of interest, and granting of replacement liens.

18. As described above, the MLP Debtors have obtained the consent of the MLP Secured Parties to continue to use Cash Collateral during the pendency of these cases pursuant to

the Interim Order and the Budget. A critical condition of that agreement with the MLP Secured Parties is the MLP Debtors' agreement to provide the MLP Secured Parties with the proposed adequate protection package, which is consistent with the forms of adequate protection contemplated by the Bankruptcy Code.

19. The Debtors intend to provide the MLP Secured Parties with adequate protection, which includes: (a) allowed superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code; (b) fully-perfected, non-avoidable liens, including first-priority replacement liens, on the Prepetition Collateral, to the extent of any diminution in value of their interests in the Prepetition Collateral, including Cash Collateral; (c) compliance with certain milestones in connection with the marketing process for the MLP Debtors' assets; (e) payment of the reasonable and documented fees, expenses and disbursements incurred by (i) the MLP Agent and its counsel; (ii) the ad hoc group of lenders under the MLP Credit Agreement (the "MLP Ad Hoc Group"); (iii) counsel and other professionals to the MLP Ad Hoc Group; and (iv) certain other third-parties; (f) continued compliance with financial reporting requirements set forth in the MLP Credit Agreement and certain enhanced reporting requirements set forth in the Interim Order; (g) provision of certain inspection and examination rights to the MLP Ad Hoc Group; and (h) adherence to certain covenants as outlined in the Interim Order.

20. Accordingly, the MLP Debtors submit that the adequate protection proposed for the benefit of the MLP Secured Parties is necessary and appropriate and satisfies the standards under section 363(c)(2) of the Bankruptcy Code. Courts in this district and others have granted similar relief in other chapter 11 cases. *See, e.g., iHeartMedia, Inc.*, No. 18-31274 (MI) (Bankr. S.D. Tex. Apr. 12, 2018); *In re Cobalt Int'l Energy, Inc.*, No. 17-36709 (MI) (Bankr. S.D. Tex. Jan. 25, 2018); *In re Seadrill Ltd.*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. Oct. 24, 2017); *In re*

Goodman Networks Inc., No. 17-31575 (MI) (Bankr. S.D. Tex. Apr. 20, 2017); *In re LINN Energy, LLC*, No. 16-60040 (DRJ) (Bankr. S.D. Tex. July 29, 2016).⁸

III. The Automatic Stay Should Be Modified on a Limited Basis.

21. The Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified as necessary to effectuate the terms and provisions of the Interim Order. The Interim Order further provides that the automatic stay is modified and vacated to the extent necessary, upon the occurrence of the Termination Date, to permit the MLP Credit Agreement to become immediately due and payable and to allow the MLP Secured Parties to exercise the rights and remedies available under the MLP Loan Documents, the Interim Order, or applicable law, including foreclosing upon and selling all or a portion of the Prepetition Collateral or Collateral in order to collect the MLP Credit Agreement.

22. The MLP Debtors have determined, in an exercise of their business judgment that such stay modifications are appropriate under the circumstances, in the context of a negotiated consensual cash collateral order. Further, stay modifications of this kind are ordinary, and are reasonable and fair under the circumstances of these chapter 11 cases. Courts in this district have granted similar relief in other chapter 11 cases. *See, e.g., iHeartMedia, Inc.*, No. 18-31274 (MI) (Bankr. S.D. Tex. Apr. 12, 2018); *In re Cobalt Int'l Energy, Inc.*, No. 17-36709 (MI) (Bankr. S.D. Tex. Jan. 25, 2018); *In re Seadrill Ltd.*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. Oct. 24, 2017); *In re Goodman Networks Inc.*, No. 17-31575 (MI) (Bankr. S.D. Tex. Apr. 20, 2017); *In re LINN Energy, LLC*, No. 16-60040 (DRJ) (Bankr. S.D. Tex. July 29, 2016).

⁸ 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 of the Debtors' proposed counsel.

Request for Final Hearing

23. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court, if necessary, set a date for the Final Hearing that is as soon as practicable, but in no event later than 25 days following the entry of the Interim Order, and fix the time and date prior to the Final Hearing for parties to file objections to this Motion.

Emergency Consideration

24. Pursuant to Bankruptcy Local Rule 9013-1(i), the MLP 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 MLP Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the MLP 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 MLP Debtors’ operations at this critical juncture and imperil the MLP Debtors’ restructuring. Accordingly, the MLP 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

25. 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, and granting the relief requested herein is integral to the MLP 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 MLP Debtors' operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the MLP Debtors to operate their businesses in the ordinary course and preserve the ongoing value of the MLP Debtors' operations and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the MLP Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Reservation of Rights

26. Except as set forth in the Interim Order, nothing contained in this Motion or any actions taken by the Debtors pursuant to relief granted in the Interim Order and Final Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against a Debtor entity; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a request or authorization to assume any 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 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.

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

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

Notice

28. 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 Debtors’ 8.75% senior secured notes due 2022; (d) the ad hoc group of lenders under the Debtors’ prepetition MLP Credit Agreement facility due 2020 and the Debtors’ 8.75% senior secured notes due 2022; (e) the administrative agent under the Debtors’ prepetition MLP Credit Agreement facility due 2020; (f) the administrative agent under Westmoreland Resource Partners LP’s MLP Credit Agreement facility due 2018; (g) the MLP Ad Hoc Group and its counsel; (h) the administrative agent under the Debtors’ proposed debtor-in-possession financing facility; (i) any statutory committee appointed in these case; (j) the United States Attorney’s Office for the Southern District of Texas; (k) the Internal Revenue Service; (l) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (m) the offices of the attorneys general for the states in which the Debtors operate; (n) the Securities and Exchange Commission; (o) the Pension Benefit Guaranty Corporation; and (p) 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

29. No prior request for the relief sought in this Motion 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
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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 (I) AUTHORIZING THE MLP DEBTORS
TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363,
(II) GRANTING CERTAIN PROTECTIONS TO PREPETITION LENDERS
PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, AND 507, (III) MODIFYING
THE AUTOMATIC STAY, AND (IV) SCHEDULING A FINAL HEARING**

Upon the motion (the “Motion”)² of Westmoreland Resource Partners, LP (“MLP”) and its subsidiaries (collectively with MLP, the “MLP Debtors”)³ as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Chapter 11 Cases”) pending in the United States Bankruptcy Court for the Southern District of Texas (the “Court”), pursuant to sections 105, 361, 362, 363, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), rules 2002, 4001, 6004 and 9014 of the Federal Rules of

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 defined herein shall have the meanings ascribed to such terms in the Motion or further herein, as applicable.

³ For the avoidance of any doubt, the term “MLP Debtors” refers, collectively, to MLP, Oxford Mining Company, LLC, Oxford Mining Company-Kentucky, LLC, Daron Coal Company, LLC, Oxford Conesville, LLC, Oxford Resource Finance Corporation, Harrison Resources, LLC, Westmoreland Kemmerer Fee Coal Holdings, LLC, and Westmoreland Kemmerer, LLC. All Debtors that are not MLP Debtors, including Westmoreland Coal Company (“WLB”) are collectively referred to herein as the “WCC Debtors” (the WCC Debtors and the MLP Debtors, collectively, the “Debtors”).

Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 4001-1(b) and 4002-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”), for entry of an interim order (this “Interim Order”) and a final order (the “Final Order”):

(a) authorizing the MLP Debtors to continue to use the “cash collateral” (as defined in section 363(a) of the Bankruptcy Code) (“Cash Collateral”) of the MLP Secured Parties (as defined herein), on an interim basis and subject to the terms of this Interim Order and in accordance with the Budget (as defined herein), during the period beginning on the Petition Date (as defined herein) and ending on the Termination Date (as defined herein);

(b) granting adequate protection to the MLP Secured Parties, pursuant to sections 361, 362 and 363(e) of the Bankruptcy Code, for any diminution in the value of their interests in the Prepetition Collateral (as defined herein);

(c) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to permit the MLP Debtors and the MLP Secured Parties to implement and effectuate the terms and provisions of this Interim Order and the Final Order;

(d) subject solely to entry of the Final Order, waiving (i) except to the extent of the Carve Out (as defined herein), the MLP Debtors’ ability to surcharge against the Prepetition Collateral or the Adequate Protection Collateral (as defined herein) pursuant to section 506(c) of the Bankruptcy Code, or any other applicable principle of equity or law, and (ii) the applicability of the “equities of the case” exception under section 552(b) of the Bankruptcy Code;

(e) scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order authorizing on a final basis, among other things, the use of Cash Collateral and the provision of adequate protection to the MLP Secured Parties; and

(f) waiving any applicable stay (including under Bankruptcy Rule 6004) and provision for immediate effectiveness of this Interim Order;

notice of the Motion under the circumstances having been given and such notice having been good and sufficient; the Court having conducted a hearing for interim relief on the Motion on October [9], 2018 (the “Interim Hearing”), at which time the Debtors presented and introduced into evidence, among other things, the *Declaration of Jeffrey S. Stein, Chief Restructuring Officer of Westmoreland Coal Company, in Support of Chapter 11 Petitions and First Day Pleadings* (the “First Day Declaration”) and the *Declaration of Robert A. Campagna in Support of the*

Debtors' Emergency Motions for the Entry of Interim and Final Orders Authorizing Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate Protection Related Thereto [Docket Nos. [●] and [●]] (the "Campagna Declaration"); the Court having reviewed the First Day Declaration, the Campagna Declaration, the Motion, the other evidence adduced by the parties, the representations of counsel, and the entire record made at the Interim Hearing; it appearing to the Court that granting the relief sought in the Motion, on the terms and conditions contained herein, is necessary and essential to enable the MLP Debtors to preserve the value of their respective businesses and assets, prevent immediate and irreparable harm to the MLP Debtors' estates, and facilitate the reorganization of the MLP Debtors' businesses, that such relief is fair and reasonable and in the best interests of the MLP Debtors' estates, their creditors, and all parties in interest, and is a sound and prudent exercise of the MLP Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:⁴

A. The Court has jurisdiction over these proceedings and the parties and property affected hereby pursuant to 28 U.S.C. §§ 1334 and 157 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012. The Motion and proceedings in connection therewith constitute a core proceeding as defined in 28 U.S.C. §§ 157(b)(2). The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, 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

⁴ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief sought in the Motion and granted in this Interim Order are sections 105, 361, 362, 363 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014, and Bankruptcy Local Rules 4001-1(b) and 4002-1.

B. On October [8], 2018 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered.

C. The MLP Debtors are continuing in possession of their properties and are operating and managing their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no official committee of unsecured creditors of MLP Debtors (any such committee that hereinafter is appointed, the “Creditors’ Committee”), any other statutory committee of equity holders, or retired employees who performed service on a full-time basis for or on behalf, of the MLP Debtors (any such other committee, including any Creditors’ Committee, a “Statutory Committee”), or any trustee or examiner has been appointed in the Chapter 11 Cases.

D. Subject to paragraphs 19 and 20 of this Interim Order, the MLP Debtors admit, stipulate, and agree that:

i. MLP Credit Agreement. Oxford Mining Company, LLC (“Oxford”), as borrower, MLP and each subsidiary listed as a “Guarantor” on the signature pages thereto or which became a “Guarantor” thereunder, as guarantors (collectively, the “Guarantors”),⁵ U.S. Bank National Association, as administrative agent and collateral agent (in such capacities and, in each case, together with its successors and assigns in such capacity, collectively, the “MLP Agent”), and the lenders from time to time party thereto (such lenders in such capacities, and together with their respective successors and assigns in such capacities, collectively, the “MLP Secured Lenders” and together with the MLP Agent, collectively, the “MLP Secured Parties”) are parties to that certain Financing Agreement dated as of December 31, 2014 (as has been amended and as the same may be further amended, restated, replaced, supplemented or otherwise modified from time to time, the “MLP Credit Agreement”, and together with security agreements, pledge agreements,

⁵ The Guarantors are all of the MLP Debtors other than Oxford.

mortgages and the other Loan Documents (as defined in the MLP Credit Agreement), each as amended, restated, supplemented or otherwise modified, collectively, the “MLP Loan Documents”). Prior to the Petition Date, the MLP Debtors were and remain in default under the MLP Loan Documents.

ii. Pursuant to the MLP Credit Agreement, the MLP Secured Lenders made certain term loans in the aggregate principal amount of \$295,000,000. As of the Petition Date, the total amount outstanding under the MLP Credit Agreement, including accrued and unpaid prepetition interest, fees, costs and expenses, is not less than \$326,754,281.32 (collectively with all other debts, liabilities, fees, costs, expenses, penalties, premiums, indemnities and other charges owing under or in connection with the MLP Loan Documents and Obligations (as defined in the MLP Credit Agreement), the “MLP Secured Obligations”).

iii. Pursuant to the MLP Credit Agreement, each Guarantor has jointly, severally, unconditionally and irrevocably guaranteed payment of the MLP Secured Obligations.

iv. As of the Petition Date, the MLP Debtors were unconditionally indebted and liable to the MLP Secured Parties for the payment of the MLP Secured Obligations, without defense, counterclaim or offset of any kind.

v. To secure the MLP Secured Obligations, the MLP Debtors granted, pursuant to the MLP Loan Documents, to the MLP Agent, for the benefit of the MLP Secured Parties, valid, binding, non-avoidable, perfected and enforceable first-priority liens on and security interests (collectively, the “Prepetition Liens”) in all or substantially all of the assets of the MLP Debtors, including, without limitation, all personal property, Fixtures, real property interests, leasehold interests, mineral rights, Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts and all cash and other property deposited therein or otherwise credited thereto, Documents, General Intangibles, Goods, Instruments, Investment Property, Letter-of-Credit Rights, Pledged Interests, Supporting Obligations, other tangible and intangible property, and all other property of the MLP Debtors, and all Proceeds and products of any and all of the foregoing (other than property expressly excluded from Collateral in the MLP Loan Documents) (collectively, the “Prepetition Collateral”) ⁶. The MLP Debtors agree and acknowledge that the Prepetition Liens were and remain duly perfected.

vi. (1) The MLP Secured Obligations constitute (x) legal, valid, binding, non-avoidable and enforceable obligations of the MLP Debtors and (y) allowed secured claims against the MLP Debtors’ estates; (2) no offsets, rights of recoupment, defenses or counterclaims to the MLP Secured Obligations exist; (3) no portion of the MLP Secured Obligations, the MLP Loan Documents and the transactions contemplated thereby, the liens and security interests of the MLP Secured Parties, including the Prepetition Liens, or any amounts paid to the MLP Secured Parties or applied to the obligations owing under

⁶ Capitalized terms used in this clause D.v. but not otherwise defined in this Interim Order shall have the meanings ascribed to such terms in the MLP Loan Documents.

the MLP Loan Documents is subject to contest, attack, objection, recoupment, defense, avoidance, recharacterization, disallowance, reduction, reclassification, attachment, recovery, offset, action, counterclaim, cross-claims, surcharge, subordination (whether equitable, contractual or otherwise), impairment, challenge, reduction, disgorgement, cause of action, or “claim” (as defined in section 101(5) of the Bankruptcy Code) of any kind or nature pursuant to the Bankruptcy Code or applicable non-bankruptcy law or otherwise; (4) the MLP Loan Documents are valid, binding and enforceable by the MLP Secured Parties in accordance with their terms; (5) the Prepetition Liens constitute valid, binding, non-avoidable, enforceable and properly perfected liens on, and security interests in, the Prepetition Collateral, having the priority set forth in the MLP Loan Documents and, prior to giving effect to this Interim Order, subject only to those other liens (if any) explicitly permitted under the MLP Loan Documents (in each case, only to the extent such permitted liens were valid, properly perfected, enforceable and non-avoidable liens senior in priority to the Prepetition Liens as of the Petition Date) (the “Permitted Prior Liens”); and (6) the MLP Debtors do not have any claim, challenge, counterclaim, defense, setoff right, recoupment right, or cause of action against the MLP Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys, and advisors (or any of them or their agents, each in such capacity), and none of the foregoing in favor of the MLP Debtors or the MLP Debtors estates exists, whether arising under applicable state or federal law (including, without limitation, any “lender liability” causes of action or recharacterization, subordination, avoidance or other claims arising under or pursuant to sections 105, 510 or 542 through 553 of the Bankruptcy Code), or whether arising under or in connection with any of the MLP Loan Documents (or the transactions contemplated thereunder), the MLP Secured Obligations or the Prepetition Liens, including without limitation, any right to assert any claim for disgorgement or recovery.

vii. The MLP Debtors each irrevocably waive, for themselves, and their subsidiaries, shareholders, and affiliates, any right to challenge, contest or avoid the perfection, validity, priority, and enforceability of the MLP Secured Obligations, Prepetition Liens, and MLP Loan Documents.

viii. As of the Petition Date, there were no security interests in or liens on the Prepetition Collateral other than the Prepetition Liens and Permitted Prior Liens (if any), and the MLP Debtors are not aware of any claims, objections, challenges or causes of action against the MLP Secured Parties arising out of or relating to the MLP Secured Obligations.

ix. All of the MLP Debtors’ cash, including cash equivalents, negotiable instruments, investment property and securities constitute Prepetition Collateral subject to properly perfected Prepetition Liens, and all cash proceeds of the Prepetition Collateral and the Adequate Protection Collateral (as defined herein), including all such cash proceeds of such Prepetition Collateral and Adequate Protection Collateral held at any time and from time to time in any of the MLP Debtors’ banking, checking or other deposit accounts with financial institutions (in each case, other than trust, escrow and custodial funds held as of the Petition Date in properly established trust, escrow and custodial accounts) are and will be Cash Collateral of the MLP Secured Parties within the meaning of section 363(a) of the Bankruptcy Code.

x. The MLP Agent and the MLP Debtors are parties to that certain Intercompany Subordination Agreement, dated as of December 31, 2014 (as amended, restated, supplemented or otherwise modified from time to time and in effect on the date hereof, the “MLP Subordination Agreement”), which sets forth subordination and other provisions governing the rights of the parties thereto, including that payments on account of any debt owed by any MLP Debtor to any other MLP Debtor are subordinated to payments on account of the MLP Secured Obligations. The MLP Debtors admit, stipulate, and agree that the MLP Subordination Agreement was entered into in good faith and is fair and reasonable to the parties thereto and enforceable in accordance with the terms thereof.

E. Subject only to the rights granted to certain parties (other than the MLP Debtors) contained in paragraphs 19 and 20 of this Interim Order, each of the Debtors and the Debtors’ estates, on its own behalf and on behalf of its past, present and future predecessors, successors, heirs, subsidiaries, and assigns hereby to the maximum extent permitted by applicable law, unconditionally, irrevocably and fully forever release, remise, acquit, relinquish, irrevocably waive and discharge each of the MLP Secured Parties, and each of their respective former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, objections, challenges, counterclaims, setoff rights, rights to subordinate, recoupment, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys’ fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending, or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract, of every nature and description that exist on the date hereof arising out of, relating to or in connection with the Debtors or any of the MLP Loan Documents, or the transactions contemplated under such MLP Loan Documents, including, without limitation, (i) any so-called “lender liability”, recharacterization or equitable subordination claims or defenses, (ii) any and all

claims and causes of action arising under the Bankruptcy Code, and (iii) any and all claims and causes of action regarding the validity, priority, perfection, enforceability and/or avoidability of the Prepetition Liens and MLP Secured Obligations.

F. Good cause has been shown for the entry of this Interim Order. The MLP Debtors have an immediate need to use the Cash Collateral to, among other things, fund the orderly continuation of their businesses pending a sale or other disposition of all or substantially all of the MLP Debtors' assets, maintain the confidence of their customers and vendors, pay their operating expenses, and preserve and maximize their going concern value, consistent with the Budget (as defined herein). The terms for the MLP Debtors' use of Cash Collateral pursuant to this Interim Order are fair and reasonable, reflect the MLP Debtors' exercise of prudent business judgment consistent with their fiduciary duties and after adequate investigation of any potential claims released hereunder, and constitute reasonably equivalent value and fair consideration. The terms for the MLP Debtors' use of Cash Collateral pursuant to this Interim Order have been the subject of extensive negotiations conducted in good faith and at arm's length among the MLP Debtors, the WCC Debtors, and the MLP Secured Parties and, pursuant to sections 105, 361 and 363 of the Bankruptcy Code, the MLP Secured Parties are hereby found to be entities that have acted in "good faith" in connection with the negotiation and entry of this Interim Order, and each is entitled to the protection provided under section 363(m) of the Bankruptcy Code.

G. The MLP Debtors have requested entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (d). Absent granting the relief sought by this Interim Order, the MLP Debtors' estates could be immediately and irreparably harmed. The use of Cash Collateral in accordance with this Interim Order is therefore in the best interest of the MLP Debtors' estates,

their creditors and other parties in interest, and is necessary to avoid immediate and irreparable harm to the MLP Debtors and their estates, creditors, estates, businesses, goodwill and employees.

H. The MLP Debtors desire to use the cash, rents, income, offspring, products, proceeds and profits that constitute Cash Collateral of the MLP Secured Parties under section 363(a) of the Bankruptcy Code.

I. The MLP Secured Parties have consented to the MLP Debtors' use of the Cash Collateral subject to the entry of this Interim Order and terms and conditions set forth herein.

J. The adequate protection provided to the MLP Secured Parties under this Interim Order for any Collateral Diminution (as defined below) pursuant to section 362(a) of the Bankruptcy Code is consistent with, and authorized by, the Bankruptcy Code and is offered by the MLP Debtors to protect such parties' interests in their Prepetition Collateral, including Cash Collateral in accordance with sections 361, 362 and 363 of the Bankruptcy Code. The adequate protection provided herein and other benefits and privileges contained herein are necessary in order to (i) protect the MLP Secured Parties from any diminution of their interests in the value of the Prepetition Collateral and (ii) obtain the foregoing consents and agreements.

K. The Debtors stipulate, and the Court finds, that in permitting the MLP Debtors to use Cash Collateral or in taking any other actions permitted by this Interim Order, none of the MLP Secured Parties shall (i) have liability to any third party or be deemed to be in control of the operation of any of the Debtors or to be acting as a "controlling person," "responsible person," or "owner" or "operator" with respect to the operation or management of any of the Debtors (as such term, or any similar terms, is used in the Internal Revenue Code, the Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. (as amended, "CERCLA"), or any other federal or state statute) or (ii) owe any fiduciary duty to any of the

Debtors, their creditors or their estates, or shall constitute or be deemed to constitute a joint venture or partnership with any of the Debtors.

L. Each of the MLP Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code. Subject to, and effective upon entry of the Final Order, the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to them with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

M. The Interim Hearing was held pursuant to section 363(c)(2) of the Bankruptcy Code and Bankruptcy Rule 4001(b)(2). Notice of the requested relief sought at the Interim Hearing was provided by the Debtors to: (i) the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”); (ii) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (iii) the indenture trustee under the WCC Debtors’ 8.75% senior secured notes due 2022; (iv) the ad hoc group of lenders under the WCC Debtors’ prepetition term loan due 2020 and the Debtors’ 8.75% senior secured notes due 2022; (v) the administrative agent under the WCC Debtors’ prepetition term loan facility due 2020; (vi) the MLP Agent and its counsel; (vii) the ad hoc group of lenders under the MLP Credit Agreement represented by Schulte Roth & Zabel LLP (the “MLP Ad Hoc Group”) and its counsel; (viii) the administrative agent under the WCC Debtors’ proposed debtor-in-possession financing facility; (ix) any statutory committee appointed in these cases; (x) the United States Attorney’s Office for the Southern District of Texas; (xi) the Internal Revenue Service; (xii) the United Mine Workers of America (the “UMWA”); (xiii) Pension Benefit Guaranty Corporation and its counsel; (xiv) the Environmental Protection Agency and state environmental agencies for states in which the Debtors conduct business; (xv) the office of the attorneys general for the states in which the Debtors operate; (xvi) the Securities and Exchange Commission; and (xvii) any party that has requested

notice pursuant to Bankruptcy Rule 2002. Sufficient and adequate notice of the Motion and the hearing thereon was provided pursuant to Bankruptcy Rules 2002, 4001(b) and (d), and 9006, as required by sections 361 and 363 of the Bankruptcy Code and Bankruptcy Local Rule 4002-1. Except as provided herein with respect to notice of the Final Hearing and Final Order, no further notice of, or hearing on, the relief sought in the Motion is necessary or required.

N. The Debtors have requested immediate entry of this Interim Order pursuant to section 363(c)(2) of the Bankruptcy Code and Bankruptcy Rule 4001(b)(2). The permission granted herein to use Cash Collateral (and provide adequate protection therefor) is necessary, essential, and appropriate to avoid immediate and irreparable harm to the MLP Debtors. The Court concludes that entry of this Interim Order is in the best interests of the MLP Debtors' estates and creditors as its implementation will, among other things, allow the MLP Debtors to preserve and maintain the value of their assets and businesses and enhance the MLP Debtors' prospects for a successful reorganization.

Based upon the foregoing findings, stipulations, and conclusions, and upon the record made before the Court at the Interim Hearing, and good and sufficient cause appearing therefor;

NOW, THEREFORE, IT IS HEREBY ADJUDGED AND ORDERED:

1. Motion. The Motion is granted, subject to the terms and conditions set forth in this Interim Order. The MLP Debtors shall not use any Cash Collateral except as expressly authorized and permitted herein or by subsequent order of the Court. Any reservations of rights, statements, or objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived, or resolved at the Interim Hearing, and (except as set forth herein) all reservations of rights included therein, are hereby denied and overruled on the merits.

2. Use of Cash Collateral. Subject to the terms and conditions of this Interim Order and in accordance with the Budget, the MLP Debtors are hereby authorized to use Cash Collateral during the period beginning on the Petition Date and ending on the Termination Date pursuant to this Interim Order.

3. Budget. During the 13-week period (the "Budget Period") commencing on the Petition Date, the MLP Debtors are authorized to use Cash Collateral in accordance with and as set forth in the detailed budget containing, among other things, the projected cash receipts and detailed line items for operating disbursements, intercompany activity among the MLP Debtors and WCC Debtors and non operating activity (including the fees and expenses for each professional that are being paid by any MLP Debtor) for the Budget Period approved in writing by the Required Lenders (as defined in the MLP Credit Agreement) (the "MLP Required Lenders") in their sole discretion (as such budget may be modified from time to time by the MLP Debtors with the prior written consent of the MLP Required Lenders in their sole discretion, subject to the variances therefrom set forth in paragraph 7.(e), the "Initial Budget"), a summary form of which is attached as Exhibit A to this Interim Order. For each subsequent Budget Period, every four (4) weeks (the "Budget Delivery Date"), beginning with the fifth (5th) week following the Petition

Date (and no later than the fifth (5th) business day of such week), the MLP Debtors shall deliver an updated detailed budget (containing at a minimum the same level of detail as the Initial Budget) for the 13-week period following, but including, the week in which the Budget Delivery Date has occurred (each such detailed budget, a “Proposed Budget”) to Schulte Roth & Zabel LLP (“SRZ”) and Houlihan Lokey Capital, Inc. (“HL”). Upon written approval of such Proposed Budget by the MLP Required Lenders in their sole discretion, the MLP Debtors shall be authorized to use Cash Collateral only in accordance with and as set forth in such approved Proposed Budget (as such Proposed Budget may be modified from time to time by the MLP Debtors with the prior written consent of the MLP Required Lenders in their sole discretion, subject to the variances therefrom as set forth in paragraph 7.(f), and together with the Initial Budget, the “Budget”). Each Proposed Budget shall be of no force and effect unless and until it is approved in writing by the MLP Required Lenders in their sole discretion, and until such approval is given the prior approved Budget shall remain in effect; it being understood that consent by email from HL or SRZ, at the direction of the MLP Required Lenders, shall be sufficient for every consent in this paragraph that requires written consent. To the extent the MLP Debtors seek to modify the Budget, the MLP Debtors shall provide written notice of such proposed modification to the MLP Required Lenders in accordance with this Interim Order, and to the extent the MLP Required Lenders have not responded to such written notice within four (4) business days, the modification in such written notice shall be deemed approved; *provided*, however, the modification process described in this sentence shall not supersede the requirements for the delivery and the prior written consent of the MLP Required Lenders with respect an updated Proposed Budget as opposed to a modification of an existing Budget. For the avoidance of doubt, any Budget (including the Initial Budget) shall include, among other things, detailed line items of (a) any operating receipts and disbursements,

(b) any intercompany activity among the MLP Debtors and WCC Debtors, (c) any prepetition amounts paid pursuant to a court order, and (d) any chapter 11 expenses, including the amount of fees and expenses of professionals retained by the MLP Debtors and any Statutory Committee (on a professional by professional basis).

4. Adequate Protection. The MLP Secured Parties are entitled, pursuant to sections 361, 362, 363(c)(2) and 363(e) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, to the extent of the aggregate postpetition diminution in value of such MLP Secured Party's interest in the Prepetition Collateral, including the Cash Collateral, including, without limitation, any diminution in value resulting from (a) the sale, lease or use of the Prepetition Collateral, including the Cash Collateral, (b) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, or (c) the subordination of the MLP Secured Parties' interests in the Prepetition Collateral to the Carve Out (the "Collateral Diminution"). The Court finds that the MLP Secured Parties are entitled, pursuant to sections 361, 362, 363(c)(2) and 363(e) of the Bankruptcy Code, to and are hereby granted, subject to the Carve Out, the following claims, liens, rights and benefits as adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, for Collateral Diminution (the "Adequate Protection Obligations").

5. Adequate Protection Superpriority Claim. Subject and subordinate only to the Carve Out, the MLP Agent, on behalf and for the benefit of the MLP Secured Parties, is hereby granted, as of the Petition Date, an allowed superpriority administrative expense claim (the "Adequate Protection Superpriority Claim") against the MLP Debtors and their estates as provided in section 507(b) of the Bankruptcy Code, with priority in payment over any and all unsecured claims and administrative expense claims against the MLP Debtors now existing or

hereafter arising in the Chapter 11 Cases, including all claims of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to the entry of the Final Order), 507(a), 507(b), 546, 1113 and 1114.

6. Adequate Protection Liens.⁷ Subject and subordinate only to the Carve Out and the Permitted Prior Liens, the MLP Agent, on behalf and for the benefit of the MLP Secured Parties, is hereby granted, as of the Petition Date, and in each case perfected without the necessity of the execution by the MLP Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the MLP Secured Parties of any Adequate Protection Collateral (as defined herein), valid, binding, continuing, enforceable, fully-perfected, non-avoidable first priority additional and replacement liens on, and security interest in, all of the prepetition and postpetition property, assets and interests in property or assets of each of the MLP Debtors and their respective estates of any kind or nature whatsoever, real or personal, tangible, intangible or mixed, now existing or hereafter acquired, arising or created, and wherever located, including, without limitation, all (x) “property of the estate” (within the meaning of section 541 of the Bankruptcy Code), cash, Cash Collateral, accounts, inventory, goods, general intangibles, Patents, Trademarks, Copyrights and other intellectual property, intangibles, payment intangibles, letters of credit, letter-of-credit rights, securities, money, securities accounts, supporting obligations, machinery, vehicles, equipment, real property, fixtures, leases, mineral rights, the Equity Interests of each Subsidiary of the MLP, the Equity Interests of all other Persons directly or indirectly owned by the MLP Debtors, including all wholly and non-wholly owned subsidiaries, money, investment

⁷ Capitalized terms used in this section 6 but not otherwise defined in this Interim Order shall have the meanings ascribed to such terms in the MLP Loan Documents.

property, deposit accounts, accounts receivable, receivables, receivables records, tax refunds, other refunds, and commercial tort claims, (y) to the extent such grant is not contrary to any applicable law, does not require the consent of any Person party thereto, or will not result in a default thereunder, contract rights, instruments, documents, documents of title, chattel paper, and licenses (provided that notwithstanding the foregoing, such grant shall be effective to the extent any such legal prohibition or term has been waived or would be rendered ineffective pursuant to Section 9-406, 9-408 or 9-409 of the Uniform Commercial Code or other applicable law, and provided further that the Adequate Protection Liens (as defined herein) and Adequate Protection Collateral shall in all cases include the proceeds thereof), and (z) causes of action arising under the Bankruptcy Code or otherwise (other than Avoidance Actions, but, subject to the entry of the Final Order, the proceeds of all Avoidance Actions⁸), and all cash and non-cash proceeds (but solely in the case of Avoidance Actions, proceeds of such Avoidance Actions upon entry of the Final Order), rents, products, substitutions, accessions, and profits of any and all of the foregoing (all of the foregoing property collectively referred to as, the “Adequate Protection Collateral,” and the liens and security interests therein, the “Adequate Protection Liens”). The Adequate Protection Liens shall be deemed to be legal, valid, binding, enforceable, fully and properly perfected liens, not subject to subordination, recharacterization or avoidance, for all purposes in the Chapter 11 Cases. Subject and subordinate only to the Carve Out, the Adequate Protection Liens shall not be (i) subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (ii) subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

⁸ “Avoidance Actions” shall mean all claims and causes of actions of any of the MLP Debtors and their respective estates arising under chapter 5 of the Bankruptcy Code or under similar laws of any jurisdiction.

7. Additional Adequate Protection.

(a) Sale Milestones. The Debtors shall continue to pursue the sale of all or substantially all of the MLP Debtors' assets (collectively, the "MLP Assets") consistent with the sale protocol described in **Exhibit B** (the "Sale Protocol") and pursuant to the following milestones set forth below (the "Sale Milestones"):

- (i) not later than December 28, 2018, the MLP Debtors shall enter into one or more asset purchase agreements with an applicable stalking horse for the relevant MLP Asset(s), which agreement(s) shall be (x) in form and substance acceptable to the MLP Required Lenders in their sole discretion and (y) subject to the receipt of higher or otherwise better bids and approval of the Bankruptcy Court;
- (ii) not later than January 4, 2019, the MLP Debtors shall file a motion (together with all exhibits, annexes and related documents, the "Sale Motion"), in form and substance acceptable to the MLP Required Lenders in their sole discretion, seeking entry of orders (x) establishing bidding procedures (the "Bidding Procedures") for the sale(s) of the MLP Assets (such order, together with all exhibits, annexes and related documents, the "Bidding Procedures Order") and (x) approving the sale(s) of the MLP Assets (any such order, together with all exhibits, annexes and related documents, the "Sale Order");
- (iii) not later than February 1, 2019, the MLP Debtors shall obtain entry of the Bidding Procedures Order in form and substance acceptable to the MLP Required Lenders in their sole discretion;
- (iv) to the extent required under the Bidding Procedures Order and more than one Qualified Bid (as defined in the Bidding Procedures) is received by the Bid Deadline (as defined in the Bidding Procedures), not later than March 1, 2019, the MLP Debtors shall commence an auction in accordance with the Bidding Procedures Order, and after consultation and approval of the MLP Required Lenders, select the successful bid(s) (the "Successful Bid(s)");
- (v) not later than March 6, 2019, MLP Debtors shall obtain approval of the Sale Order, in form and substance acceptable to both the MLP Debtors and the MLP Required Lenders each in their sole discretion, which Sale Order provides, among other things, (a) for the sale of the MLP Assets free and clear of any and all liens, claims and interests (other than those expressly preserved in the Sale Order), including any derivative, successor, transferee, vicarious liability,

and any pension, retiree health or related obligations of any of the Debtors by reason of any theory of law or equity (whether under federal or state law or otherwise), (b) that the successor clause contained in the CBA (as defined below) is not enforceable against the purchaser(s) of assets (or the Court otherwise grants relief to the WCC Debtors under section 1113 of the Bankruptcy Code and the WCC Debtors implement such relief that eliminates the successor clause contained in the CBA or the UMWA has agreed to waive or remove such successor clause) and (c) the “good faith” protections pursuant to section 363(m) of the Bankruptcy Code (the “Approved Sale(s)”); and

(vi) not later than March 15, 2019, the MLP Debtors shall consummate the Approved Sale(s) (the “Outside Date”).

(b) Allocation of Professional Fees and Expenses: Any professional (whether retained by any of the Debtors or any Statutory Committee) that performs work on account of, or in connection with, the WCC Debtors and MLP Debtors or their respective Chapter 11 Cases, shall separately account and bill for the fees and expenses incurred, and shall only seek compensation from the MLP Debtors, for the work performed with respect to the MLP Debtors and the MLP Debtors’ Chapter 11 Cases, it being understood that none of the MLP Debtors shall be responsible for, or pay any amount for any work performed with respect to any WCC Debtors (or any of the WCC Debtors’ Chapter 11 Cases).

(c) Postpetition Interest. The Term Loan (as defined in the MLP Credit Agreement) shall be deemed to be Reference Rate Loans (as defined in the MLP Credit Agreement) and shall accrue interest at the rates set forth in Sections 2.04(a) and 2.04(b) of the MLP Credit Agreement at the Post-Default Rate.

(d) Payment of MLP Secured Parties’ Fees. The MLP Debtors are authorized and directed to pay, in cash, on the terms set forth in this paragraph: (i) all reasonable and documented fees, out-of-pocket expenses, disbursements and other charges of, and payable to, the MLP Agent under the MLP Loan Documents, including, without limitation, contractual agency

fees and the reasonable and documented fees, expenses, disbursements and other charges of Seward and Kissel LLP, as lead counsel, and one local counsel for the MLP Agent, but no other counsel or professional unless consented to by the MLP Required Lenders in their sole discretion, and (ii) all reasonable and documented (x) out-of-pocket costs and expenses of each member of the MLP Ad Hoc Group (other than fees or expenses of counsel or other professionals of an individual MLP Ad Hoc Group member) and (y) fees, disbursements, expenses and other charges of the following professionals of the MLP Ad Hoc Group (the professionals referenced in this clause (ii) (y), collectively, the “MLP Ad Hoc Group Professionals”): (a) SRZ, as lead counsel; (b) Jones Walker LLP (“JW”), as local counsel; (c) Dinsmore & Shohl LLP, as mining industry regulatory counsel; (d) HL, as financial advisor; (e) Keith E. Alessi, as consultant; and (f) any other advisors, consultants, appraisers and professionals of the MLP Ad Hoc Group, in each case, whether incurred before, on or after the Petition Date and without further order of, or application to, the Court. Within five (5) calendar days of the delivery of an invoice (subject in all respects to applicable privilege or work product doctrines) by the applicable party and/or professional in clauses (i) and/or (ii) of this paragraph to the MLP Debtors (with a copy of such invoice to be contemporaneously sent to the U.S. Trustee and counsel for the Creditors’ Committee (if any)), the MLP Debtors shall pay in cash all invoiced reasonable and documented out-of-pocket costs, fees, expenses, disbursements and other charges set forth in this paragraph that have accrued as of the Petition Date. The payment of the out-of-pocket costs, fees, expenses, disbursements and other charges set forth in this paragraph accruing on and after the Petition Date shall be made within ten (10) calendar days after the delivery to the MLP Debtors (with a copy of such invoice to be contemporaneously sent to the U.S. Trustee and counsel for the Creditors’ Committee (if any)) by the relevant party and/or professional in clauses (i) and/or (ii) of invoices thereof (subject in all

respects to applicable privilege or work product doctrines). The invoices for such invoiced fees and expenses shall provide only the total aggregate number of hours billed and a summary description of services provided and the expenses incurred by the applicable party and/or professional; provided that, if an objection to such an invoice is received within five (5) calendar days after its delivery to the MLP Debtors, the U.S. Trustee, and counsel for the Creditors' Committee (if any), the MLP Debtors shall only be required to pay the undisputed amount of such invoice and the Court shall have jurisdiction, upon a motion filed by the relevant party or professional in clause (i) and/or (ii) of this paragraph, to resolve all objections with respect to the disputed portion thereof (it being understood that the MLP Debtors are authorized and directed to pay any disputed portion of such invoice promptly upon consensual resolution of such objection between the objecting party and the relevant party or professional in clause (i) and/or (ii)). The MLP Agent and its professionals, the MLP Ad Hoc Group (and its members) and the MLP Ad Hoc Group Professionals shall not be required to comply with U.S. Trustee fee guideline or file applications or motions with, or obtain approval of, the Court for the payment of any of their out-of-pocket costs, fees, expenses, disbursements and other charges. Payments of any amounts set forth in this paragraph, including any amounts paid to MLP Ad Hoc Group Professionals prior to the Petition Date, are not subject to recharacterization, avoidance, subordination or disgorgement.

(e) Other Covenants: As further additional adequate protection:

- (i) the MLP Debtors shall comply with all affirmative and negative covenants in Sections 7.01(h), 7.01(t), 7.02(h) and 7.02(i) of the MLP Credit Agreement;
- (ii) the Shared Services Agreement shall not be modified, amended, or supplemented, or otherwise terminated, without the prior written consent of the MLP Required Lenders in their sole discretion;
- (iii) except as expressly permitted under the Sale Motion or the "first day" or "second day" pleadings, each of which shall be in form

and substance acceptable to the MLP Required Lenders in their sole discretion, the MLP Debtors shall not use, sell, dispose, transfer, license or lease any material asset outside the ordinary course of business, or seek authority of this Court to the extent required by section 363 of the Bankruptcy Code, without obtaining the prior written consent of the MLP Required Lenders in their sole discretion;

- (iv) the Debtors shall maintain their cash management arrangements in a manner consistent with that described in the orders approving the Debtors' motion for authorization to maintain its existing cash management system, which orders shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion;
- (v) the MLP Debtors shall file a formal written response in opposition to, defend against or take all appropriate actions to oppose (if circumstances do not allow for filing of a formal written response), any objection by any person or entity with respect to (x) the Sale Motion (and any related document) and/or (y) the entry of the Bidding Procedures Order, the Sale Order and/or the Final Order, and any document related to any of the foregoing;
- (vi) the MLP Debtors shall file a formal objection to or take all appropriate actions to oppose (if circumstances do not allow for filing of a formal objection) any pleading seeking the entry of an order directing the appointment of an examiner (other than a fee examiner), trustee, responsible person or similar officer, converting any of the MLP Debtors' Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or dismissing any of the MLP Debtors' Chapter 11 Cases;
- (vii) the MLP Debtors shall (w) operate their businesses in the ordinary course in a manner consistent with past practices and use commercially reasonable efforts to preserve intact their business organization and relationships with third parties (including customers and suppliers), (x) keep the MLP Ad Hoc Group reasonably informed about the operations of the MLP Debtors, (y) promptly notify the MLP Ad Hoc Group of any governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened), and (z) use commercially reasonable efforts to obtain any and all required governmental, regulatory and/or third party approvals necessary or required for the implementation or consummation of the sale(s) contemplated in the Sale Motion (including the Court's approval thereof);

- (viii) the Debtors shall (x) provide draft copies of all pleadings and documents that any Debtor intends to file with the Court (or any other court) to SRZ and JW as soon as reasonably practicable, but in no event less than two (2) business days before such filing, which pleadings and documents shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion, and (y) without limiting any of the consent or approval rights contained in this Interim Order, consult in good faith with SRZ regarding the form and substance of any of the foregoing documents in advance of its filing, execution, distribution or use (as applicable) thereof;
- (ix) without limiting the consent, approval or other rights contained in this Interim Order, the Debtors agree to (x) use reasonable best efforts to obtain any and all governmental, regulatory and/or third party approvals (including any Court approvals) required in connection with the sale(s) contemplated in the Sale Motion and (y) not take any action, or fail to take any action, where such taking or failing to take an action would be, in either case, inconsistent with this Interim Order or otherwise inconsistent with, or reasonably expected to prevent, interfere with, delay or impede the implementation or consummation of the sale(s) contemplated in the Sale Motion;
- (x) subject to subclause (xi) below, the MLP Debtors shall maintain their existing surety and reclamation bonds in place, as may be amended from time to time on commercially reasonable terms and conditions consistent with applicable law;
- (xi) the MLP Debtors shall not use Cash Collateral to collateralize any new, replaced or renewed letters of credit, surety bonds or workers' compensation obligations, in each case, without the prior written consent of the MLP Required Lenders in their sole discretion; provided that if the MLP Debtors request in writing to use Cash Collateral to collateralize any new, replaced or renewed letters of credit, surety bonds or workers' compensation obligations, and the MLP Required Lenders do not respond to such request within three (3) business days, the MLP Required Lenders shall be deemed to consent to such request; and
- (xii) the WCC Debtors shall consult on at least five (5) business days advance written notice, and engage in good-faith discussions with the MLP Required Lenders, prior to modifying the composition of the conflicts committee of the board of directors for the GP (as defined below) (the "GP Conflicts Committee") and, in no event shall an "insider" (as defined in section 101(31) of the

Bankruptcy Code) of the WCC Debtors be appointed to the GP Conflicts Committee.

(f) Budget Variance Reports. On the fourth (4th) calendar day of each week (beginning with the week following the Petition Date), the MLP Debtors shall deliver a weekly reporting package which should include a qualitative and quantitative variance analysis of: (i) forecast vs. actual for the week, by line item, and (ii) cumulative forecast vs. cumulative actual by line item to SRZ and HL (the “Budget Variance Report”); provided that the Budget Variance Report may be shared with the MLP Secured Lenders, it being understood the Budget Variance Report will not be cleansed. The Budget Variance Report shall include, among other things, mathematical variances for the applicable one week and cumulative periods, along with commentary, of significant favorable and unfavorable variances.

(g) Operating Covenants. The MLP Debtors shall not permit “Net Disbursements” (excluding “Net Intercompany Activity” disbursements) to exceed (i) with respect to the first two weeks after delivery of a Budget, 120% of the budgeted amount for such two week period or (ii) thereafter 115% of the cumulative budgeted amount on a cumulative basis for such four week period, tested bi-weekly. The MLP Debtors shall not permit “Payroll Reimbursement”, as reimbursed through Net Intercompany Activity, to exceed 110% of the budgeted amount for any two week period, tested on a bi-weekly basis. The MLP Debtors shall not permit “Other Vendor Related” disbursements, as reimbursed through Net Intercompany Activity, to exceed 110% of the cumulative budgeted amount on a cumulative basis for any such four week period, tested on a bi-weekly basis. The MLP Debtors shall not permit “Total Net Receipts” (which receipts shall include Net Intercompany Activity receipts) to be less than 85% of the cumulative budgeted amount on a cumulative basis for any such four week period. Each week, the MLP Debtors shall maintain minimum liquidity that is not less than the amount forecasted in the Budget

for the last business day of such week minus \$4,500,000. Other than for Payroll Reimbursement, the MLP Debtors shall not reimburse the WCC Debtors for amounts pursuant to the Shared Services Agreement more frequently than once per month. For the avoidance of doubt, the terms “Net Disbursements”, “Net Intercompany Activity”, “Payroll Reimbursement”, “Other Vendor Related” and “Total Net Receipts” refer to such line items in the Budget.

(h) Reporting and Access. The MLP Debtors shall promptly provide (via electronic mail) copies to SRZ of all written reports provided by the MLP Debtors to any Statutory Committee, the U.S. Trustee, or any other party in interest in the Chapter 11 Cases. In addition to, and without limiting whatever rights to access the MLP Secured Parties have under the MLP Credit Agreement, including the rights set forth in section 7.01(f) of the MLP Credit Agreement, upon reasonable prior written notice, at reasonable times during normal business hours, and otherwise not to be unreasonably withheld, the MLP Debtors shall permit the MLP Ad Hoc Group (and their respective representatives, advisors and agents, including the MLP Ad Hoc Group Professionals) (1) to have access to and inspect the MLP Debtors’ properties, (2) to examine the MLP Debtors’ books and records, and (3) to discuss the MLP Debtors’ affairs, finances, and condition with the Debtors’ officers, management, agents, other representatives, financial advisors, counsel and other professionals; provided that this covenant shall not require the MLP Debtors, and their respective officers, to disclose any information for which confidentiality is owed to third parties, information subject to attorney client or similar privilege or where such disclosure would not be permitted by any applicable requirements of law. In addition, the MLP Debtors shall provide on (x) a monthly basis, (a) income statements, (b) balance sheet statements and (c) cash flow statements, and each monthly statement to include a variance against the MLP Debtors’ Final Business Plan dated July 31, 2018 and a detailed explanation of such variance for each of the

Westmoreland Kemmerer entities and the Oxford entities and on a consolidated basis, and (y) on a monthly basis, copies of all intercompany billings (which include details of all intercompany and affiliate charges), charges, and payments made by any MLP Debtor to any affiliate (other than another MLP Debtor), including, without limitation, any WCC Debtor or the Westmoreland Resource Partners GP, LLC (the “GP”), and/or any transactions with any non-debtor affiliates, in each case to SRZ and HL (each of which is permitted to share any of the foregoing with the MLP Ad Hoc Group and any of its members). Prior to October 31, 2018, the Debtors shall deliver to HL and SRZ a schedule setting forth all of the owned and leased properties of the MLP Debtors, which schedule shall include: (a) a description of the property; (b) the book value and appraised value (to the extent an appraisal already exists) of the property; (c) whether or not the property is currently in use in the Debtors’ operations; (d) whether the property is currently being marketed; and (e) to the extent any portion of the land is leased to a third-party, the material terms of such lease, including (x) counterparty and intended use, (y) term of lease, and (z) any rent, royalties or other amounts that are paid under the lease. The Debtors shall also deliver to HL and SRZ copies of any appraisals related to any such property to the extent they exist.

(i) Credit Bid. The MLP Agent, or any assignee of the MLP Agent, at the direction of the MLP Required Lenders and on behalf of the MLP Secured Parties, shall have the right to credit bid on a dollar-for-dollar basis (i) up to the full amount of the outstanding MLP Secured Obligations, (ii) the Adequate Protection Obligations, including the Adequate Protection Superpriority Claim, and (iii) any unpaid amounts due and owing under this Interim Order, including paragraphs 7(a)(vi) and 7(d) hereof, in any sale of all or any portion of the Prepetition Collateral and/or Adequate Protection Collateral and/or any deposit in connection with such sale, including, without limitation, any sale (a) pursuant to section 363 of the Bankruptcy Code,

(b) pursuant to a plan of reorganization or a plan of liquidation under section 1129 of the Bankruptcy Code, or (c) by a chapter 7 trustee for any MLP Debtor under section 725 of the Bankruptcy Code. Any credit bid shall be treated as the equivalent of a cash bid. The MLP Agent, at the direction of the MLP Required Lenders, and on behalf of the MLP Secured Parties, shall have the absolute right to assign, sell, or otherwise dispose of its right to credit bid in connection with any credit bid by or on behalf of the MLP Secured Parties or any acquisition entity or joint venture formed in connection with such bid.

(j) Asset Dispositions. The MLP Debtors shall not use, sell, lease, transfer, license, or otherwise dispose of any assets of the MLP Debtors outside the ordinary course of business, or seek authority of this Court to do so, to the extent required by section 363 of the Bankruptcy Code, without obtaining the prior written consent of the MLP Required Lenders, each in their sole discretion. Subject to Section 8 and the rights (if any) of a holder of a Permitted Prior Lien thereon, in the event of any such sale, lease, transfer, license, or other disposition of assets or property of the MLP Debtors (other than a disposition of all or substantially all of the MLP Debtors' assets or a disposition of all or substantially all of the assets associated with either the Kemmerer mine or the Oxford mines (collectively, the "Subject Assets"), the net proceeds of which shall be distributed in accordance with an order approving such sale that is in form and substance acceptable to the MLP Required Lenders in their sole discretion) that constitutes Prepetition Collateral outside the ordinary course of business (to the extent permitted by the MLP Loan Documents and this Interim Order), the MLP Debtors are authorized and directed, without further notice or order of this Court, to immediately pay to the MLP Agent, for the benefit of the MLP Secured Parties, 100% of the net cash proceeds resulting therefrom as soon as practicable following receipt of such net cash proceeds, but in no event later than the fourth (4th) business day

following receipt of such net cash proceeds. Notwithstanding the foregoing, the MLP Debtors are authorized and directed, without further notice or order of this Court, to immediately pay to the MLP Agent, for the benefit of the MLP Secured Parties, 100% of the net cash proceeds resulting from any sale or lease of any asset or property of any of the MLP Debtors (other than sales of coal in the ordinary course of business and the Subject Assets), including, without limitation, land sales, land leases, oil and gas land right sales and/or associated royalties consummated by the MLP Debtors (whether or not in the ordinary course of business), in each case, no later than the fourth (4th) business day following receipt of such net cash proceeds. In the event of any casualty, condemnation, or similar event with respect to property that constitutes Prepetition Collateral, the MLP Debtors are authorized and directed to pay to the MLP Agent for the benefit of the MLP Secured Parties, any insurance proceeds, condemnation award, or similar payment (excluding any amounts on account of any D&O policies) in excess of \$200,000 no later than the fourth (4th) business day following receipt of payment by the MLP Debtors, unless the MLP Required Lenders have consented in writing in their sole discretion to the funds being reinvested by the MLP Debtors.

(k) Employee Incentive/Retention Plans. The Debtors shall not seek approval of any employee incentive or retention plans (or any similar sort of retention or incentive program), without the prior written consent of the MLP Required Lenders in their sole discretion; *provided* that the Debtors may do so if such employee incentive or retention plans (or any similar sort of retention or incentive program) has been included in the Budget.

8. Carve Out.

(a) As used in this Interim Order, the “Carve Out” means the sum of (i) all fees required to be paid solely in the Chapter 11 Cases of the MLP Debtors to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States

Code plus interest at the statutory rate (without regard to the Carve Out Trigger Notice set forth below); (ii) all reasonable fees and expenses up to \$25,000 incurred by a trustee under section 726(b) of the Bankruptcy Code appointed in the chapter 7 cases of the MLP Debtors (without regard to the Carve Out Trigger Notice set forth below); (iii) to the extent allowed at any time, whether by interim order, procedural order or otherwise, all unpaid fees (excluding any success or transaction fees, other than any "Restructuring Fee" (as defined in the Letter Agreement dated as of May 1, 2018 between Lazard Freres & Co. LLC ("Lazard") and MLP (the "Lazard Engagement Letter")) to the extent payable to Lazard thereunder and expenses on account of services performed with respect to the MLP Debtors and the MLP Debtors' Chapter 11 Cases incurred by persons or firms retained by the MLP Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code provided such persons or firms are expressly identified in the Budget (the "MLP Debtor Professionals") and, subject to the Budget, the Creditors' Committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the MLP Debtor Professionals, the "Professional Persons"), incurred at any time before or on the first business day following delivery by the MLP Required Lenders of a Carve Out Trigger Notice (as defined below) whether allowed by the Court prior to or after the delivery of a Carve Out Trigger Notice (collectively, the "Pre-Carve Out Trigger Notice Allowed Professional Fees"); and (iv) to the extent allowed by interim order, procedural order or otherwise, all unpaid fees and expenses on account of services performed with respect to the MLP Debtors and the MLP Debtors' Chapter 11 incurred by the MLP Debtor Professionals and, subject to the Budget, the Committee Professionals at any time after the first business day following delivery by the MLP Required Lenders of the Carve Out Trigger Notice in an aggregate amount not to exceed \$750,000 (inclusive of any prepetition retainer held by the applicable Professional Person to the

extent not previously applied or returned) *plus* an amount solely for the benefit of Lazard equal to the Restructuring Fee to the extent payable under the Lazard Engagement Letter) (collectively, the “Post-Carveout Trigger Notice Allowed Professional Fees” and, together with the Pre-Carveout Trigger Notice Allowed Professional Fees, the “Allowed Professional Fees”) (the amounts set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap”); provided that nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement or compensation described in clauses (iii) and (iv) above on any grounds. For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by email (or other electronic means) by the MLP Required Lenders to the MLP Debtors and their lead restructuring counsel, the U.S. Trustee, and lead-counsel to the Creditors’ Committee (if any), which notice may be delivered following the occurrence and during the continuation of a Termination Event and upon termination of the MLP Debtors’ right to use Cash Collateral by the MLP Required Lenders, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Pre-Carve Out Trigger Notice Reserve Account. Prior to the issuance of a Carve Out Trigger Notice, fees and expenses of Professional Persons on account of services performed with respect to the MLP Debtors and the MLP Debtors’ Chapter 11 Cases shall be invoiced to the MLP Debtors on a monthly basis (with a copy, redacted for privilege to SRZ and HL) and promptly deposited by the MLP Debtors into a segregated escrow account (the “Pre-Carve Out Trigger Notice Reserve Account”) established by the MLP Debtors. The funds in the Carve-Out Reserve Account shall be held in trust to pay Pre-Carve Out Trigger Notice Allowed Professional Fees prior to payment of all other claims.

(c) Post-Carve Out Trigger Notice Reserve Account. On the day on which a Carve Out Trigger Notice is given by the MLP Required Lenders to the MLP Debtors with a copy

to lead-counsel to the Creditors' Committee (the "Termination Declaration Date"), the Carve Out Trigger Notice shall constitute a demand to the MLP Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any MLP Debtor to fund a reserve in an amount equal to the unpaid amounts of the Pre-Carve Out Trigger Notice Allowed Professional Fees which have not already been funded into the Pre-Carve Out Trigger Notice Reserve Account. The MLP Debtors shall deposit and hold such amounts in a segregated account in trust to pay such then unpaid Pre-Carve Out Trigger Notice Allowed Professional Fees prior to any and all other claims. On the Termination Declaration Date, after funding the Pre-Carve Out Trigger Notice Reserve, the MLP Debtors shall utilize all remaining cash on hand as of such date and any available cash thereafter held by any MLP Debtor to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (the "Post-Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the MLP Agent for the benefit of the MLP Secured Parties, unless the MLP Secured Obligations have been indefeasibly paid in full, in cash, in which case any such excess shall be released from trust and returned to the MLP Debtors and their estates. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the MLP Agent for the benefit of the MLP Secured Parties, unless the MLP Secured Obligations have been

indefeasibly paid in full, in cash, in which case any such excess shall be released from trust and returned to the MLP Debtors and their estates. Notwithstanding anything to the contrary in the MLP Loan Documents, or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph 8(b), then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph 8(b), prior to making any payments to the MLP Agent for the benefit of the MLP Secured Parties or any of the MLP Debtors' creditors, as applicable. Notwithstanding anything to the contrary in the MLP Loan Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the MLP Agent shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the MLP Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the MLP Agent for application in accordance with the MLP Loan Documents. Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the MLP Debtors from the Carve Out Reserves shall not constitute Loans (as defined in the MLP Loan Documents) or increase or reduce the MLP Secured Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Initial Budget, Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the MLP Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order or in any MLP Loan Documents, the Carve Out shall be senior to all liens and claims securing the Prepetition Collateral, the Adequate Protection Liens, and the

Adequate Protection Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing the MLP Secured Obligations.

(d) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Post-Carve Out Trigger Notice Cap.

(e) No Direct Obligation To Pay Allowed Professional Fees. None of the MLP Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the MLP Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the MLP Debtors have sufficient funds to pay such compensation or reimbursement.

(f) Payment of Carve Out On or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

9. Termination. The MLP Debtors' right to use Prepetition Collateral, including Cash Collateral, pursuant to this Interim Order shall automatically terminate (the date of any such termination, the "Termination Date") without further notice or court proceeding on the earliest to occur of: (i) the date that is thirty-five (35) days after the date this Interim Order is entered, if the Final Order (in form and substance acceptable to the MLP Debtors and the MLP Required Lenders in their respective sole discretion) has not been entered by the Court on or before such date (unless

such period is extended by mutual agreement of the MLP Required Lenders and the MLP Debtors); (ii) the Outside Date or such later date as may be agreed to in writing by the MLP Required Lenders in their sole discretion; (iii) the effective date of a confirmed plan of reorganization or liquidation of any of the MLP Debtors; (iv) the date of the consummation of a sale or other disposition of all or substantially all of the assets of the MLP Debtors; and (v) the delivery of a written notice via electronic mail (any such notice, a “Default Notice”) by the MLP Required Lenders to the MLP Debtors, the U.S. Trustee, and the Creditors’ Committee (if any) upon the occurrence of any Termination Event (as defined herein), unless such Termination Event is cured by the MLP Debtors (to the extent such cure right is provided under this Interim Order) or waived by the MLP Required Lenders in their sole discretion. Each of the following occurrences shall be a “Termination Event”:

(a) the MLP Debtors’ failure to make any of the payments under this Interim Order to the MLP Secured Parties when due, including the payments in section 7.(d) where such failure shall have continued unremedied for three (3) business days (the “Cure Period”) following the delivery of a Default Notice by the MLP Required Lenders to the MLP Debtors;

(b) the MLP Debtors’ failure to comply with or perform any of the terms, provisions, covenants, agreements, obligations and/or milestones in this Interim Order where such failure shall have continued unremedied during the Cure Period following delivery of a Default Notice by the MLP Required Lenders to the MLP Debtors; *provided, however,* no such rights to cure shall apply to (x) the MLP Debtors failure to comply with, or perform, any Sale Milestone, any WCC Milestone (as defined below), the Budget, Sections 3, 7.(e)(viii), 7.(f), 7.(g) and 7.(j) and/or (y) any other Termination Event that does not have an associated Cure Period;

(c) if the following labor sale protocol and milestones shall have not occurred within the deadlines specified below (each, a “WCC Milestone” and, collectively, the “WCC Labor Milestones”), subject to the extension of any deadline contained in this section with the prior written consent of the MLP Required Lenders in their reasonable discretion:

(i) at 5:00 p.m. prevailing Central Time on November 8, 2018, unless the WCC Debtors shall have (a) filed a motion seeking the Court’s approval of a settlement (the “CBA Settlement”) with the UMWA with respect to that certain Westmoreland Coal Company and

United Mine Workers of America Western Coal Wage Agreement of 2012 relating to the Kemmerer Mine (as amended, modified or supplemented from time to time, the “CBA”), which CBA Settlement shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion, or (b) if no such settlement shall have been reached, filed a motion pursuant to section 1113 of the Bankruptcy Code (the “1113 Motion”) seeking to reject the CBA, which 1113 Motion shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion;

- (ii) at 5:00 p.m. prevailing Central Time on November 8, 2018 with respect to retirees covered by the CBA, and at 5:00 p.m. prevailing Central Time on December 9, 2018 with respect to retirees not covered by the CBA, unless the WCC Debtors shall have (a) filed a motion seeking the Court’s approval of a settlement entered into with the applicable authorized representative of the relevant retirees or the retiree committee (a “Retiree Settlement”) with respect to the modification of retiree benefits relating to the MLP Debtors, which Retiree Settlement shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion, or (b) if no such settlement shall have been reached, filed a motion under section 1114 of the Bankruptcy Code (the “1114 Motion”) seeking modification or termination of such retiree benefits in form and substance acceptable to the MLP Required Lenders in their sole discretion;
- (iii) at 5:00 p.m. prevailing Central Time on January 9, 2019, unless (a) the hearing(s) with respect to the 1113 Motion and 1114 Motion shall have commenced in the Court, or (b) if no such hearing(s) shall have commenced, the WCC Debtors shall have obtained entry of an order approving a CBA Settlement or the Retiree Settlement, as applicable, which order approving same shall be in form and substance acceptable to the MLP Required Lenders in their sole discretion; and
- (iv) at 5:00 p.m. prevailing Central Time on February 1, 2019, unless the WCC Debtors shall have obtained entry of an order (or orders), in form and substance acceptable to the MLP Required Lenders in their sole discretion, approving the 1113 Motion and 1114 Motion, unless the Court had previously approved the CBA Settlement and Retiree Settlement.

(d) if the Debtors shall have entered into any settlement, compromise or agreement with any authorized representative of any retirees or employees or a retiree committee in any way related to the MLP Debtors, unless such settlement, compromise or agreement is in form and substance acceptable to the MLP Required Lenders, in their sole discretion;

(e) an application, motion or other pleading shall have been filed by any Debtor seeking to reverse, amend, stay, supplement, vacate, extend, terminate or modify in any manner this Interim Order, or an order shall have been entered reversing, amending, supplementing, staying, extending, vacating, terminating or otherwise modifying in any manner this Interim Order (other than a modification or supplementation as a result of the entry of the Final Order), in each case, without the prior written consent of the MLP Required Lenders in their sole discretion;

(f) the date any provision of this Interim Order (or the Final Order, as applicable) shall for any reason cease to be valid and binding, or any MLP Debtor shall so assert in any pleading filed in any court;

(g) the Bidding Procedures Order shall have been reversed, modified, amended, supplemented, stayed, vacated or subject to a stay pending appeal, in each case where such failure shall have continued unremedied during the Cure Period following delivery of a Default Notice by the MLP Required Lenders to the MLP Debtors, without the prior written consent of the MLP Required Lenders in their sole discretion;

(h) the Sale Order shall have been reversed, modified, amended, supplemented, stayed, vacated or subject to a stay pending appeal, in each case, without the prior written consent of the MLP Required Lenders in their sole discretion;

(i) the Court shall have entered an order dismissing any of the MLP Debtors' Chapter 11 Cases, or any Debtor shall have filed (or failed to object to) a motion or other pleading seeking such dismissal, in each case, without the prior written consent of the MLP Required Lenders in their sole discretion;

(j) any Debtor seeks to (or announces an intent to) withdraw, waive, amend or modify, any term or condition of the Sale Motion, the Bidding Procedures Order, the Sale Order, a Confirmation Order (as defined herein) or any document related to any of the foregoing, in each case, in a manner not acceptable in form and substance to the MLP Required Lenders;

(k) any MLP Debtor files, proposes or otherwise supports any chapter 11 plan that does not provide for the indefeasible payment in full in cash of all amounts due and owing to the MLP Secured Parties (unless such chapter 11 plan provides for an alternative treatment that is acceptable to the MLP Required Lenders in their sole discretion) on the effective date of such plan;

(l) the Court shall have entered an order confirming a chapter 11 plan of any of the MLP Debtors (each, a "Confirmation Order") that does not provide for the indefeasible payment in full in cash of all amounts due and owing to the MLP Secured Parties (unless such chapter 11 plan provides for an alternative treatment that is acceptable to the MLP Required Lenders in their sole discretion) on the effective date of such plan;

(m) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction (including the Bankruptcy Court), of any ruling or order denying any requisite approval of, delaying, impeding or enjoining the

consummation of the sale(s) pursuant to the Sale Motion and the Sale Milestones, unless such ruling or order is vacated within the Cure Period;

(n) the Court shall have entered an order converting any of the MLP Debtors' Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or any Debtor shall have filed (or failed to object to) a motion or other pleading seeking such relief, in each case, without the prior written consent of the MLP Required Lenders in their sole discretion;

(o) the Court shall have entered an order terminating exclusivity under section 1121 of the Bankruptcy Code where such failure shall have continued unremedied during the Cure Period following delivery of a Default Notice by the MLP Required Lenders to the MLP Debtors, other than on a motion or application filed at the direction of or with the consent of the MLP Required Lenders;

(p) the Court shall have entered an order granting relief from the automatic stay to any holder of a security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or other similar relief) on any of the MLP Debtors' assets (other than in respect of insurance proceeds or with respect to assets having a fair market value of less than \$350,000);

(q) any Debtor (or any direct or indirect non-debtor affiliate or subsidiary of a Debtor) commences (or supports) any action, including by filing any motion, application or other pleading, against or with respect any of the MLP Secured Parties, the MLP Secured Obligations (including challenging the validity, enforceability, perfection or priority of any lien securing any such obligation), the Prepetition Liens and/or the Prepetition Collateral, other than with the prior written consent of the MLP Required Lenders and, to the extent such action affects the individual rights of the MLP Agent, the MLP Agent;

(r) the MLP Debtors shall use Prepetition Collateral, including Cash Collateral in any manner inconsistent with the terms of this Interim Order and/or the Budget, unless such inconsistency is remedied within the Cure Period;

(s) the Court shall have entered an order invalidating, avoiding, disallowing, subordinating, limiting or recharacterizing, in any respect, any claim, lien, or interest of any MLP Secured Party arising under the MLP Loan Documents, unless the MLP Required Lenders and the MLP Agent have consented in writing in their sole discretion to the entry of such order;

(t) the Court shall have entered an order authorizing the appointment or election of a trustee (including a chapter 11 trustee), responsible officer, examiner (other than a fee examiner) or any other representative with expanded powers relating to the operation of the MLP Debtors' businesses in any of the MLP Debtors' Chapter 11 Cases, or any Debtor applies for, consents to, or acquiesces in (or fails to object to) any such appointment or election (as applicable), in each case, without the prior written consent of the MLP Required Lenders in their sole discretion;

(u) any MLP Debtor shall have filed a motion or application for the approval of any superpriority claim or any lien in any of the MLP Debtors' Chapter 11 Cases (other than such claim or lien granted or permitted pursuant to this Interim Order or a Final Order), which is *pari passu* with or senior to any of the Adequate Protection Liens, Adequate Protection Superpriority Claim or Prepetition Liens, without the prior written consent of the MLP Required Lenders in their sole discretion;

(v) other than with respect to the Carve Out, any MLP Debtor shall create or incur, or the Court enters an order granting, any claim or lien that is *pari passu* with or senior to any of the Prepetition Liens, MLP Secured Obligations, the Adequate Protection Liens or Adequate Protection Obligations (other than any such claim or lien granted or permitted pursuant to this Interim Order or any Final Order), without the prior written consent of the MLP Required Lenders in their sole discretion;

(w) unless otherwise agreed to in writing by the MLP Required Lenders in their sole discretion, the filing of a motion (other than the Sale Motion) for the sale or disposition of any material asset of any of the MLP Debtors other than in the ordinary course of business or with the prior written consent of the MLP Required Lenders in their sole discretion;

(x) any MLP Debtor files, proposes or otherwise supports any chapter 11 plan or sale of all or substantially all of any of the MLP Debtors' assets that is not in form and substance acceptable to the MLP Required Lenders;

(y) the MLP Debtors experience any circumstance, change, effect, event occurrence, state of facts or development, either alone or in combination that has had, or is reasonably likely to have a material adverse effect on the financial condition, business, assets, prospects or operations of the MLP Debtors taken as a whole; or

(z) the loss of any contracts following the date of entry of this Interim Order, which in the aggregate represent 1 million tons of annual production as reported in the MLP Debtors' business plan, dated July 31, 2018, unless such loss was already reflected in such business plan.

10. Remedies Upon the Termination Date. The MLP Debtors shall immediately provide notice to the MLP Ad Hoc Group and the MLP Agent (with a copy to lead counsel to the Creditor's Committee, if any, and the United States Trustee) of the occurrence of any Termination Event. During the Cure Period, to the extent applicable, the MLP Debtors shall be entitled to use Cash Collateral to the extent necessary to avoid immediate and irreparable harm to the MLP Debtors and otherwise consistent with the Budget and this Interim Order. Subject to the immediately preceding sentence, upon the expiration of the Cure Period (to the extent applicable)

and the occurrence of the Termination Date: (a) the MLP Debtors shall immediately cease using Prepetition Collateral, including Cash Collateral; (b) the Adequate Protection Obligations, if any, shall become due and payable; and (c) the MLP Agent and the other MLP Secured Parties may exercise the rights and remedies available under the MLP Loan Documents, this Interim Order, or applicable law, as applicable (subject only to the Carve Out), including, without limitation, (i) foreclosing upon and selling all or a portion of the Prepetition Collateral and/or Adequate Protection Collateral in order to collect and satisfy the Adequate Protection Obligations and MLP Secured Obligations, in accordance with this Interim Order, (ii) setting off and applying immediately any and all amounts in accounts maintained by or for the MLP Debtors against the Adequate Protection Obligations and MLP Secured Obligations owed to the MLP Secured Parties and otherwise enforcing rights against the Prepetition Collateral and Adequate Protection Collateral for application towards the MLP Secured Obligations and Adequate Protection Obligations, (iii) taking any and all actions necessary to take control of all amounts in accounts that serve as the Prepetition Collateral and Adequate Protection Collateral, and (iv) taking any other actions and/or exercising any other rights or remedies permitted under this Interim Order or applicable law to effect the repayment and satisfaction of the Adequate Protection Obligations and the MLP Secured Obligations owed to the MLP Secured Parties. The automatic stay under section 362 of the Bankruptcy Code is hereby deemed modified and vacated to the extent necessary to permit such actions. The rights and remedies of the MLP Secured Parties specified herein are cumulative and not exclusive of any rights or remedies that they may otherwise have. Any delay or failure of the MLP Agent or the other MLP Secured Parties to exercise rights under the MLP Loan Documents or this Interim Order shall not constitute a waiver of their respective rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument

executed in accordance with the terms of the applicable document. In any hearing regarding any exercise of rights or remedies, the only issues that may be raised by any of the MLP Debtors or the Creditors' Committee in opposition thereto shall be whether, in fact, the Termination Date shall have occurred, and each of the Debtors hereby waives any right to seek relief, including, without limitation, under Bankruptcy Code section 105, to the extent such relief would in any way impair or restrict the rights and remedies of the MLP Agent and the other MLP Secured Parties set forth in this Interim Order. Subject and subordinate only to the Carve Out and as otherwise set forth herein, the MLP Agent, on behalf and for the benefit of the MLP Secured Parties, shall be entitled to apply the payments or proceeds of the Prepetition Collateral and the Adequate Protection Collateral in accordance with the provisions of the MLP Loan Documents and this Interim Order. Notwithstanding the occurrence of the Termination Date or anything herein, all of the rights, remedies, benefits and protections provided to the MLP Secured Parties under this Interim Order shall survive the Termination Date. Notwithstanding anything to the contrary in this Interim Order, following termination of consensual use of Cash Collateral, including following the occurrence and continuation of a Termination Event, nothing shall limit the MLP Debtors' right to seek continued use of Cash Collateral on a nonconsensual basis and the MLP Secured Parties' rights to contest any such request. In any hearing related to such nonconsensual use of Cash Collateral, the MLP Debtors, and the MLP Secured Parties may raise, assert, prosecute, or otherwise advance any and all rights and arguments that could be asserted at such hearing.

11. Limitation on Charging Expenses Against Collateral. Subject to the entry of the Final Order, all rights to surcharge any Prepetition Collateral or Adequate Protection Collateral under section 506(c) of the Bankruptcy Code or any other applicable principle or equity or law shall be and are hereby finally and irrevocably waived, and such waiver shall be binding upon the

Debtors and all parties in interest in the Chapter 11 Cases. Neither the MLP Required Lenders' consent to the Budget nor anything else herein shall be deemed or construed as agreement by the MLP Secured Parties to be surcharged under section 506(c) or any other provision of the Bankruptcy Code or equitable doctrine.

12. Payments Free and Clear. Any and all payments or proceeds remitted to the MLP Agent and the other MLP Secured Parties pursuant to the provisions of this Interim Order or any subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment or other liability, including without limitation, subject to the entry of the Final Order, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) (whether asserted or assessed by, through or on behalf of the Debtors) or 552(b) of the Bankruptcy Code, and solely in the case of payments made or proceeds remitted after the delivery of a Carve Out Trigger Notice, subject to the Carve Out in all respects.

13. Bankruptcy Code Section 552(b). The MLP Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and, subject to the entry of the Final Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the MLP Secured Parties with respect to proceeds, products, offspring or profits of any of the Prepetition Collateral.

14. Reservation of Rights. Notwithstanding any other provision hereof, the grant of adequate protection to the MLP Secured Parties pursuant hereto is without prejudice to the rights of the MLP Secured Parties to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection with respect to Collateral Diminution from and after the Petition Date, and without prejudice to the right of the MLP Debtors or any other party in interest in the MLP Debtors' Chapter 11 Cases to contest any such

modification. The rights of the MLP Secured Parties are expressly reserved, and nothing herein shall be deemed to waive, modify, or otherwise impair, expressly or implicitly, (a) the rights of the MLP Secured Parties to seek any other or supplemental relief in respect of the Debtors, (b) the rights of the MLP Secured Parties under the MLP Loan Documents, the Bankruptcy Code or other applicable law, or in equity, including, without limitation the rights to (i) request modification of the automatic stay, (ii) request dismissal of any of the Chapter 11 Cases, conversion of any of the Chapter 11 Cases to a case under chapter 7, or appointment of a chapter 11 trustee, examiner or receiver, (iii) sell or foreclose on any Prepetition Collateral and/or Adequate Protection Collateral, or (iv) propose, subject to the provisions of Bankruptcy Code section 1121, a chapter 11 plan; (c) the rights of the MLP Secured Parties to bring or be heard on any matter in this Court; (d) the MLP Secured Parties' rights with respect to any person or entity, or with respect to any collateral owned or held by any person or entity; and (e) any other rights, claims or privileges (whether legal, equitable or otherwise) of the MLP Secured Parties.

15. Nothing contained herein shall be deemed a finding by the Court or an acknowledgement by the MLP Secured Parties that the adequate protection granted herein does in fact adequately protect the MLP Secured Parties against any diminution in value of their interests in the Prepetition Collateral.

16. Authorization to Effectuate Relief and Modification of Automatic Stay. The Debtors are authorized and directed to perform all acts and to make, execute and deliver any and all instruments as may be reasonably necessary to implement the terms and conditions of this Interim Order and the transactions contemplated hereby. The stay of section 362 of the Bankruptcy Code is hereby modified and vacated to the extent necessary to permit the Debtors and each of the

MLP Secured Parties to accomplish the transactions contemplated by this Interim Order and for any MLP Secured Party to take any other action in accordance with this Interim Order.

17. Perfection of Adequate Protection Liens.

(a) The MLP Secured Parties are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, depository account control agreements, notices of lien or similar instruments in any jurisdiction in order to validate and perfect the liens and security interests granted hereunder. Whether or not any MLP Secured Party, in its sole discretion, chooses to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute, contest, attack, objection, recoupment, defense, setoff, counterclaim, avoidance, recharacterization, reclassification, reduction, disallowance, recovery, disgorgement, attachment, “claim” (as defined in the Bankruptcy Code), impairment, subordination (whether equitable, contractual or otherwise) or other challenge of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law as of the date of entry of this Interim Order. If an MLP Secured Party determines to file or execute any financing statements, agreements, notice of liens or similar instruments, the Debtors will cooperate and assist in any such execution and/or filings as reasonably requested by such MLP Secured Party and the automatic stay shall be modified to allow such filings.

(b) A certified copy of this Interim Order may, in the discretion of the MLP Agent or any of the other MLP Secured Parties, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Interim Order for filing and recording; provided that, notwithstanding the date of any such filing, the date of such perfection shall be the date of entry of this Interim Order.

(c) For the avoidance of doubt and notwithstanding what is set forth in paragraph 17(a), without the necessity of the filing of financing statements, security agreements, federal or state notices, pledge agreements, recordings, mortgages or other documents or taking possession or control of any Prepetition Collateral or Adequate Protection Collateral, this Interim Order shall be sufficient evidence of the MLP Secured Parties’ perfected security interests and liens granted in the Prepetition Collateral and Adequate Protection Collateral pursuant to this Interim Order. Furthermore, notwithstanding the foregoing, the Debtors are authorized and directed to execute and deliver such documents including, without limitation, mortgages, pledges and Uniform Commercial Code financing statements and to use Cash Collateral to pay such costs and expenses as may be reasonably requested by the MLP Secured Parties to provide further evidence of the perfection of the MLP Secured Parties’ security interests and liens in the Prepetition Collateral and Adequate Protection Collateral as provided for herein. All such documents shall be deemed to have been recorded and filed as of the Petition Date.

18. Preservation of Rights Granted Under this Interim Order.

(a) Except as expressly provided in this Interim Order, no claim or lien having a priority senior to or *pari passu* with those granted by this Interim Order to the MLP Secured Parties shall be granted or allowed, and the Adequate Protection Liens shall not be subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Notwithstanding any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise entered at any time (x) the Adequate Protection Superpriority Claim, the other administrative claims granted pursuant to this Interim Order and the Adequate Protection Liens shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all Adequate Protection Obligations shall have been paid and satisfied in full in cash (and such Adequate Protection Superpriority Claim, the other claims granted pursuant to this Interim Order and the Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest); and (y) the Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (x) above.

(c) If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacatur shall not affect: (i) the validity, priority or enforceability of any Adequate Protection Obligations incurred prior to the actual receipt of written notice by the MLP Secured Parties, of the effective date of such reversal, stay, modification or vacatur; or (ii) the validity, priority or enforceability of the Adequate Protection Liens or Adequate Protection Superpriority Claim. Notwithstanding any such reversal, stay, modification or vacatur, any use of the Cash Collateral or any Adequate Protection Obligations incurred by the Debtors hereunder, as the case may be, prior to the actual receipt of written notice by the MLP Secured Parties of the effective date of such reversal, stay, modification or vacatur shall be governed in all respects by the original provisions of this Interim Order, and the MLP Secured Parties shall be entitled to all of the rights, remedies, privileges and benefits granted herein and to the protections afforded in section 363(m) of the Bankruptcy Code with respect to all uses of the Prepetition Collateral, including Cash Collateral and all Adequate Protection Obligations.

(d) Subject to paragraph 19 of this Interim Order, the adequate protection payments made pursuant to paragraph 7 this Interim Order shall not be subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance in the Chapter 11 Cases or any subsequent chapter 7 cases (other than a defense that the payment has actually been made).

(e) Except as expressly provided in this Interim Order, the Adequate Protection Obligations, the Adequate Protection Superpriority Claim and the Adequate Protection Liens and all other rights and remedies of the MLP Secured Parties granted by the provisions of this Interim Order shall survive, and shall not be modified, impaired or discharged by the entry of an order (i) converting any of the Chapter 11 Cases to a case

under chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases, or by any other act or omission or (ii) confirming a plan of reorganization in any of the Chapter 11 Cases, and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining Adequate Protection Obligations. The terms and provisions of this Interim Order shall continue in the Chapter 11 Cases, in any Successor Cases (as defined in paragraph 19, *infra*), if the Chapter 11 Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Adequate Protection Liens, the Adequate Protection Superpriority Claim, the other claims granted pursuant to this Interim Order, and all other rights and remedies of the MLP Secured Parties granted by the provisions of this Interim Order shall continue in full force and effect, including in any Successor Cases, until all Adequate Protection Obligations are indefeasibly paid in full in cash.

19. Effect of Stipulations. The stipulations, admissions and releases contained in this Interim Order, including, without limitation, those in paragraphs D and E, shall be binding upon the Debtors and their respective representatives, successors, and assigns in all circumstances. The stipulations and admissions contained in this Interim Order, including, without limitation, those in paragraphs D and E of this Interim Order, shall also be binding upon all other parties in interest, including any Statutory Committee or any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors (a "Trustee"), for all purposes unless and to the extent (a) such party (subject in all respects to any agreement or applicable law, which may limit or affect such entity's right or ability to do so), other than any Debtor, after obtaining standing to file an adversary proceeding (provided that any motion seeking such standing shall include any applicable adversary complaint), subject to the limitations contained herein, including, without limitation, in paragraph 20, has commenced an adversary proceeding by no later than the date that is seventy-five (75) days from the date of entry of this Interim Order (or, in the case of the Creditors' Committee, sixty (60) days from the date of the appointment of the Creditors' Committee (the "Challenge Period")) (x) challenging the amount, validity, enforceability, priority or extent of the MLP Secured Obligations or the Prepetition Liens, or (y) otherwise asserting any other claims, counterclaims, causes of action, objections, contests or defenses against any MLP Secured Party

on behalf of the MLP Debtors' estates ((x) and (y), collectively, the "Claims and Defenses"), and (b) the Court has entered an order (which becomes final and non-appealable) in favor of such party sustaining any such challenge or claim in any such duly filed adversary proceeding; provided that as to the Debtors and their respective representatives, successors, and assigns, all such Claims and Defenses are hereby irrevocably waived and relinquished effective as of the Petition Date. If no such adversary proceeding is timely filed by such party in interest that was granted the requisite standing prior to the expiration of the Challenge Period, without further action by any party or order of the Court: (1) the stipulations, admissions and releases contained in this Interim Order, including without limitation, in paragraphs D and E, shall be irrevocably binding on all parties in interest, including any Statutory Committee and any Trustee, and all successors and assigns of any of the foregoing; (2) the MLP Secured Obligations shall constitute allowed secured claims, not subject to counterclaim, setoff, subordination, recharacterization, defense, avoidance, contest, attack, objection, recoupment, reclassification, reduction, disallowance, recovery, disgorgement, attachment, "claim" (as such term is defined in the Bankruptcy Code), impairment, subordination (whether equitable, contractual or otherwise) or other challenge of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 case; (3) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, properly perfected, non-avoidable, enforceable and of the priority set forth in this Interim Order, not subject to counterclaim, setoff, subordination, recharacterization, defense, avoidance, contest, attack, objection, recoupment, reclassification, reduction, disallowance, recovery, disgorgement, attachment, "claim" (as such term is defined in the Bankruptcy Code), impairment, subordination (whether equitable, contractual or otherwise) or other challenge of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law;

and (4) the MLP Secured Obligations, the Prepetition Liens, and the MLP Secured Parties (and their respective agents, affiliates, parents, subsidiaries, partners, controlling persons, directors, officers, employees, representatives, attorneys, professionals and advisors) shall not be subject to any other or further challenge by any Statutory Committee or any other party in interest (and any of the successors or assigns of any of the foregoing), and any such Statutory Committee or party in interest and any of its respective successors and assigns shall be forever enjoined and barred from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a Trustee, whether such Trustee is appointed or elected prior to or following the expiration of the Challenge Period) or taking any such action. If any such adversary proceeding is timely filed by a party in interest who was granted the requisite standing prior to the expiration of the Challenge Period, the stipulations and admissions contained in this Interim Order, including without limitation, in paragraphs D and E of this Interim Order, shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any Statutory Committee and any other person, including any Trustee, except as to any such findings and admissions that were expressly challenged in such adversary proceeding. Nothing in this Interim Order vests or confers on any person, including any Statutory Committee (if any) or any Trustee, standing or authority to pursue any cause of action belonging to the Debtors or their estates. In the event that there is a timely successful challenge brought pursuant to this paragraph, the Court shall retain jurisdiction to fashion an appropriate remedy. The stipulations, admissions and releases contained in this Interim Order, including without limitation, in paragraphs D and E of this Interim Order, shall be binding upon the Debtors, their estates, all parties in interest in the Chapter 11 Cases and their respective successors and assigns, including any Trustee or other fiduciary appointed in the Chapter 11 Cases

or any subsequently converted bankruptcy case(s) of any Debtors, and shall inure to the benefit of the MLP Secured Parties and the Debtors and their respective successors and assigns (collectively, the “Successor Cases”).

20. Limitation on Use of Cash Collateral. The MLP Debtors shall use Prepetition Collateral, including Cash Collateral, solely as provided in this Interim Order. Notwithstanding anything in this Interim Order, no Prepetition Collateral, including Cash Collateral or any portion of the Carve Out, may be used, directly or indirectly to: (a) investigate, object to, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of the MLP Secured Obligations, or the liens or claims granted under this Interim Order or the MLP Loan Documents, including the Prepetition Liens; (b) investigate, assert or prosecute any Claims and Defenses against any of the MLP Secured Parties or their respective predecessors-in-interest, agents, affiliates, representatives, attorneys or advisors; (c) seek to modify any of the rights granted to the MLP Secured Parties hereunder; (d) pay any amount on account of any claims arising prior to the Petition Date unless such payments are in accordance with the Budget and approved by an order of the Court; (e) hinder, or otherwise delay the MLP Secured Parties’ assertion, enforcement, or realization on the MLP Secured Obligations, Cash Collateral, the Prepetition Liens, the Adequate Protection Obligations, the Adequate Protection Superpriority Claim or the Adequate Protection Liens in accordance with the Interim Order; or (f) apply to the Court for authority to approve superpriority claims or grant liens in the Prepetition Collateral or Adequate Protection or of each of the foregoing, that are senior to, or on parity with, the Adequate Protection Liens, Adequate Protection Superpriority Claim or Prepetition Liens, unless all MLP Secured Obligations, Adequate Protection Obligations and claims of the MLP Secured Parties under this Interim Order and any Final Order have been refinanced or paid in full in cash; provided that notwithstanding

anything to the contrary herein, no more than \$50,000 of the Prepetition Collateral in the aggregate may be used by the Creditors' Committee (if any) only to investigate but not prepare, initiate, or prosecute any Claims and Defenses against any of the MLP Secured Parties prior to the termination of the Challenge Period.

21. Payments of Certain Prepetition Amounts. Notwithstanding anything in this Interim Order, the Budget or any other order, no payment on account of any claim arising prior to the Petition Date to any individual creditor (other than the MLP Secured Parties) in excess of \$350,000 shall be made by or on behalf of any MLP Debtor without the prior consent of the MLP Required Lenders in their sole discretion, which consent shall be deemed to have been given if the MLP Required Lenders have not objected to such payment within four (4) business days of receiving written notice (electronic mail notice being sufficient) of any such proposed payment.

22. Reservation of Rights Regarding Allocation. All parties in interest (including the MLP Secured Lenders, the MLP Debtors, the WCC Debtors, the WCC Debtors' stakeholders, and any non-Debtor affiliate) expressly reserve the right to challenge any expense, liability, or claim (including any expense, liability or claim listed in the Budget) allocated or charged to the MLP Debtors by any of the WCC Debtors, any of the non-Debtor affiliates or otherwise.

23. Binding Effect; Successors and Assigns. The provisions of this Interim Order, including all findings herein, shall be binding upon all parties in interest in the Chapter 11 Cases, including without limitation, the MLP Secured Parties, any Statutory Committee, and the Debtors and their respective successors and assigns (including any Trustee hereinafter appointed or elected for the estate of any Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors), and shall inure to the benefit of the

MLP Secured Parties and the Debtors and their respective successors and assigns; provided that except to the extent expressly set forth in this Interim Order, the MLP Secured Parties shall have no obligation to permit the use of the Prepetition Collateral or extend any financing to any Trustee or similar responsible person appointed for the estate of any Debtor. For all adequate protection and stay relief purposes throughout the Debtors' Chapter 11 Cases, the MLP Secured Parties shall be deemed to have requested relief from the automatic stay and adequate protection as of the Petition Date.

24. Limitation of Liability. In permitting the MLP Debtors' use of the Prepetition Collateral, including Cash Collateral, or in exercising any rights or remedies as and when permitted pursuant to this Interim Order, subject to entry of the Final Order, the MLP Secured Parties shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of any of the Debtors (as such terms, or any similar terms, are used in the Internal Revenue Code, CERCLA or any other federal or state statute), nor shall they owe any fiduciary duty to any of the Debtors, their creditors or estates or constitute or be deemed to constitute a joint venture or partnership with any of the Debtors. Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon the MLP Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section 101(2) of the Bankruptcy Code).

25. No Modification of Interim Order. Each Debtor irrevocably waives any right to seek any amendment, modification or extension of this Interim Order without the prior written consent of the MLP Required Lenders in their sole discretion, and no such consent shall be implied by any action, inaction or acquiescence of the MLP Required Lenders.

26. No Marshalling. The MLP Secured Parties shall not be subject to the equitable doctrine of “marshalling” or any other similar doctrine with respect to any of the Prepetition Collateral (including Cash Collateral) or otherwise.

27. Headings. The headings in this Interim Order are for purposes of reference only and shall not limit or otherwise affect the meaning of this Interim Order.

28. Effectiveness. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry hereof, and there shall be no stay of execution of effectiveness of this Interim Order. To the extent that any finding of fact shall be determined to be a conclusion of law it shall be so deemed and vice versa.

29. Proofs of Claim. No MLP Secured Party will be required to file proofs of claim in any of the Chapter 11 Cases or in any Successor Cases. Any order entered by the Court in relation to the establishment of a bar date for filing any claim (including without limitation, administrative claims) in any of the Chapter 11 Cases or Successor Cases shall not apply to any of the MLP Secured Parties, including with respect to the MLP Secured Obligations under the MLP Loan Documents and/or the Adequate Protection Obligations. The Prepetition Liens, Adequate Protection Liens, Adequate Protection Superpriority Claim, other liens, interests, rights, priorities and protections granted to, or in favor of the MLP Secured Parties, as set forth in this Interim Order and in the applicable MLP Loan Documents, and the Debtors’ stipulations contained in this Interim Order shall be deemed a timely filed and valid proof of claim by and on behalf of the MLP Secured Parties in each of these Chapter 11 Cases, and none of the MLP Secured Parties shall be required to file a proof of claim with respect thereto. Notwithstanding any order entered by the Court in relation to the establishment of a bar date for filing a claim (including without limitation, administrative claims) in any of the Chapter 11 Cases or Successor Cases to the contrary, the MLP

Agent, on behalf and for the benefit of the MLP Secured Parties (i) is hereby authorized and entitled, in its sole discretion, but not required, to file (and amend and/or supplement, as it sees fit) a single, master consolidated proof of claim in respect of the MLP Secured Obligations (including, without limitation, in respect of all guarantees by any of the Debtors of such MLP Secured Obligations), the Adequate Protection Obligations, and any claim granted in this Interim Order, in the Debtors' lead Chapter 11 Case *In re Westmoreland Coal Company*, et al. (Case No. 18-[] []), which master proof of claim shall be deemed a valid, timely and properly filed proof of claim against each applicable Debtor in its Chapter 11 Case and/or its Successor Case and (ii) shall not be required to file any agreements, documents, or other instruments evidencing such MLP Secured Obligation, Adequate Protection Obligations and/or any claim granted in this Interim Order with such master proof of claim. Any master proof of claim filed by the MLP Agent shall be deemed to be in addition to, and not in lieu of, any other proof of claim that may be filed by any of the other MLP Secured Parties at such party's election; provided that no such MLP Secured Party is required to file any such proof of claim.

30. Final Hearing. The Final Hearing on the Motion is scheduled for [], 2018, at [] p.m., prevailing Central Time before the Court. The Debtors shall promptly mail copies of this Interim Order to the parties having been given notice of the Interim Hearing and to any other party which has filed a request for notices with the Court. Any party in interest objecting to the relief sought at the Final Hearing shall submit any such objection in writing and file same with the Court (with a courtesy copy to Chambers) and serve such objection on the following parties so as to be received no later than 4:00 p.m. (Central Time) on [], 2018: (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 LLP, 1401 McKinney Street, Suite 1900, Houston, Texas 77010, Attn: Patricia B. Tomasco; (d) counsel to the Conflicts Committee of the Board of Directors for Westmoreland Resource Partners GP, LLC, Jones Day, Attn.: Timothy Hoffman and Heather Lennox; (e) counsel to the MLP Agent, Seward & Kissel LLP, One Battery Park Plaza, New York, New York 10004 Attn: John R. Ashmead and Gregg S. Bateman; (f) counsel to the MLP Ad Hoc Group, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: David M. Hillman and Kristine Manoukian, and co-counsel to the MLP Ad Hoc Group, Jones Walker LLP, 811 Main Street, Suite 2900, Houston, Texas 77002, Attn.: Joseph E. Bain; (g) counsel to any statutory committee appointed in these cases; and (h) Office of The United States Trustee, 515 Rusk Street Houston, Texas 77002.

31. Controlling Effect of Interim Order. To the extent any provision of this Interim Order conflicts or is inconsistent with any provision of the Motion, the provisions of this Interim Order shall control to the extent of such conflict.

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

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

IT IS SO ORDERED.

Dated: _____, 2018
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Budget

WMLP
DRAFT Weekly Budget Forecast
 As of October 08, 2018

\$000's	Filing														13 Week Total
	Fcst Week 1 10/12/2018	Fcst Week 2 10/19/2018	Fcst Week 3 10/26/2018	Fcst Week 4 11/2/2018	Fcst Week 5 11/9/2018	Fcst Week 6 11/16/2018	Fcst Week 7 11/23/2018	Fcst Week 8 11/30/2018	Fcst Week 9 12/7/2018	Fcst Week 10 12/14/2018	Fcst Week 11 12/21/2018	Fcst Week 12 12/28/2018	Fcst Week 13 1/4/2019		
Receipts															
Total Receipts	994	13,350	1,809	1,912	3,388	14,467	3,280	2,747	2,911	14,959	3,318	2,027	3,725	68,889	
Operating Disbursements															
Total Operating Disbursements	(2,781)	(4,119)	(3,462)	(4,898)	(7,523)	(2,505)	(2,912)	(4,022)	(1,696)	(1,481)	(1,860)	(4,387)	(2,470)	(39,779)	
Net Intercompany Activity	(1,404)	(1,700)	(975)	-	(1,900)	(1,700)	(1,900)	511	(1,900)	647	(3,600)	647	(1,900)	(15,174)	
Net Operating Cash Flow	(3,191)	7,531	(2,628)	(2,986)	(6,035)	10,262	(1,532)	(764)	(685)	14,125	(2,142)	(1,712)	(645)	9,600	
Non Operating Activity															
Total Legacy Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restructuring and Other Non Operating Expenses	(995)	(945)	(945)	(2,870)	(709)	(709)	(709)	(709)	(2,624)	(709)	(709)	(709)	(1,916)	(15,256)	
Total Non Operating Activity	(995)	(945)	(945)	(2,870)	(709)	(709)	(709)	(709)	(2,624)	(709)	(709)	(709)	(1,916)	(15,256)	
Net Cash Flow	(4,186)	6,586	(3,573)	(5,856)	(6,743)	9,553	(2,241)	(1,473)	(3,309)	13,416	(2,851)	(2,421)	(2,560)	(5,656)	
Liquidity Summary															
Bank Cash															
Beginning Cash	22,714	18,528	25,114	21,541	15,686	8,942	18,496	16,255	14,782	11,474	24,890	22,039	19,619	22,714	
Net Cash Flow	(4,186)	6,586	(3,573)	(5,856)	(6,743)	9,553	(2,241)	(1,473)	(3,309)	13,416	(2,851)	(2,421)	(2,560)	(5,656)	
Ending Cash Balance	18,528	25,114	21,541	15,686	8,942	18,496	16,255	14,782	11,474	24,890	22,039	19,619	17,059	17,059	

Exhibit B

Sale Protocol

I. General

- A. The MLP Debtors shall conduct a marketing process for the sale of their assets and shall retain Lazard (and such retention shall continue during the bankruptcy case) to administer that process pursuant to that certain amended engagement letter, dated as of May 1, 2018.
- B. There shall be an Oversight Committee consisting of:
1. One representative of WCC;
 2. the chief restructuring officer of the WCC Debtors (the representatives in clauses (1) and (2), collectively, the “Company Representatives”); and
 3. one representative from the MLP Conflicts Committee.
- C. To the extent a potential or actual conflict of interest arises between the MLP and WCC (as determined by the MLP Conflicts Committee), the Company Representatives shall be recused from the Oversight Committee in respect of the applicable matters for which there is a potential or actual conflict of interest.
- D. For the avoidance of doubt, if any WCC Debtor submits a bid for some or all of the assets of any of the MLP Debtors, or announces an intent to submit such a bid, then, from and after such submission or announcement, the Company Representatives shall be recused from the Oversight Committee until such bid is irrevocably withdrawn.
- E. It shall be the responsibility of the Oversight Committee to interact with Lazard in the day-to-day administration of the marketing process, including in monitoring the status of the marketing process and reviewing and negotiating bids received; provided, however, that if any WCC Debtor submits a bid for some or all of the MLP Assets, the Company Representatives shall be recused from the Oversight Committee if any WCC Debtor has bid outstanding, until such bid is irrevocably withdrawn.
- F. The Oversight Committee and the MLP Conflicts Committee, and their respective representatives and advisors (as applicable), shall fully cooperate and periodically consult with the MLP Required Lenders and their representatives and advisors regarding the marketing process, and Lazard shall participate in at least a weekly status update call (during normal business hours) with HL regarding, among other things:
1. status of the MLP Debtors’ business plan;
 2. status of data room and diligence established or to be established by Lazard in connection with the sale(s);
 3. status of confidential information memorandum;
 4. identification of potential bidder(s);

5. information requests from potential bidder(s);
 6. communications with potential bidder(s); and/or
 7. any other relevant developments in the sale and marketing process.
- G. Pursuant to Section III.B.2.b.vi of the Charter of the Conflicts Committee, adopted as of February 18, 2015, the Conflicts Committee shall review and approve any sale of all or substantially all of the assets of the MLP Debtors.
- H. Pursuant to Section 7.9 of the Fourth Amended and Restated Agreement of Limited Partnership of the MLP (as it may be further amended, the “Partnership Agreement”), the Conflicts Committee shall review and approve any sale of any of the assets of the MLP Debtors to WCC or another affiliate of the MLP Debtors (including the MLP Secured Lenders to WCC if they seek to purchase any of the MLP Debtors’ assets through an acquisition vehicle).
- I. Pursuant to Section 7.1(a)(iii) of the Partnership Agreement, the Board of Directors of the GP shall review and approve any sale of less than substantially all of the assets of the MLP Debtors if such sale is not to WCC or another affiliate of the MLP Debtors (including the lenders to WCC if they seek to purchase any of the MLP Debtors’ assets through an acquisition vehicle).⁹
- J. Notwithstanding anything to the contrary contained herein, the MLP Conflicts Committee and the Board of the Directors of the GP (as applicable) shall consult with the MLP Required Lenders prior to approving any sale of any of the assets of an MLP Debtor (other than a sale to the MLP Secured Lenders).

II. **Information Flow/Data Room**

- A. A member of Alvarez & Marsal (the “A&M Representative”) has been assigned to work exclusively on MLP Debtors’ matters, including with respect to executing the information flow from the MLP’s affiliates to the MLP. The A&M Representative shall assist Lazard in populating a data room for the MLP Debtors’ sale process and shall assist in timely fulfilling information requests from any potential bidder for the MLP Assets as requested by Lazard.
- B. WCC and management of the MLP shall work cooperatively with the A&M Representative and Lazard to reasonably promptly fulfill any data or other information requests related to the sale of the MLP Assets.
- C. The Debtors shall consult and cooperate with Lazard and HL to develop, refine and/or finalize the business plan for the MLP Debtors, as applicable.

⁹ This sale protocol is not intended to alter the terms of the Charter of the Conflicts Committee, the Partnership Agreement (as defined below), or any other governing documents of the MLP, the GP, WCC, or their respective affiliates. To the extent of any conflict between the terms of this sale protocol, on the one hand, and the terms of any such governing document, on the other, the terms of the governing document shall control, except as it relates to the rights of the MLP Secured Lenders, in which case this sale protocol shall control.

- D. The Debtors' management shall work cooperatively with the A&M Representative and Lazard shall promptly schedule management presentations or site visits as may be reasonably requested by any interested parties in the MLP Assets, subject to such party signing a customary and applicable non-disclosure agreement.
- E. None of WCC or any of its affiliates or any of their employees, officers, directors, consultants or advisors shall share any non-public information regarding any aspect of the sale process for the MLP Assets (which, for the avoidance of doubt, excludes the Haystack and Buckingham assets) with any of WCC's creditors or other stakeholders without first receiving the prior written consent of the MLP Conflicts Committee.
- F. To assist in facilitating a sale of the MLP Assets, the MLP Debtors shall cause the WCC Debtors to keep the MLP Conflicts Committee, management of the MLP Debtors, and any potential buyer (including the MLP Required Lenders) informed regarding (i) the WCC Debtors' negotiations with the applicable authorized representatives of the applicable employees and the applicable retirees regarding potential modifications to the CBA, particularly with respect to defined benefit pension and retiree welfare benefits, and (ii) absent an agreement with the applicable authorized representatives of such employees and such retirees, the WCC Debtors' motions pursuant to sections 1113 and 1114 of the Bankruptcy Code for the rejection of the CBA and the modification of the applicable retiree benefits, respectively. Any potential interested party (including the current MLP Required Lenders) may condition its/their decision to purchase the MLP Assets upon certain modifications to the CBA.

Exhibit B

Campagna Declaration

**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)

**DECLARATION OF
ROBERT A. CAMPAGNA IN SUPPORT OF THE
EMERGENCY MOTION OF WESTMORELAND
RESOURCE PARTNERS, LP AND CERTAIN
DEBTOR AFFILIATES FOR THE ENTRY OF INTERIM
AND FINAL ORDERS (I) AUTHORIZING MLP DEBTORS TO
USE CASH COLLATERAL PURSUANT TO 11 U.S.C. §363, (II) GRANTING
CERTAIN PROTECTIONS TO PREPETITION LENDERS PURSUANT TO
11 U.S.C. §§ 105, 361, 362, 363, AND 507, AND (IV) SCHEDULING FINAL HEARING**

I, Robert A. Campagna, declare as follows under penalty of perjury under 28 U.S.C. § 1746:

1. I am a Managing Director and Co-Head of the Eastern Region Restructuring Practice at Alvarez & Marsal North America, LLC (“A&M”), a restructuring advisory services firm with numerous offices throughout the country and a restructuring advisor to the above-captioned debtors and debtors in possession (collectively, the “Debtors”).

2. I am intimately familiar with the Debtors day-to-day operations, business affairs, financial performance, and restructuring efforts. The Debtors engaged A&M in February 2018 to provide restructuring advisory and consulting services to the Debtors. I have assisted the Debtors

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.

in a variety of tasks, including, but not limited to: (i) developing forecasts and business plans; (ii) monitoring and managing cash, cash flow, and supplier relationships; (iii) assessing and recommending cash conservation strategies; and (iv) providing general support with respect to the Debtors' restructuring effort.

3. I submit this declaration in support of the relief requested in the *Emergency Motion of Westmoreland Resource Partners, LP and Certain Debtor Affiliates for the Entry of Interim and Final Orders (I) Authorizing MLP Debtors to Use Cash Collateral Pursuant to 11 U.S.C. §363, (II) Granting Certain Protections to Prepetition Lenders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 507, and (III) Scheduling Final Hearing* (the "Motion")² filed with this Court on the date hereof (the "Petition Date"). Unless otherwise indicated, all facts set forth in this declaration are based upon (a) my personal knowledge of the Debtors' current operations and financial performance, (b) information learned from my review of relevant documents, and (c) information I have received from members of the Debtors' management or advisors and/or employees of A&M working directly under my supervision, direction, or control.

4. I am authorized to submit this declaration on behalf of the Debtors, and, if I were called upon to testify, I could and would testify competently to the facts set forth herein.

Qualifications

5. A&M is a preeminent restructuring consulting firm with extensive experience and an excellent reputation for providing high quality, specialized management and restructuring advisory services to debtors and distressed companies. Specifically, A&M's core services include turnaround advisory services, interim and crisis management, revenue enhancement, claims management, and creditor and risk management advisory services. A&M provides a wide range

² Capitalized terms used but not defined herein have the meaning ascribed to them in the Motion or the Interim Order (as defined herein), as applicable.

of debtor advisory services targeted at stabilizing and improving a company's financial position, including: developing or validating forecasts, business plans and related assessments of strategic position; monitoring and managing cash, cash flow and supplier relationships; assessing and recommending cost reduction strategies; and designing and negotiating financial restructuring packages. Additionally, A&M provides advice on specific aspects of the turnaround process and helps manage complex constituency relations and communications. A&M is known for its ability to work alongside company management and key constituents during chapter 11 restructurings to develop a feasible and executable plan of reorganization.

6. I graduated from Bucknell University with a bachelor's degree in business administration. I have over 25 years of distressed company advisory experience. I have advised clients in debt restructuring, loan workouts, bankruptcies, corporate turnarounds, complex litigation, and fraud investigations. I have previously served as an advisor to many companies across a wide range of industries, including Payless ShoeSource, Alpha Natural Resource, Inc., GT Advanced Technologies Inc., and Cengage Learning, Inc.

Key Considerations Regarding Cash Collateral

7. The Debtors retained A&M to provide assistance in connection with the Debtors' evaluation of their cash management system, financial forecasting, and contingency planning. From the outset of A&M's retention, I worked closely with the Debtors' management and their other advisors to evaluate the Debtors' liquidity and cash needs in the event of a chapter 11 filing.

8. Pursuant to the Motion, the MLP Debtors seek entry of interim and final orders (the "Cash Collateral Orders") authorizing the MLP Debtors to access Cash Collateral and provide adequate protection to the MLP Secured Lenders. Importantly, the MLP Secured Lenders consent to the MLP Debtors' use of their Cash Collateral on the terms and conditions set forth in the Cash

Collateral Orders and the Budget. The relief requested in the Interim Order attached as **Exhibit A** to the Motion clearly delineates the cash collateral needs of the MLP Debtors and the adequate protection to be provided to the MLP Secured Lenders. In addition, a summary form of the Budget (a detailed form of which was approved by the MLP Required Lenders) is attached as **Exhibit A** to the Interim Order.

9. Immediate access to Cash Collateral is critical for the MLP Debtors' successful transition into chapter 11. Among other things, Cash Collateral is essential to (a) meet working capital and business operating needs, (b) fund the administration of these chapter 11 cases, and (c) enable the MLP Debtors to pursue their sale process. More specifically, access to Cash Collateral will allow the MLP Debtors to fund operational expenses, including the operating, engineering and general and administrative employee services provided by Westmoreland Resource Partners GP, LLC, procure goods and services integral to their ongoing business operations, and allow the MLP Debtors to maintain favorable relationships with their vendors, suppliers, service providers and customers. Failure to obtain access to Cash Collateral will result in immediate and irreparable harm to the MLP Debtors and their stakeholders, and will diminish the value of the MLP Debtors' estates. The MLP Debtors, with the assistance of their advisors, developed the Budget governing their use of Cash Collateral during the period for which the Budget was prepared. The Budget contains line items for each category of cash flow anticipated to be received or disbursed during this period. I believe that the Budget includes all reasonable, necessary, and foreseeable expenses to be incurred in connection with the operation of the MLP Debtors' business for the period set forth in the Budget. Further, I believe that the Budget establishes that the MLP Debtors will have adequate liquidity during this period. Both the Budget and the terms of the Interim Order are a product of extensive negotiations conducted in good faith

and at arm's length among the MLP Debtors, the WCC Debtors, and the MLP Required Lenders. I believe that the terms of the Interim Order (and the MLP Debtors use of Cash Collateral thereunder) are fair and reasonable, and reflect the MLP Debtors' exercise of prudent business judgment.

10. Because the MLP Debtors' access to Cash Collateral is fundamental to the MLP Debtors' continued business operations and the success of these chapter 11 cases, I believe the relief requested in the Cash Collateral Orders is necessary and appropriate to avoid immediate and irreparable harm to the MLP Debtors' estates, and should be approved by this Court.

[The remainder of the page is intentionally blank.]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: October 9, 2018
Houston, Texas

/s/ Robert A. Campagna
Robert A. Campagna
Managing Director
Alvarez & Marsal North America, LLC

Exhibit C

**Attorney Checklist Concerning Motion
and Order Pertaining to Use of Cash Collateral**

CHECKLIST FOR LENGTHY MOTIONS AND ORDERS PERTAINING TO CASH COLLATERAL AND POST-PETITION FINANCING

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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

ATTORNEY CHECKLIST CONCERNING MOTIONS AND ORDERS PERTAINING TO USE OF CASH COLLATERAL AND POST-PETITION FINANCING (WHICH ARE IN EXCESS OF TEN (10) PAGES)

Motions and orders pertaining to cash collateral and post-petition financing matters tend to be lengthy and complicated. Although the Court intends to read such motions and orders carefully, it will assist the Court if counsel will complete and file this checklist. All references are to the Bankruptcy Code (§) or Rules (R).

PLEASE NOTE:

- “*” Means generally not favored by Bankruptcy Courts in this District.
- “**” Means generally not favored by Bankruptcy Courts in this District without a reason and a time period for objections.

If your motion or order makes provision for any of the following, so indicate in the space provided:

CERTIFICATE BY COUNSEL

This is to certify that the following checklist fully responds to the Court’s inquiry concerning material terms of the motion and/or proposed order:

Yes, at Page/Exhibit
Y means yes; N means no
N/A means not applicable
(Page Listing Optional)

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.

1. Identification of Proceedings:
 - (a) Preliminary or final motion/order (circle one)..... N/A
 - (b) Continuing use of cash collateral (§ 363)..... Y
 - (c) New financing (§ 364)..... N
 - (d) Combination of §§ 363 and 364 financing N
 - (e) Emergency hearing (immediate and irreparable harm) Y

2. Stipulations:
 - (a) Brief history of debtor’s businesses and status of debtor’s prior relationships with lender..... Y
 - (b) Brief statement of purpose and necessity of financing..... Y
 - (c) Brief statement of type of financing (i.e., accounts receivable, inventory)... Y
 - (d) Are lender’s pre-petition security interest(s) and liens deemed valid, fully perfected and non-avoidable..... Y
 - (i) **Are there provisions to allow for objections to above?** Y
 - (e) Is there a post-petition financing agreement between lender and debtor? N
 - (i) **If so, is agreement attached?** N/A
 - (f) Is there is an agreement that lender’s post-petition security interests and liens deemed valid, fully perfected and non-avoidable? Y
 - (g) Is lender undersecured or oversecured (circle one) N/A
 - (h) Has lender’s non-cash collateral been appraised? N
 - (i) **Insert date of latest appraisal** N/A
 - (i) Is debtor’s proposed budget attached?..... Y
 - (j) Are all pre-petition loan documents identified? Y
 - (k) Are pre-petition liens on single or multiple assets?(circle one) N/A
 - (l) Are there pre-petition guaranties of debt? Y
 - (i) **Limited or unlimited? (circle one)**..... N/A

3. Grant of Liens:
 - (a) Do post-petition liens secure pre-petition debts?..... N
 - (b) Is there cross-collaterization? N
 - (c) Is the priority of post-petition liens equal to or higher than existing liens? .. N
 - (d) Do post-petition liens have retroactive effect? N
 - (e) Are there restrictions on granting further liens or liens of equal or higher priority?..... Y
 - (f) Is lender given liens on claims under §§ 506(c), 544-50 and §§ 522? N
 - (i) **Are lender’s attorneys fees to be paid?**..... Y

- (ii) Are debtor’s attorneys fees excepted from § 506(c)? Y
- (g) Is lender given liens upon proceeds of causes of action under §§ 544, 547 and 548?..... Y

- 4. Administrative Priority Claims:
 - (a) Is lender given an administrative priority? Y
 - (b) Is administrative priority higher than § 507(a)? Y
 - (c) Is there a conversion of pre-petition secured claim to post-petition administrative claim by virtue of use of existing collateral?..... N

- 5. Adequate Protection (§361):
 - (a) Is there post-petition debt service? Y
 - (b) Is there a replacement/addition 361(~~l~~) lien? (circle one or both)..... Y
 - (c) Is the lender’s claim given super-priority? (§ 364(c) or (d)) [designate] N
 - (d) Are there guaranties? Y
 - (e) Is there adequate Insurance coverage? Y
 - (f) Other? Y

Debtors’ comment: MLP Agent, advisors to the MLP Secured Parties, and the MLP Ad Hoc Group will be paid under the Interim Order.

- 6. Waiver/Release Claims v. Lender:
 - (a) Debtor waives or release claims against lender, including, but not limited to, claims under §§ 506(c), 544-550, 552, and 553 of the Code?..... Y
 - (b) Does the debtor waive defenses to claim or liens of lender?..... Y

- 7. Source of Post-Petition Financing (§ 364 Financing):
 - (a) Is the proposed lender also the pre-petition lender? N/A
 - (b) New post-petition lender?..... N/A
 - (c) Is the lender an insider? N/A

- 8. Modification of Stay:
 - (a) Is any modified lift of stay allowed? Y
 - (b) Will the automatic stay be lifted to permit lender to exercise self-help upon default without further order?..... Y
 - (c) Are there any other remedies exercisable without further order of court? Y
 - (d) Is there a provision that any future modification of order shall not affect status of debtor’s post-petition obligations to lender?..... Y

- | | | |
|-----|--|------------|
| 9. | Creditors' Committee: | |
| | (a) Has creditors' committee been appointed? | <u>N</u> |
| | (b) Does creditors' committee approve of proposed financing? | <u>N/A</u> |
| 10. | Restrictions on Parties in Interest: | |
| | (a) Is a plan proponent restricted in any manner, concerning modification of lender's rights, liens and/or causes? | <u>N</u> |
| | (b) Is the debtor prohibited from seeking to enjoin the lender in pursuit of rights? | <u>Y</u> |
| | (c) Is any party in interest prohibited from seeking to modify this order? | <u>N</u> |
| | (d) Is the entry of any order conditioned upon payment of debt to lender? | <u>Y</u> |
| | (e) Is the order binding on subsequent trustee on conversion? | <u>Y</u> |
| 11. | Nunc Pro Tunc: | |
| | (a) Does any provision have retroactive effect? | <u>Y</u> |
| 12. | Notice and Other Procedures: | |
| | (a) Is shortened notice requested? | <u>Y</u> |
| | (b) Is notice requested to shortened list? | <u>N</u> |
| | (c) Is time to respond to be shortened? | <u>Y</u> |
| | (d) If final order sought, have 15 days elapsed since service of motion pursuant to Rule 4001(b)(2)? | <u>N/A</u> |
| | (e) If preliminary order sought, is cash collateral necessary to avoid immediate and irreparable harm to the estate pending a final hearing? | <u>Y</u> |
| | (f) Is a Certificate of Conference included? | <u>N</u> |
| | (g) Is a Certificate of Service included? | <u>Y</u> |
| | (h) Is there verification of transmittal to U.S. Trustee included pursuant to Rule 9034? | <u>Y</u> |
| | (i) Has an agreement been reached subsequent to filing motion? | <u>N/A</u> |
| | (i) If so, has notice of the agreement been served pursuant to Rule 4001(d)(4)? | <u>N/A</u> |
| | (ii) Is the agreement in settlement of motion pursuant to Rule 4001(d)(4)? | <u>N/A</u> |
| | (iii) Does the motion afford reasonable notice of material provisions of agreement pursuant to Rule 4001(d)(4)? | <u>N/A</u> |
| | (iv) Does the motion provide for opportunity for hearing pursuant to Rule 9014? | <u>N/A</u> |

**CHECKLIST FOR LENGTHY MOTIONS AND ORDERS PERTAINING TO CASH
COLLATERAL AND POST-PETITION FINANCING**

Houston, Texas
October 9, 2018

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